



Application of First to File System Principles in Resolution of Trademark Disputes in Indonesia (Case Study Ms Glow Against Ps Glow)

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Abstract. This article analyzes the application of the first to file system principle in resolving trademark disputes in Indonesia (Case study of MS GLOW against PS GLOW). A mark may not have the same principal as another trademark in line with Law Number 20 of 2016 respecting Trademarks and Geographical Indications. Normative legal research, which includes statutory, conceptual, case, and comparative techniques, is the methodology employed. For these legal concerns, the article applies the theories of legal certainty and protection. The trademark registration system is closely related to the legal protection of trademark rights. There are two types of systems for registering a mark, namely a system with a declarative principle (first to use) and a system with a constitutive principle (first to file). A system with a declarative principle (first to use), which means that a person or legal entity uses a trademark for the first time, is given legal protection. In these disputes, trademark registration is very important because it is a means of proof of ownership if a trademark dispute occurs at any time.

Keywords: Dispute Resolution, Trademark, First to File System.

1 Introduction

To get to know a product, we usually know the trademark. The use of this mark has an important function as the branding of a product of goods and/or services, among others, as an identification mark to differentiate products produced by individuals or legal entities. Furthermore, trademarks are frequently employed as a marketing technique to present a product to the public and establish a standard for the caliber of the products and/or services. Trademarks do not only function as a differentiator between a product and other products, but also function as an invaluable corporate asset, especially for well-known trademarks Sadikin (2004). Therefore, trademarks play a vital role in trading activities so that they have the potential to cause disputes. Due to its very essential role, Mark registration is also important to prove ownership and prevent other people from using the same or similar Mark. Due to the importance of the mark,

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a regulation regarding legal protection is regulated for it, namely as an object related to the rights of individuals and legal entities Adrian (2009). In general, all parties can register a mark with the Directorate General of Intellectual Property (DJKI) as long as it is based on an applicant who has good faith and integrity and meets the requirements as stipulated in the Trademark Law. Trademark registration is done through two different systems: the declarative system (first to use) and the constitutive system (first to file). Regarding trademarks and geographical indications, Law Number 20 of 2016 governs the constitutive system (first to file) that the Indonesian legal system uses in this instance. After registering and deemed in accordance with regulations, the trademark owner will get exclusive rights to use certain trademarks and can give permission to other parties to use the mark and get legal protection from the state Cahyo (2022). Exclusive rights are granted to prevent third parties without their permission from using the same or similar Marks in trading activities and in such cases "a likelihood of confusion shall be presumed" Yoga (2021). A mark that has not been registered will not be awarded legal protection by the state. Exclusive rights to a mark may be granted due to earlier registration; mark registration is absolute.

A pretty well-known trademark issue involving cosmetics, MS GLOW and PS GLOW, has recently arisen in Indonesia. MS GLOW is a registered trademark with class 32 categories under the Directorate General of Intellectual Property, which includes goods and services for instant powder drinks and powdered tea drinks. MS GLOW objected that the trademark has the same principal as the PS GLOW trademark which has been registered with the Directorate General of Intellectual Property under class 3, namely cosmetics. Then MS GLOW reported filing the cancellation of the PS GLOW trademark to the Medan District Court on the grounds that the PS GLOW trademark resembled his own trademark. In the decision of the Medan District Court, MS GLOW was declared victorious over this trademark dispute and the judge decided to cancel the registration of the PS GLOW and PS GLOW MEN trademarks. After the Medan District Court's decision, PS GLOW countersued MS GLOW at the Surabaya District Court because PS GLOW claimed that PS GLOW and the MS GLOW trademark were in a different class of marks. After several mediations, in the end the trademark dispute case was won by PS GLOW because it was stated that the trademark was different from the one being contested. Both PS GLOW and MS GLOW took cassation through the Surabaya Commercial Court to obtain a decision regarding the trademark dispute after there were similarities in principle between the two. The decision on cassation by the Supreme Court dismissed PS GLOW's plea, granted MS GLOW's request for a cassation order, and overturned the Commercial Court's ruling at the Surabaya District Court. The formulation of the problems in this article are 1) How is the First To File System principle applied in trademark registration in Indonesia? 2) What is the pattern of settlement of MS GLOW and PS GLOW trademark disputes?

2 Method

Normative legal research is the technique of legal research employed. Law is frequently interpreted in this kind of legal research as what is stated in laws and regulations, or as norms or principles that serve as standards for acceptable human behavior. Amiruddin (2006). The approaches used by researchers include the Statute Approach, Concept Approach, Case Approach and Comparative Approach.

Statute Method, In order to implement this strategy, all rules and regulations pertaining to the challenges (legal difficulties) at hand must be examined. This study examined a number of laws and regulations, including those pertaining to intellectual property rights and trademarks, that are related to the implementation of the First To File System principle in trademark registration in Indonesia. Concept Approach, in which this approach conducts an analysis of related legal concepts and quotes views from experts opinions found in books or literature that are relevant to the problem being researched Dyah (2014). Case Approach: This method involves analyzing instances that are relevant to the topic at hand and have resulted in court rulings with long-term effects. Irwansyah (2021). This article uses the Legal Protection Theory and the Legal Certainty Theory for this legal issue.

3 Discussion

3.1 Application of the First To File System principle in trademark registration in Indonesia

Protection of trademarks is basically part of legal protection against unfair competition which is an illegal act in the field of trade. The Directorate General of Intellectual Property must therefore receive trademark registrations from all trademark owners in order to grant legal protection for their marks. A registered trademark is a legal trademark and is recognized by law and has a register number, thus obtaining protection from the State through the Court Office. There are two parts to the trademark protection system: the constitutive system (first to file) and the declarative system (first to utilize). The first commercial user of a trademark in a given area is granted exclusive rights under the first-to-use trademark protection system, also known as the declarative system. This protection is provided even in cases where the trademark user has not filed an application for registration in order to use the trademark commercially. Under the first-to-use trademark protection system, sometimes called the declarative system, exclusive rights are awarded to the first commercial user of a brand in a specified territory. Even in situations where the owner of the trademark has not submitted an application for registration in order to use the trademark for commercial purposes, this protection is nevertheless offered. A trademark protection system based on a first-to-file system, also known as a constitutive system, grants the first party to file an application for registration with the trademark office the rights to the trademark. It is believed that trademark owners can benefit from more legal cer-

tainty through the employment of the first-to-file method. Among the nations that use the first-to-file approach is Indonesia. "The right to a mark is an exclusive right granted by the State to registered trademark owners for a certain period of time by using their own mark or give permission to other parties to use it," reads Article 1 Point 5 of Law Number 20 of 2016 concerning Marks and Geographical Indications. According to Article 3 of the Trademark Law, the owner of a mark registered in the general register of marks is granted an exclusive right to use the mark for a specified amount of time, either by themselves or by granting authorization to other parties.

In Indonesia, the process of registering a trademark follows the Constitutive Stelsel system, which states that third parties have an absolute right to respect the rights of the trademark registrant, who is the only party entitled to the mark if it is registered in advance. The Constitutive Stelsel System upholds the First To File principle, which states that registration of a trademark will only be granted to the first party to file a request for registration; the state does not grant registration for a trademark that is identical to a trademark that has already been filed by another party for comparable goods or services. Legal certainty will be further ensured by this approach, which will include being regarded as the first user of the trademark in question and having proof of registration in the form of a certificate as proof of rights to a trademark. The key factor that establishes trademark ownership is registration, not usage. This method, which includes having proof of registration in the form of a certificate as proof of rights to a trademark and being considered as the first user of the property in issue, would further assure legal certainty. Not usage, but registration is the primary factor that proves ownership of a trademark. According to Phillipus M. Hadjon's theory of legal protection, the aforementioned is consistent with his assertion that the owner of a trademark needs legal protection in order to achieve specific legal goals, such as justice, rewards, and legal certainty. Protection of registered trademarks, or the legal certainty that comes with them, allowing them to be used, expanded, transferred, and written off as proof in the case that a registered trademark is violated and a dispute arises.

The steps/mechanisms of the trademark registration process are: Application, Examination and Announcement. After all processes starting from an application based on good faith, inspection and announcement are passed by the applicant for trademark registration and in the end fulfills the administrative requirements and substantive examination, so that the trademark applicant is declared eligible as a legal trademark holder. For this reason, the trademark rights registered are registered and listed in the General Register of Marks. So that it is appropriate for the applicant to be declared as the holder of the rights to the registered mark. Here, the holder of rights to a registered mark who is proven to have good intentions has obtained legal force over his mark and is given legal protection from the state, as is the responsibility of the state as a rule of law. This is the application of the theory of legal protection itself.

3.2 Patterns of settlement of MS GLOW and PS GLOW trademark disputes

A lawsuit that is settled between two parties is referred to as dispute resolution. There are two methods for resolving disputes: non-litigation (outside of court) and litigation (in court). Law Number 20 of 2016 concerning Trademarks and Geographical Indications regulates trademark dispute resolution in Articles 83 to 93. This law states that trademark disputes may be resolved through arbitration or alternative dispute resolution, or by bringing legal action in the Commercial Court. According to Article 83 of the Trademark Law, the owner of the trademark and/or license management may bring legal action for trademark infringement if a third party uses the mark without authorization. To halt the manufacturing, selling, and/or distribution of goods and/or services that utilize the trademark without authorization, an infringement lawsuit may be filed with the Commercial Court. The sole available legal recourse against the Commercial Court's ruling on a trademark cancellation lawsuit is cassation. This could indicate that the dispute resolution stage was shortened and expedited because there was just one examination stage—an appeal to the High Court—that was unsuccessful.

Litigation was utilized to settle trademark conflicts between MS GLOW and PS GLOW. This involved two distinct processes: the first involved filing a lawsuit in the Medan and Surabaya Commercial Courts, while the second involved appealing the decision to the Supreme Court from the Surabaya District Court. MS GLOW filed a lawsuit for the cancellation of the PS GLOW trademark to the Medan Commercial Court at the Medan District Court on the grounds that the PS GLOW trademark resembled his own trademark. The decision of the Medan District Court on June 10 2022 stated that: MS GLOW which is owned by Shandy Purnamasari is the registrant and first user of the trademark (first to use) as stated in the trademark certificate and has exclusive rights granted by the State to use the mark in Indonesia, Meanwhile, PS GLOW has similarities in principle to the MS GLOW trademark, declaring the cancellation of the trademark registration on behalf of Putra Siregar based on bad faith and dishonesty, because it has piggybacked, imitated and plagiarized the fame of the MS GLOW trademark. Then, PS GLOW countersued MS GLOW at the Surabaya Commercial Court at the Surabaya District Court because PS GLOW claimed that PS GLOW and the MS GLOW trademark were in a different trademark class. The Surabaya District Court decision on July 7 2022 stated that: Putra Siregar has the exclusive right to use the “PS GLOW” trademark and the “PSTORE GLOW” trademark which are registered with the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia for the type of group class 3 goods/services (cosmetics) and stated that Shandy Purnamasari and the other defendants unlawfully and unlawfully used the “MS GLOW” trademark which is similar in essence to the “PS GLOW” trademark and the “PSTORE GLOW” trademark used by the Plaintiff. for types of class 3 goods/services (cosmetics) registered at the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia. Both PS GLOW and MS GLOW took cassation through the Surabaya Commercial Court to obtain a decision regarding the trademark dispute after there were similarities in principle between the two. In its January 30, 2023, decision, the Court of Cassation declared that MS GLOW had prevailed in the trademark dispute and had chosen to revoke the registration of PS GLOW and PS GLOW MEN.

This is in line with Gustav Radburch's assertion that one of the purposes of law is to establish certainty. Legal certainty aligns with the normative characteristics of judicial rulings and provisions. Fundamentally, the law ought to be clear and equitable. Without a doubt, as a set of rules for conduct and fairness, as the code of conduct needs to be in line with a ruling that is deemed reasonable. The law can only serve its purpose if it is just and implemented with certainty. The only way to answer the question of legal certainty is normatively, not sociologically. Rato (2010). With this theory, if it is associated with the settlement of MS GLOW and PS GLOW trademark disputes, it is a concrete form of legal certainty that MS GLOW as the first registered mark and the first user has exclusive rights to use the mark in Indonesia.

4 Conclusion

Based on what has been described above, it can be concluded, among others:

1. The Constitutive Stelsel system is followed when applying the first-to-file system principle to trademark registration in Indonesia. This means that the first party to register a mark is the only party entitled to it, and that third parties are required to respect the trademark registrant's rights as an absolute right to register a trademark. The Constitutive Stelsel System follows the First To File principle, which states that the state will not grant registration for a mark that is similar to one that has already been submitted to another party. Instead, registration of a mark will only be granted to the party that submits a request for registration for a mark first. seeking comparable items or services. By requiring the possession of a certificate proving registration as proof of rights to a mark and the requirement to be regarded as the mark's original user, this approach will additionally ensure legal certainty. The key factor that establishes trademark ownership is registration, not usage.

2. Settlement of trademark disputes between MS GLOW and PS GLOW, which was resolved by way of litigation, namely in 2 (two) processes, the first was a lawsuit at the Medan and Surabaya Commercial Courts and the second was an appeal to the Supreme Court at the Surabaya District Court. MS GLOW filed a lawsuit for the cancellation of the PS GLOW trademark to the Medan Commercial Court at the Medan District Court on the grounds that the PS GLOW trademark resembled his own trademark. Then, PS GLOW countersued MS GLOW at the Surabaya Commercial Court at the Surabaya District Court because PS GLOW claimed that PS GLOW and the MS GLOW trademark were in a different trademark class. Both parties, namely PS GLOW or MS GLOW, took cassation through the Surabaya Commercial Court to obtain a decision regarding the trademark dispute after there were similarities in principle between the two. Both Cassation Decision Number 160 and Cassation Decision Number 161 stated that this trademark dispute was won by MS GLOW.

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