



Inconsistency in Acceptance of Trademarks with Generic Words

Rr. Aline Gratika Nugrahani

IPR Study Center FH Trisakti Jakarta, Jakarta, Indonesia

alinegratika98@gmail.com

Abstract. The generic words as a registered mark often become a dispute when it is used by another party. Court decided several decisions trademark lawsuit of general words. The trademark office reject it when it is applied to registration trademark system based upon the use of generic word. Ironically, there are many products with generic words, such as Kopitiam, Sederhana, Aqua to mention some. Certainly, this is an obstacle and detriment to trademark owners and entrepreneurs in running their business. In fact, Article 20 letter f of Law No. 20 of 2016 concerning Trademarks and Geographical Indications stipulates that generic word trademarks cannot be registered, so they cannot be monopolized by anybody. In other words, generic word can be used by anybody. For this reason, this study aims to find the causes of inconsistencies in trademark registration of generic words. This is a normative legal research. The results of the study show that there are different understanding of generic words according to trademark examiners. For this reason, special education is needed for trademark examiners.

Keywords: Inconsistency, Trademark, Generic Words

1 Background

This paper is inspired by several trademark disputes that occur due to the use of generic words.

a. Kopitiam

The year of 1996 became an important moment in the history of trademark registration. At that time, the Directorate General of Intellectual Property (DJKI) passed an application for registration of the trademark "KOPITIAM" owned by Abdul Alex with the number IDM000030899. This led to a polemic when several trademarks used the generic word Kopitiam, such as Pamin Halim's Kok Tong Kopitiam, Phiko Leo

Putra's Lau's Kopitiam and Suhenny's QQ Kopitiam. Abdul Alex, as the owner of the trademark "KOPITIAM", thought it had been violated his legal right. For this reason, Alex filed a lawsuit to local court up to the supreme court. Judges granted his lawsuit. In accordance with the court decisions, all the products had to remove word Kopitiam from it trademark.

In fact, this was not the only Kopitiam dispute. Alex filed several lawsuits to other parties who use Kopitiam as a trademark products or other parties who objected the registration of Kopitiam for Alex. By the end, all decisions won Abdul Alex as the owner of trademark Kopitiam. By consequence, he has an exclusive right to prohibit anybody or any parties to use Kopitiam as trademark. As the result, in 2015 many coffee shops and cafes removed the word Kopitiam, such as QQ Kopitiam becoming just QQ.

b. Sederhana Restaurant Dispute

This is another dispute in the use of generic words. In this case the owner of the Sederhana Padang Restaurant sued the owner of the Sederhana Bintaro Padang Restaurant (SB). Truly, Sederhana is a generic word, but DJKI passed Sederhana as a registered trademark. Complicatedly, DJKI accepted the application of Sederhana Bintaro trademark with No. IDM000327141 since October 24, 2011.

c. Mendoan Dispute

This claim shocked the people of Purwokerto, place of origin of Mendoan. Surely, they could not understand of that claim. It was not plausible by the decision of DJKI to pass the application for registration of "Mendoan" as a trademark of Fudji Wong under No. IDM000237714 and its validity by May 15, 2018. Mendoan itself is classified to 29 Class of Items as Tempe chips.

The dispute, as described above, originated from the acceptance of trademark with generic word by DJKI. Even though there is already a stipulation of the use of the generic word results in trademark registration, it will be rejected. Such as the rejection of the registration of the trademarks "Conten Akademi", "Om Jo" grilled chicken, "Dapur Uni" and many more, on the ground of generic words. Here it can be seen that there was inconsistency from DGIP, especially the trademark examiner in scrutinizing to pass application trademark with generic words. Therefore, this paper will explore the causes of inconsistency and the efforts should be made by DGIP.

2 Analysis

a. Trademark Protection

Basically, trademark is a sign to publish a product. The main function of a trademark is to differentiate with similar goods or services of another parties. By doing so, trademark is said to have a differentiating function Hery (2011). Law No. 20 of 2016 Concerning Trademarks and Geographical Indications stipulates that trademark will only be protected if the owner or right holder file an application for registration. DGIP will give protection to those who applies for registration first, known as first to file principle.

To have a registration, Law No. 20 of 2016 Concerning Trademarks and Geographical Indications provides requirements for application. These conditions are formal and substantive requirements. Trademark owners have to meet the minimum formal requirements as stated below:

1. Apply a registration form in Bahasa Indonesia (Indonesian language).
2. Pay the registration fee.
3. Include a statement letter.
4. Attach trademark labels.
5. The applicant has to fulfill other formal requirements as stipulated in Article 4 to Article 19 of Law No. 20 of 2016 concerning Marks and Geographical Indications.

The completeness of the formal requirements of trademark application affects to have registration and protection, as stipulated in Article 35 of the Trademark Law that the term valid for 10 (ten) years from the date of acceptance. The acceptance is based on the date on the fulfillment of formal or administrative requirements.

Other conditions are substantive requirements for registration of trademark rights, as regulated in Articles 20 and 21 of Law No. 20 of 2016 concerning Marks and Geographical Indications. Applicants should have to concern Article 20 of Law No. 20 of 2016 concerning Marks and Geographical Indications which stipulates:

1. Trademark may not be on contrary to state ideology, laws and regulations, religious morality, decency and public order.
2. Description product label may not be inconsistent with the ingredients of the product.
3. Trademark must not mislead about the origin, quality, type, size, type and purpose of use of the product.
4. Trademark may not be the name of the plant variety
5. Trademark must have differentiating power with other product.
6. Trademark may not be a name and or symbol belonging to the public.

In other side, Article 21 of Law No. 20 of 2016 concerning Marks and Geographical Indications stipulates that the application for registration of trademark will be refused, if:

1. A trademark has similarities, in principle or in whole, with other a registered trademark of other party
2. A trademark has similarities, in principle or in whole, with well-known trademarks.
3. Trademark has been used as registered Geographical Indications.
4. Trademark resembles the name or abbreviation of a famous person's name, a photo, or the name of a certain legal entity, without written approval from the person entitled to it.
5. Trademark is similar to a name or abbreviation of a name, flag, symbol of a country, or national or international institutions, except with written approval from the authority; or constitutes an imitation or resembles an official sign or seal or stamp used by the state or government agency, except with written approval from the authority.
6. Submitted by an applicant with bad faith.

Trademark examiner assesses trademark application in accordance with the substantive requirements. Examiner scrutinize trademark application to pass it based upon fulfillment substantive requirements. If the examiner passes the trademark registration application, a certificate of rights will then be issued. As the result, the trademark owner has the exclusive right to use it and or prohibit anyone to use it without permission. By consequence, the rights holder has the right to express objections to the use of his mark without permission, either, through litigation or non-litigation.

b. Inconsistency in Trademark Registration Used Generic Word

Trademark registration is something that must be done when there is an application is filed to the authority. Trademark holder wants his products can be carried out, whether it is in the beginning of production or the product is already selling well in the market.

By the conditions, a question arises due to the process of trademark registration is uncertain. It is about the length of the registration process and the certainty of examiner's assessment of a registration.

In the mean time, the registration process can take place quickly in just a matter of months. In other facts, it can be take a long time. There are many disappointment because of the length of time of registration process and rejection application trademark without considering that the product has been traded in market over years.

Besides those uncertainties, the more substantial problem is dealt with the similarity aspects in an application registration trademark. It is in the consideration in examiner's mind-set and understanding on similarity in an application registration trademark. Examiner should ensure an application registration trademark is unique or differs from other trademark.

Examiner is fully certain with elements of trademark has not have a similarity, in principle or in a whole, with registered trademarks. To give certainty and avoiding dispute, similarity in a whole, covers element, are found some cases such as GoTo, Ikea, Pierre Cardin. Those trademark are used by other parties in different product.

In similarity in principle, some trademark disputes are involving MS Glow versus Ps Glow; ACC Astra versus Klik ACC; and Extra Joss versus Enerjos.

In addition to the two causes, there is another cause of trademark disputes, namely the use of generic words. It is demonstrated in Kopitiam and Sederhana dispute. It is very disturbing common understanding of publicly owned the generic word. Surely, it leads to a problematic certainty in trademark registration and protection. Unfortunately, examiners pass the application of trademark with such generic word. No wonder if Kopitiam and Sederhana are considered qualified as trademarks. By legal entitlement, the holders have the exclusive right on the trademarks.

Its acceptance is strengthened by courts by winning the lawsuit of two trademark owners. In the perspective, it can be said that Judges do not understand the principle meaning of substantive requirements of trademark. Or other possibility is that the Judges just take into account examiner or DGIP decision on certification trademark without criticizing the application with the philosophy of trademark certification and protection.

Back to the authority, database of DGIP record some generic word as trademark, namely:

1. Ajaib IDM000551513
2. Gulaku IDM 002002028726
3. Teh Kotak IDM001995007507
4. Apple D001996016061
5. Koki D001995008953

It may be possible other generic word accepted as trademark by DGIP, even though Article 20 of Law No. 20 of 2016 Concerning Marks and Geographical Indications expressly states, Marks may not be names and or symbols of public property. In the explanation chapter, it states the meaning by "generic words", among others, the "restaurant" trademark for restaurants, the "coffee shop" trademark for cafes. The "public property symbol" includes "scratched symbol for dangerous goods, "poison sign" symbol for chemicals, "spoon and fork symbol" for restaurant services.

Ironically, there are some trademarks, that use generic words by adding other words, are rejected on the basis of using generic words. Some of the rejected trademarks are "academic content", "Uni Kitchen", grilled chicken "Om Jo" and of course there are many more. This refusal shows the inconsistency of the examiner in carrying out his duties. Regarding generic words, in addition to Article 20 of the Law on Trademarks and Geographical Indications, the International Trademark Association provides a statement that: "The generic word for a type of product or service such as Lawn Mower, Razor, Candy, or Credit Cards can never be a trademark or service mark". "Generic terms are terms that the relevant purchasing public understands primarily as the common".

Prof. Rahmi Jened said that trademark that use signs or words that are generic in nature and have become public domain are signs consisting of signs or indications that show the prevalence or habits associated with a recognized language, nationally or internationally used in fair trade practices Rahmi (2015). Black's Law Dictionary, generic name is 'a term that describes something generally without designating the thing's source or creator'. The point is that everyone can use the word without permission because the term is shared or public property.

The above description further reinforces that generic words cannot be a trademark or a service mark. Because a generic word or term is something that is known and understood by society in general. Like other Intellectual Property Rights, a mark should be a sign of the creativity of the trademark owner, so that it is attractive, different from others and also, of course, an unusual sign (either a word, name or picture).

However, in the DGIP's database there is still recorded trademark used generic words. It means meaning that the substantive requirements are not met, in turn, the application of trademark registration must be rejected. Although, the registration of trademarks with generic words are not always accepted, such as the examples of those above. Here it can be seen that the examiner is not consistent in making decision. It can be said that the problem appears primarily in the initial stage of trademark registration, which is examiners' domain.

The above disputes should not occur if the examiner has a correct understanding of the criteria for eligibility of trademark according to substantive requirements for reg-

istration. Examiners should have the same understanding of trademark requirements as stipulated in the law. By doing so, it is in line with their duties that examiners are Civil Servants (PNS) who have responsibilities, powers and rights to examine applications for trademark registration in accordance with statutory regulations.

For this reason, professionalism in examiners must be enhanced and optimized. The worst impact of the lack of professionalism of trademark examiners is the emergence of trademark disputes, both national and international trademarks. Therefore, it is necessary to establish a special education program for examiners in building understanding, and or perception about the substantive requirements, for example, regarding the criteria for similarities in principle and similarities in their entirety as well as names and general images.

In addition, it is necessary to enact a regulation requiring the inclusion of the name of the examiner on the trademark certificate, so that, the examiner can be held accountable if problems arise as a result of their negligence and, of course, there will be strict sanctions for the examiner.

3 Concluding Remarks

As concluding remarks, there are several inferences below:

a. Trademark disputes that often arise in the use of generic words. This happened because the examiner granted the registration of a trademark with a generic word. As a result, the owners of a trademark registered entitle to monopolize the generic word, so that the use of a generic word by another party is prohibited without permission. Or the owners of trademark with generic word file cancellation to DGIP or court of the other trademark with generic words. However, not all registrations of trademarks with generic words are accepted. Few of them are rejected by the trademark examiner on the basis that trademarks with generic words cannot be accepted. This shows that the examiners is clearly inconsistent in carrying their duties.

b. This inconsistency occurs due to differences in understanding and perceptions about generic words. Some examiners think that generic words can be used as a trademark. Some of them are in disagreement of the use of generic word by anybody. For this reason, there must be a common view or understanding of the generic word criteria of all examiners. Therefore DGIP, as a responsible institution, is obliged to resolve this problem, by holding special further education for examiners, regarding trademark requirements fulfillment registration.

c. In order to eliminate inconsistencies in the performance, it is necessary to include the name of the examiner on the trademark certificate, so that, they can be held accountable when their assessment causes disputes in the future. In addition, there must be an imposition of sanctions for examiners who incorrectly provide an assessment on applications for trademark registration.

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