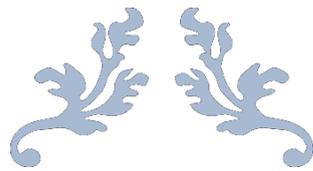


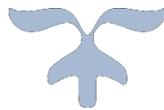
Leks Concise Guide to

TRADEMARK LAW

in Indonesia



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September 2016

ISBN 978-602-74731-1-9



Leks Concise Guide to Trademark Law in Indonesia

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ISBN : 978-602-74731-1-9

Publisher

Leks&Co

Cover Design & Layout

Leks&Co

Editor :

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First Edition, September 2016

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PREFACE

The Indonesian trademark law is regulated under Law No. 15 of 2001 on Mark (“**Law No. 15/2001**”), that was enacted on 1 August 2001. The Law No. 15/2001 still adopts the traditional trademark. This makes Indonesia different from other jurisdictions who have adopted the non-traditional trademark. Recently, the draft bill on mark has adopted the non-traditional trademark, by admitting sound, three-dimension, and hologram trademark as the trademark. To date, the draft bill is still under discussion in the Indonesia’s House of People’s Representative (DPR). If the DPR passes the draft bill, then it will be the first trademark law that adopts the non-traditional trademark in Indonesia.

Over 15 years from the enactment of Law No. 15/2011, the Directorate General of Intellectual Property have implemented many ways to increase the quality of trademark registration system, among others by implementing the electronic registration system, in order to reduce the number of backlog in the Trademark Office. This guideline contains brief of Law No. 15/2011, and the registration procedures of trademark in Indonesia. This guideline is very useful for a companies, entrepreneurs, legal practitioners and intellectual property consultants, who deal with the trademark.

This guideline is not perfect. If the readers have input or suggestions over this guideline, please feel free to send it to query@lekslawyer.com. We will use the input to make this guideline better and more beneficial to the readers.

September 2016

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I. **General Provisions of Trademark**

Law Number 15 of 2001 on Mark (“**Trademark Law**”) defines trademark as a sign in the form of a picture, name, word, letters, numerals, compositions of colors, or a combination of those elements, which has a distinguishing feature and is used in trading of goods or services. The right of trademark is an exclusive right granted by the State to the owner of a trademark which is registered in the general register of trademark for a certain period of time, for the owner to use the trademark or to grant permission to another party to use it. Trademark cannot be registered on the basis of application by a bad faith applicant.

Under Trademark Law, a trademark cannot be registered if containing one of the following elements:

- a. contravene prevailing rules and regulations, morality or public order;
- b. lack distinctive character;
- c. have become public property; or
- d. constitute information, or are related to the goods or services for which registration is sought.

The Directorate General of Intellectual Property (“**Directorate General**”) shall refuse the application if the trademark:

- a. is similar, in whole or in essential part, to another’s trademark which has previously been registered for identical goods or services;
- b. is similar, in whole or in essential part, to another’s well-known trademark for identical goods or services;
- c. is similar, in whole or in essential part, to a known geographical indication;
- d. constitutes or resembles the name or portrait of a famous person, or the name of another’s legal entity, unless the relevant person has consented in writing;
- e. imitates or resembles the name or abbreviation, flag, coat of arms, symbol or emblem of a state or of a national or international institution, unless the competent authority has consented in writing; or
- f. imitates or resembles an official sign, seal or stamp used by a state or a government institution, unless the competent authority has consented in writing.

II. Registration of Trademark

Application of Trademark Registration

The application of trademark registration shall be filed in writing using Indonesian language to the Directorate General by stating:

- a. the date, month and year;
- b. complete name, nationality and address of the applicant;
- c. complete name and address of the proxy, if the application is filed through a proxy;
- d. colors, if the trademark uses color elements;
- e. country and filing date of the original application, if the application is filed with priority right.

The application shall be signed by the applicant or his proxy. The Trademark Law defines proxy as an intellectual property consultant as registered in the Directorate General. The applicant may comprise of a person or several persons jointly together or a legal entity. An application that is filed by an applicant who resides or permanently domiciles outside of Indonesia must be filed through an intellectual property consultant as its proxy in Indonesia.

An application for 2 (two) or more classes of goods and/or services may be filed in a single application. An application with a priority right shall be filed within a period of 6 (six) months at the latest, commencing from the first filing date of the application in another country, which is a member of the Paris Convention for the Protection of Industrial Property or a member of the World Trade Organization. If the above mentioned administrative requirements have been fulfilled by the applicant, the Directorate General will provide a filing date. Filing date is a date when an application is deemed to have met with the administrative requirements.

For the application, the Directorate General will request documents as follows:

1. statement letter, stating that the trademark is owned by the applicant;
2. copy of corporate documents (if the applicant is company)/identity card or passport (if the applicant is individual);
3. trademark label (minimum 2x2 cm, maximum 9x9 cm, both hard copy and soft copy);
4. power of attorney from the applicant to the intellectual property consultant as its proxy;
5. official registration fee.

Classification System

The Directorate General has adopted the Standard International Classification of Goods and Services (10th Edition of Nice International Classification of Goods and Services). Therefore, the list of goods and services shall refer to the 10th Edition of Nice International Classification of Goods and Services.

Administrative Examination

At the first stage, the Directorate General will examine all administrative requirements for the application of trademark registration. If the Directorate General finds some of the requirements are not fulfilled, the Directorate General will request the applicant or its proxy in writing to complete the requirements at the latest 2 (two) months from the date of letter. In case some of the requirements for the application of trademark registration with priority claim are not yet fulfilled, the Directorate General will request the proxy to complete the remaining requirements at the latest 3 (three) months from the priority deadline.

Substantive Examination

At the latest 30 (thirty) days from the filing date, the examiner at Directorate General shall conduct a substantive examination towards the application. The substantive examination must be done at the latest 9 (nine) months. If the application can be approved based on the result of substantive examination, then under the approval of Directorate General, the application will be announced in the official gazette of trademarks. If the application is rejected, then the Directorate General will inform the applicant or its proxy about the rejection in writing and also the reasons of rejection.

Announcement Period

The application will be announced on the official gazette of trademarks at the latest 10 (ten) days from the date of approval for registration by the substantive examiner. The announcement shall be made by mentioning:

- a. full name and complete address of the applicant, as well as the full name and address of the proxy;
- b. class and type of goods and/or services;
- c. filing date of the application;
- d. name of country and filing date of the first application, if the application is filed with a priority right.

- e. sample of trademark, including information concerning its colors, and if the trademark *etiquette* uses a foreign language and or letters other than the Latin alphabet and or numerals which are not commonly used in Indonesian language, then it must be furnished with its translation in the Indonesian language, using the Latin alphabet or numerals which are commonly used in Indonesian language, as well as its pronunciation in the Latin spellings.

Opposition

The announcement shall last for 3 (three) months, and during that period any party may file an opposition to the application in writing to the Directorate General. The opposition may be filed if there are sufficient reasons and evidences that the application of trademark shall be rejected and not be registered. If there is an opposition, the Directorate General will deliver the copy of opposition letter to the applicant or its proxy at the latest 14 (fourteen) days from the receipt date of opposition letter by the Directorate General. The applicant or its proxy shall have the right to file a response to the opposition in writing to the Directorate General at the latest 2 (two) months since the receipt date of copy of the opposition letter from the Directorate General. The Directorate General will re-examine the application based on the objection and applicant's response. The re-examination shall be done at the latest 2 (two) months from the expiry of announcement period. If the examiner reports that the opposition can be accepted then the Directorate General shall inform the applicant that the application cannot be registered or is rejected. If the opposition is accepted, the applicant or its proxy may file an appeal. If the examiner decides that the opposition should be rejected, the application will be registered in the general register of trademarks, with the approval of the Directorate General.

Issuance of Certificate

If there are no oppositions to the application, the Directorate General must issue and grant a certificate of trademark to the applicant or its proxy within 30 (thirty) days of the expiry of the publication period. However, if there is an opposition and the opposition is rejected, then the Directorate General issues and grants a certificate of trademark to the applicant or its proxy within 30 (thirty) days of the date on which the application was approved for registration.

Period of Protection

A registered trademark will be protected for 10 years from the filing date and can be extended.

III. Extension of Protection Period

The protection period of registered trademark can be extended for subsequent periods of 10 (ten) years by written application within 12 (twelve) months before the expiry of protection period.

The application for extension shall be approved if:

- a. the trademark is still used for the goods or services as mentioned in the certificate of trademark; and
- b. goods or services as mentioned above are still produced and traded.

The application however can be rejected if the trademark is similar in whole or in essential part, to another's well-known trademark for identical goods or services.

IV. Trademark Licensing

A trademark license is a permission given by the owner of registered trademark to another party through an agreement, in which the owner as the licensor grants its rights to the licensee for using the trademark, either for the whole or part of goods and/or services as registered in the trademark. The use of registered trademark by the licensee in Indonesia is considered to be no different with the use of the registered trademark by the owner as the licensor.

The license agreement is valid to all territories in Indonesia, unless the license agreement states otherwise that the trademark licensing can only be implemented in certain territory. The license agreement can also stipulate whether the licensee may only use the trademark license by itself or may grant a license to another licensee (sub-licensee). Things that need to be considered when making a trademark license agreement, among others, as follows:

1. the period of trademark license cannot be longer than the period of trademark;
2. the license agreement cannot contain provisions that may be detrimental to the Indonesian economy or contain restrictions that can inhibit the ability of Indonesian nation in controlling and developing the technology;
3. the license agreement must be applied for recording to the trademark office, in order to be recorded in the general register of trademarks and announced in the official gazette of trademarks.

The license agreement has no legal consequences to the parties (in the license agreement) and third party if it is not recorded to the trademark office. The requirements and procedure for

applying the recordal of license agreement is regulated under the Ministry of Law and Human Rights Regulation No. 8 of 2016 on Requirements and Guidelines of Application for Registration of Intellectual Property License Agreement. The application can be done electronically or non-electronically. Documents that have to be submitted are:

- a. license agreement or proof of license agreements (copy);
- b. trademark certificate (copy);
- c. power of attorney, if the application is submitted by proxy (original); and
- d. payment receipt of registration application fee (original).

V. Transfer of Rights

The transfer of rights to a registered trademark occurs due to several matters, such as:

- a. inheritance;
- b. testament;
- c. grant;
- d. agreement, or
- e. other reasons permitted under the regulations.

The transfer of registered mark shall be recorded in the general register of mark, through an application to the Directorate General, along with its supporting documents, such as trademark certificate.

The transfer of rights that has been recorded will be announced in the official report of mark. The transfer of rights to a registered mark will only be recorded by Directorate General if the registration is supplied with a written statement from the transferee that the mark will be used for the trade of good and/or service purposes. The transfer of right to a registered mark shall have no legal consequence if it is not recorded in the general register of mark.

VI. Fee Schedule

Charges and Official Fees	Official Fees	Legal Service Fees	Remarks
Trademark Search	-	IDR 1,300,000 (approximately USD 100 if 1 USD = IDR 13,000)	1 (one) trademark (1 class of good or service)

Trademark Registration	1. IDR 600 thousand for Micro Small and Medium Scale Business (“UMKM”); 2. IDR 1 million for non UMKM.	IDR 6,500,000 (approximately USD 500 if 1 USD = IDR 13,000)	1 (one) trademark (1 class of good or service, a and maximum 10 goods or services)
Priority Claim	-	IDR 650,000 (approximately USD 50 if 1 USD = IDR 13,000)	
Opposition	-	IDR 6,500,000 (approximately USD 500 if 1 USD = IDR 13,000)	If there is an opposition or Objection from the party in the registration process, provided that we represent the client for the trademark registration
Appeal	IDR 3 million	IDR 6,500,000 (approximately USD 500 if 1 USD = IDR 13,000)	If the application is rejected in the opposition process, and the client wants to file an appeal of trademark in the Trademark
Registration of Trademark Assignment Recordation	IDR 500 thousand	IDR 3,250,000 (approximately USD 250 if 1 USD = IDR 13,000)	1 (one) trademark (1 number of registration)
Recording Change of Name or Address	IDR 300 thousand	IDR 2,600,000 (approximately USD 200 if 1 USD = IDR 13,000)	1 (one) trademark (1 number of registration)
Obtaining certified copy of registration certificate	IDR 200 thousand	IDR 2,600,000 (approximately USD 200 if 1 USD = IDR 13,000)	1 (one) trademark (1 number of registration)

Renewal	IDR 200 thousand	IDR 6,500,000 (approximately USD 500 if 1 USD = IDR 13,000)	1 (one) trademark (1 number of registration)
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2. Our hourly rates are depending on the seniority of the team involved, as follows:
 - IDR 5mio/hour for Senior Partner
 - IDR 3.75mio/hour for Partner
 - IDR 2.5mio/hour for Senior Associate
 - IDR 1.75mio/hour for Mid-Level Associate
 - IDR 1.25mio/hour for Associate
 - IDR 0.5mio/hour for Paralegal
3. Our legal fees are paid in net amount, excluding withholding income tax (borne by client), VAT, out of pocket expenses, official registration fees. Our invoice will use IDR, and therefore our legal services fees shall be paid in IDR.

Our Partners



EDDY LEKS is the founder and managing partner of Leks&Co. With a legal career in mind, he started his experience in the practice areas of general corporate/commercial and commercial dispute resolution. Afterwards, he joined Hadiputranto, Hadinoto & Partners (HHP), an affiliated law office of Baker & McKenzie. There he worked in the capital market, general corporate/commercial, taxation, foreign investment and customs division. He left HHP to join PT Lippo Karawaci Tbk, one of the largest property and real estate development and investment companies in Indonesia, where he rose to become a legal senior manager. His main responsibilities were to manage the company's general corporate/commercial issues, build-operate-transfer projects and acquisition of shares and assets for property projects. He was one of the company's youngest legal managers when he joined.

Eddy Leks specializes in real estate law, mergers acquisition and commercial dispute resolution. His writings have been published in many prominent publications locally and internationally, such as *Forbes Indonesia*, *Property&Bank*, *Kontan*, *LAWASIA Journal*, the International Bar Association Real Estate Newsletter, *Jurnal Hukum Bisnis*, *The Institutional Real Estate Letter – Asia Pasific*, and Indonesian chapter of *The Real Estate Review*, published by Law Business Research. He is also invited to speak at many events, locally and internationally, on real estate law, foreign investment, bankruptcy, lease agreement, and other law matters. He was involved as Chairman of Analysis and Evaluation of Laws on Public Housing, a program by National Legal Development Body, to provide input and report to be used by the government of Indonesia to rectify conflicting regulations and to facilitate housings for the low-income communities.

Eddy Leks is recommended by asialaw Profiles, Legal 500, Chambers and Partners in the field of real estate in Indonesia. He is also recommended on corporate and M&A by asialaw Profiles and Legal 500. The latter also recommends him on commercial dispute resolution. He was nominated as one of the finalist to receive BMW Award Managing Partner of the Year by ALB Indonesia Law Awards 2015. Further, he is also awarded as asialaw Leading Lawyer and Euromoney Expert Guides in the field of construction and real estate. He is identified as the first and the only Indonesian lawyer by Who's Who Legal 2014 in the field of real estate. Further, he is also awarded as mergers and acquisition lawyer of the year by Finance Monthly Global Awards 2014.

Eddy holds a certificate in international trade and finance (CITF). In additions, he holds two postgraduate degrees as masters of law from Universitas Gadjah Mada and University of London with a specialization on International Dispute Resolution.



IVOR IGNASIO PASARIBU is the partner of Leks&Co Law Firm. He graduated from the University of Atma Jaya Jakarta, Faculty of Law. He is recommended by Asialaw Profiles in the field of real estate, and Legal 500 in the field of merger and acquisition. He involves in a wide range of commercial litigation and arbitration, including civil litigation, fraud related to business transactions, commercial disputes, and bankruptcy related litigation. He also undertakes a broad range of real estate and property related transactions, as well general

corporate matters in Leks&Co.

Having a keen interest in intellectual property matters, he also focuses on intellectual property works and licensed as an Intellectual Property Consultant.