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## Q245

### Taking unfair advantage of trademarks: parasitism and free riding

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#### I. Current law and practice

1) Do the laws of your jurisdiction provide for protection against:

a) the taking of unfair advantage of trademarks as defined in these Working Guidelines (see paragraphs 26) and 27) above); and/or

yes

Please comment:

b) use that you consider similar but outside the scope of the definition in these Working Guidelines?

yes

Please comment:

For the questions below, if b. applies either separately or in addition to a., please make that clear in any relevant answer.

2) What is this protection called, and is this a definition developed in case law or found in a statutory provision? If such protection is characterised as a form of protection against dilution, please state this and provide any explanation as to the basis for such characterisation.

No specific protection called. Indonesian Trademark Law only recognizes the mark which has a similarity in its essential part or in its entirety with a mark owned by another party. This definition is found in a statutory provision of Article 6 of Trademark Law Number 15 of 2001. There is no such characterization as a form of protection against dilution.

3) If such protection is available, what is the basis for the protection, e.g. trademark law (distinguishing between unregistered and registered trademarks where relevant), unfair competition, consumer protection law, common law? If multiple causes of action are available, is there an interaction between them, and if so, what?

The basis for protection is that the mark should be distinctive, no prior registered marks, unfair competition.

Multiple causes of action are available between Trademark Law and unfair competition and consumer protection law.

4) What are the elements of any available cause of action, e.g. the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, change in the economic behaviour of consumers, actual advantage, potential future advantage? How are they proven?

Any available cause of action include: the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, and actual advantage.

*How are they proven?*

The Plaintiff needs to proof by submitting the Registration of the mark worldwide and a survey might be conducted. According to the Elucidation of Trademark Law, Article 6 para 1 (b) explains the well-known mark should be proven by the general knowledge of the public regarding the mark, reputation in well-known mark which are obtained through extensive promotion and worldwide investment conducted by the owner of the mark as well as the Certificate of the registered marks. The Commercial Court may order a survey to be performed by an independent institution to determine whether the mark is well-known or not.

5) Further to question 4):

a) what degree of reputation, if any, in the trademark is required?

No specific provisions regarding the degree of reputation

b) who bears the burden of proof regarding the requirements?

Plaintiff bears the burden of proof regarding the requirements.

c) must the use at issue cause confusion?

yes

If so, what degree of confusion is required, e.g. actual confusion, a likelihood of confusion and/or initial interest confusion (i.e. initial confusion which has been resolved at the time of purchase)?:

*If so, what degree of confusion is required, e.g. actual confusion, a likelihood of confusion and/or initial interest confusion?*

Actual confusion and a likelihood of confusion.

d) can the protection be invoked in case of both similar and dissimilar goods/services?

yes

Please comment:

e) are there any other factors, even if not a separate requirement, that may be relevant, and if so, what are they?

Bad faith intention is important to be considered in accordance with Article 4 of Indonesia Trademark Law.

6) Are there any defences against and/or limitations to the protection?

yes

If so, what are they, and what are the elements of such defences/limitations?:

Limitations to the protection of mark if it contains one of the following elements:

- a. Contradicting with the prevailing rules and regulations, morality or religion, or public order;
- b. Having no distinguishing features;
- c. Having become public property; or
- d. Constituting information or related to the goods or services for which registration is requested

7) Who bears the burden of proof in relation to any defences and/or limitations? In this context, please also consider the relationship with the element of "unfairness". For example, is it a defence that the use is with "due cause" (see paragraph 31 of the introduction) above and footnote 2) of the introduction? If so, can such use ever be "unfair"? Or is this just a matter of a shifted burden of proof?

Both parties, either Plaintiff or defendant may bear the burden of proof. The relationship with the element of "unfairness" should indicate that there is a connection with the owner of the registered trademark, and if the interests of the owner of the registered trademark are likely to be damaged.

8) If a defence exists or only limited protection is available, what rights does that give the free rider? For example, may the free rider simply use the trademark or may the third party obtain a separate trademark registration in respect of the goods and/or services in respect of which the free rider is using the trademark?

The free rider may simply use the trademark or the third party may obtain a separate trademark registration in respect of the goods and/or services in respect of which the free rider is using the trademark.

9) Can the protection be invoked in:

a) court in civil proceedings;

yes

Please comment:

b) court in other proceedings;

yes

if so what other proceedings (e.g. criminal proceedings):

c) opposition proceedings;
no
Please comment:

d) any other?
yes
if so what, proceedings?:
Assignment of trademark rights

10)	If the protection can be invoked in multiple proceedings, are there different requirements for different proceedings? If so, please state the requirements.
	Yes, there are different requirements for different proceedings and should be in a separate proceedings, as follows:
	a. Court in civil proceedings in the Commercial Court, namely:
	1. Cancellation of trademark registration in terms of the ownership of the mark, based on bad faith
	2. Deletion of trademark registration based on non-use
	b. Criminal proceedings in District Court ( <i>locus delicti</i> )

## II Policy considerations and proposals for improvements of the current law

11)	Should there be protection against:
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a)	the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or
	yes
	Why?:
	as the protection of trademark is very important for the owner of the mark against unfair competition as the owner already spent so much money, time and energy in creating the mark.

b)	use that is similar but outside the scope of the definition in these Working Guidelines?
	yes
	Why?:
	Yes, there should be protection against use that is similar but outside the scope of the definition of taking of unfair advantage of trademarks considering the manner is fair and the concerned mark has long been used by the owner with good faith.

12)	Is the basis for protection or the cause of action relevant?
	yes
	Why?:
	the basis for protection is relevant

13)	Should it be possible to invoke the protection in all types of proceedings mentioned above under 9) above?
	no
	Why not?:
	it is not possible to invoke the protection in all types of proceedings, except for the following:
	<ul style="list-style-type: none"> <li>a. Court in civil proceedings in Commercial Court (cancellation proceeding and deletion proceeding);</li> <li>b. Court in other proceedings in District Court, and other proceedings (criminal proceedings)</li> </ul>

14)	How can your current law as it applies to the taking of unfair advantage of trademarks and/or the interpretation thereof (in particular, in case law) be improved?
	The final draft of Trademark Bill is still being internally discussed in the Directorate of Law and Regulation, Ministry of Law and Human Rights, Republic of Indonesia.

### III Proposals for harmonisation

15)	Is harmonisation in this area desirable?
	yes
	Please comment:
	it is desirable

If yes, please respond to the following questions without regard to your national or regional laws. Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

16)	If your answer to question 11) is no in respect of a. and/or b., is it your view that no such protection should be available anywhere?
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17)	Should there be harmonisation of the definition of:
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a)	the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or
	yes
	If so, please provide any definition you consider to be appropriate.:

b)	use that you consider similar but outside the scope of the definition in these Working Guidelines?
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18)	What should the basis for protection/cause(s) of action be?
	The basis for protection/causes of action should be: the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, and actual advantage.

19)	What should the requirements for protection be? In your answer, please address at least the following,
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in addition to any other relevant factors: what level of reputation, if any, in the trademark should be required, and who should bear the burden of proof?

- a. What level of reputation, if any, in the trademark should be required; and
- b. Who should bear the burden of proof?

20) What defences against and/or limitations to the protection should be available? Please state the proposed requirements for any defence/limitation, and the effect of any defence/limitation.

Dilution, tarnishment and secondary meaning of the mark should be available under the Trademark Law.

21) Who should bear the burden of proof in respect of any defences and/or limitations?

The owner of the mark.

22) In what type(s) of proceedings should it be possible to invoke the protection?

- a. Cancellation proceeding against unauthorized of registered mark through the Commercial Court.
- b. Invalidation proceeding against non-use of the mark through the Commercial Court

Summary

Please comment on any additional issues concerning the taking advantage of trademarks in the sense of parasitism and free riding you consider relevant to this Working Question.