

## DISPUTE RESOLUTIONS RELATED TO BUYING AND SELLING BRANDS DUE TO BRAND SIMILARITIES (CASE STUDY OF DECISION NUMBER 230 K /PDT-SUS-HKI/2023)

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### ABSTRACT

Brands can be said to play an important role in the business world. Trademark registration is very important because trademarks that will be used in business will receive legal protection. The role of a notary in the process of transferring trademark rights is that when a dispute occurs, the notary has the authority to prepare authentic documents because authentic documents can be used as written evidence in the trial process. One of the trademark disputes in Indonesia is the Supreme Court Decision Number 230 K/Pdt.Sus-HKI/2023. This decision is the result of an appeal from Delfi Chocolate Manufacturing S.A against the Central Jakarta District Court Decision Number 59/Pdt.Sus-Merek/2022/PN. Niaga.Jkt.Pst dated 26 September 2022. This research aims to determine the legal protection of brands that have been registered in accordance with Law No.20/2016 concerning Trademarks and Geographical Indications, analyze the judge's considerations in the decision, and analyze the legal consequences that arise after the issuance of the decision regarding the dispute. This research uses a qualitative analysis method with a normative juridical approach with secondary data types using literature review data collection techniques using primary legal materials that are legally binding, secondary legal materials that relate to and explain basic legal documents, and tertiary legal materials including indexes, dictionaries, and related encyclopedias. with the problem being researched. The results of the research reveal that the consideration in the decision taken by the Mark Appeal Commission, the Commercial Court at the Central Jakarta District Court, and the Supreme Court in the Chacha brand dispute is that the decision is in accordance with Law Number 20 of 2016. Based on this law, the owner of the registered mark that first registers its mark has exclusive rights protected by the state. In this case, Jogi Hendra Atmadja's Cha-Cha Brand has been registered in advance and has received legal protection so the application for registration of a mark that has similarities to Cha-Cha must be canceled by the Directorate General of Intellectual Property (DJKI). The legal consequence of Decision Number 230K/Pdt.Sus-HKI/2023/ is that there is a substantial similarity with the comparative mark Cha-Cha so partial rejection of the registration of the Delfi Chacha mark is caused by. The Panel of Judges decided that the Commercial Court's decision at the Central Jakarta District Court did not conflict with the law and/or statute, so the cassation request from Delfi Chocolate Manufacturing S.A was rejected. Therefore, the Delfi Chacha Brand cannot be protected for all types of goods for which protection is requested in class 30 in the General Register of Trademarks at the Directorate General of Intellectual Property Rights of the Ministry of Law and Human Rights of the Republic of Indonesia.

Keywords: Brand Similarity; Dispute; Legal Protection

### A. INTRODUCTION

Intellectual property, as regulated in Law Number 11 of 2019 concerning the National System of Science and Technology, is a wealth that originates from the results of human thought which produces products or processes that are beneficial to life. This wealth has economic value when used by consumers, but is often prone to misuse and violations of the law. According to Djumhana and Djubaedillah, intellectual property includes the results of creativity in the fields of technology, art, and science. These rights are divided into two main categories: Copyright which protects works of art, literature and science; and Industrial Property Rights which includes patents, industrial designs, brands, trade secrets, and plant variety protection.

Intellectual property rights, according to civil law, are included in the category of intangible objects that can be objects of ownership. TRIPs (The TRIPS Agreement) as an international agreement regulates intellectual property protection standards in various aspects, including copyright, trademarks, patents and industrial designs. In Indonesia, protection of intellectual property is regulated in several regulations, one of which is Law Number 20 of 2016 concerning Trademarks and Geographical Indications. This law gives exclusive rights to registered brand owners to use or authorize the use of their brands so that the brand becomes an identity that differentiates products on the market. Brands also function as marketing tools that increase competitiveness and consumer loyalty.

The transfer of rights to a trademark, as regulated in Article 41 of the Trademark Law, can be applied through inheritance, gift, will or sale and purchase agreement. This provision is in line with Article 1457 of the Civil Code concerning sale and purchase agreements. The transfer of rights can be performed with or without a notarial document. However, a notarial deed is often the best choice because it has strong evidentiary power, especially in legal disputes. Notaries play an important role in ensuring the legality of documents and providing legal protection to the parties involved.

The importance of trademark registration for legal protection can be seen in the case of trademark disputes which were resolved through the Supreme Court Decision Number 230 K/Pdt.Sus-HKI/2023. This dispute stems from the Directorate General of Intellectual Property (DJKI) refusing to register the "Delfi Chacha" brand because it was deemed to have similarities with the "Cha-Cha" brand which was registered in the name of Jogi Hendra Atmadja. In its decision, the Supreme Court confirmed that the

"Cha-Cha" mark has valid exclusive rights based on the principle of first registration (first-to-file). Therefore, the registration of the brand "Delfi Chacha" was cancelled.

This case shows the importance of legal protection for registered trademarks and how Indonesian regulations prioritize the priority principle in trademark registration. Apart from providing legal certainty for owners, brand registration also protects consumers from potential confusion due to the use of similar marks. This dispute is a clear example of how the intellectual property legal system in Indonesia functions to maintain justice and support a healthy business climate.

This research has several objectives to be achieved after the research was carried out. The objectives of this research are: (1) to determine the legal protection of brands that have been registered in accordance with Law no. 20 of 2016 concerning Trademarks that are traded; (2) to analyze the judge's considerations in the decision regarding the Chacha trademark dispute Number 230/K/Pdt.Sus-HKI/2023; and (3) to analyze the legal consequences that arise after the decision was issued regarding the Chacha trademark dispute Number 230/K/Pdt.Sus-HKI/2023.

## B. RESEARCH METHODS

The research method uses a normative juridical approach, which focuses on legal analysis based on relevant documents and regulations. This research is descriptive analytical in nature, namely explaining and analyzing legal regulations and theories related to brand disputes based on specific cases. Research data is secondary data, including primary legal materials such as laws and court decisions, secondary legal materials in the form of expert opinions or related literature, as well as tertiary legal materials such as indexes and encyclopedias.

This research was conducted by reviewing relevant laws and regulations and existing legal documents to understand the case and the basis for legal considerations. The data was analyzed descriptively qualitatively using an inductive method, namely drawing conclusions from specific to general data. In the analysis process, normative tools such as legal interpretation and legal construction are used to answer the proposed problem formulation. This technique allows researchers to explore in-depth conclusions regarding the legal protection of disputed brands, the judge's considerations, and the legal consequences arising from the decision.

## C. RESULTS AND DISCUSSION

### 1. Legal Protection of Trademarks in Accordance with Law no. 20 of 2016

Law Number 20 of 2016 concerning Trademarks and Geographical Indications regulates trademark protection. One of the brand protections provided by *a quo* law in the form of refusal to register a mark if the mark can be proven to be substantially or completely similar to a mark that has previously been registered with the Director General of Intellectual Property Rights of the Ministry of Law and Human Rights of the Republic of Indonesia. This is stated clearly in Article 21 that the application is rejected if the mark has similarities in essence or in its entirety with the following things:

- a. A registered mark belonging to another party or previously applied for by another party for similar goods and/or services,
- b. Well-known brands belonging to other parties for similar goods and/or services,
- c. Well-known marks belonging to other parties for dissimilar goods and/or services that meet certain requirements or
- d. Registered Geographical Indication.

Then, paragraph (2) in the same article explains that an application for trademark registration is rejected if the mark:

- a. represents or resembles the name or abbreviation of the name of a famous person, photo, or name of a legal entity owned by another person, except with written approval from the person entitled to it.
- b. is an imitation or resembles the name or abbreviation of the name, flag, symbol or emblem of a country, or national or international institution, unless with written approval from the authorized party
- c. is an imitation or resembles an official mark or stamp or stamp used by a state or government institution unless with written approval from the authorized party.

Furthermore, Article 21 Paragraph (3) explains that an application is rejected if it is submitted by an applicant who has bad intentions. Trademark legal protection also protects registered trademark owners from other parties who apply for registration of their trademark in bad faith. The applicants who register their trademarks in bad faith may have their trademark applications rejected by the DJKI because the trademark registration application was made consciously with the intention of imitating an existing trademark that was previously registered. Furthermore, efforts to plagiarize a previously registered trademark can be categorized as trademark piggybacking (passing off) against well-known brands with the aim of business and personal interests which of course can be detrimental to other parties, especially for the first brand owner who has registered his/her brand first with the DJKI.

The concept of bad faith has been regulated since the enactment of Law Number 19 of 1992 concerning Marks, which was further followed by Law Number 15 of 2001 concerning Marks and refined with Law Number 20 of 2016 concerning Marks and Geographical Indications.

The three Laws on Trademarks have explained the concept of bad faith in trademark registration that an applicant is suspected of improperly and dishonestly registering his trademark to imitate, plagiarize, or create conditions for unfair business competition, deceive or mislead consumers. The explanations regarding the concept of good faith are also explained in several jurisprudence, such as the Decision Number 1269L/Pdt/1984 dated 15 January 1986, the Decision Number 220 PK/Perd/1981 dated 16 December 1986 and the Decision Number 1272 K/Odt/1984 dated 15 January 1987. The Supreme Court was of the opinion that the trademark owner acted in bad faith because he had proven to use a brand that has similarities in essence or overall similarities with other brands.

Law Number 20 of 2016 explains that the applicants who have bad intentions are the applicants who are reasonably suspected that in registering their mark they have the intention to imitate, plagiarize or follow another party's mark for the sake of their business interests and create conditions for unfair business competition, deceive or mislead consumers. The classification of good faith when registering a trademark can be seen from the following things:

- a. The application of the element of bad faith in applying for trademark registration can be sued in the Commercial Court by the first trademark owner who has registered the trademark first.
- b. These actions are carried out deliberately and consciously with the aim of gaining as much profit as possible without paying attention to the losses experienced by the business actor who has registered the brand first.
- c. The act of imitating a brand that has previously been registered and the brand already has a good name among consumers.
- d. Acts of bad faith in registering a mark have become unlawful because in Law Number 20 of 2016 it is not permitted for a mark to be registered by an applicant who has bad faith.

Brand protection can protect a brand from piggybacking (passing off) and can protect against the applicants who register their marks in bad faith. Brand owners can file a trademark cancellation lawsuit against the brand that does so passing off because it falls into the realm of brand infringement. This action can be taken after it is proven that the goods and/or services are registered with the Directorate General of Intellectual Property Rights. Then, they can request cancellation of the trademark registration through litigation at the Commercial Court.

## 2. Judge's Considerations Regarding the Delfi Chacha Trademark Dispute

The decision of the Panel of Judges which decided to reject all lawsuits filed by Delfi Chocolate Manufacturing SA is certainly not without basis. The dispute case litigated at the Central Jakarta Commercial Court and the Supreme Court with the Decision Number 59/Pdt.Sus-Merek/2022/PN Niaga Jkt.Pst and the Decision Number 230 K/Pdt.Sus-HKI/2023, the Cha-Cha Brand owned by Jogi Hendra Atmadja can be said to be the legal owner in class 30 for the types of bakery goods, *hunkwe* flour, *bihun* (vermicelli), *soun* (vermicelli), ground coffee, powdered tea, chocolate powder, dry noodles, tomato sauce, salt powder, pepper powder, honey syrup, fried corn, flour, soy sauce, chips and crackers. This can be proven for the first time by Jogi Hendra Atmadja through the Registration Number IDM000400409 and it has been announced and received brand protection since March 31 2013 and ended on March 31 2023. Meanwhile, the Chacha Brand owned by Delfi Chocolate Manufacturing S.A was registered in 2019.

If viewed through the trademark registration adopted by Indonesia, the system of first to file which states that the first registrant who registered his mark at the Directorate General of Intellectual Property and has received legal trademark protection is assessed that the mark owned by Delfi Chocolate Manufacturing SA is similar in essence or in its entirety to the Cha-Cha Brand owned by Jogi Hendra Atmadja in the same class.

Jogi Hendra Atmadja as the legal owner of the "Cha-Cha" brand has exclusive rights to the brand because it has been registered and protected by the state. This is in accordance with Article 1 Number 5 of Law Number 20 of 2016. Jogi Hendra Atmadja as the owner of the Cha-Cha brand which is valid in class 30 for types of bread items, *hunkwe* flour, *bihun* (vermicelli), *soun* (vermicelli), ground coffee, powdered tea, chocolate powder, dry noodles, tomato sauce, salt powder, pepper powder, honey syrup, fried corn, flour, soy sauce, chips, and crackers can prevent all parties who do not have permission from using the brand "Cha-Cha" in the same class and type of goods to be used in trade, the same or similar marks for identical or similar goods and/or services and goods or services for registered trademarks in which such use will cause confusion. In the case of this dispute, the similarities between the two marks in the same class and type of goods or services may cause confusion and will reduce the rights of the legal owner.

Based on the trademark registration that has been carried out by Delfi Chocolate Manufacturing SA, it is considered to be similar in essence or in its entirety, so it can be concluded that the application for trademark registration clearly violates Article 21 Paragraph 1 Letter (a) of Law number 20 of 2016 concerning Marks and Geographical Indications if Delfi Chacha brand registration is accepted as a whole in class 30 and the same type of goods or services.

Similarities in essence or in their entirety are the proof that Delfi Chocolate Manufacturing SA has committed trademark infringement in that Jogi Hendra Atmadja has applied for trademark registration in bad faith that there are similarities in the dominant element between one brand and another which lies in the sound (*sound similarity*) and speech similarities (*phonetic similarity*).

The defendant, namely the Directorate General of Intellectual Property, Ministry of Law and Human Rights, as an institution that has authorization to carry out the formulation and implementation of policies in the field of intellectual property in accordance with the provisions of statutory regulations, is obliged to verify the trademark registration process if there are similarities in principle or as a whole.

Based on the verification process carried out, the DJKI considered that the Delfi Chacha brand owned by Delfi Chocolate Manufacturing SA was similar in essence or in its entirety so that the Delfi Chacha brand registration process could be partially accepted, only in class 30 with the types of goods and/or services of sweets, confectionery, blowing gum, chewing gum, chocolate,

coffee, cocoa, chewing gum, candies; liquid-filled confectionery; jelly (confectionery), candy stuck on a wooden skewer; lozenges, mint-flavored candies, flour dough, sugar; candy, candy made from a mixture of sugar and butter (toffees), black candy containing liquorice plant juice and pastilles candy. This is in accordance with Article 1 Number 5 of Law Number 20 of 2016.

The basic considerations for the plaintiff's statement regarding similarity in essence and as a whole are as follows:

- a. The Delfi Chacha brand had no similarities in essence with the Cha-Cha comparison brand either phonetically or conceptually and did not mislead consumers.
- b. CHACHA is a unique word or the result of imagination, so anyone can use or register the mark if there are other elements integrated or combined with the word such as a distinctive element and it is not a common word or generic word.

Based on the above, the plaintiff had reasons to appeal the rejection of part of the registration of the Delfi Chacha mark to the DJKI Mark Appeal Commission, which was then rejected by the DJKI Mark Appeal Commission through the decision number 722/KBM/HKI/2021. Next, the plaintiff filed a lawsuit with the Commercial Court to declare the decision number 722/KBM/HKI/2021 null and void with all its legal consequences because it was unreasonable according to law, but the petition was rejected by the Commercial Court which was litigating at the Central Jakarta District Court. Based on these results, the plaintiff submitted a cassation request to the Supreme Court, and the Supreme Court panel of judges rejected the cassation request from Delfi Chocolate Manufacturing S.A.

The Chacha brand dispute can be detailed by presenting it in the form of a table regarding the lawsuit, response to the lawsuit, and juxtaposed with Law Number 20 of 2016 concerning Trademarks and Geographical Indications.

No	Viewed from the Parties/Regulations	Lawsuit
1	Delfi Chocolate Manufacturing S.A	<ol style="list-style-type: none"> <li>a. There were no similarities in essence and/or as a whole to the comparative brand Cha-Cha with Number IDM000400409</li> <li>b. The dominant element of Chacha was the result of ideas, imaginative ideas by the plaintiff himself</li> </ol>
2	DJKI Ministry of Law and Human Rights	<ol style="list-style-type: none"> <li>a. There were similarities in the dominant element of CHACHA between one brand and another which lied in the sound (sound similarity) and speech similarities (phonetic similarity).</li> <li>b. The dominant element of the word CHACHA is a general or generic word.</li> </ol>
3	Law Number 20 of 2016 concerning Brands and Geographical Indications	<ol style="list-style-type: none"> <li>a. Article 1 Number 5 explains that the right to a trademark is an exclusive right granted by the owner of a registered trademark and has been protected by the state for a certain period of time and can use the trademark or can give permission to other parties to use the trademark.</li> <li>b. Article 21 Paragraph 1 Letter (a) states that the application is rejected if the brand has been registered and belongs to another party and has been applied for previously, so according to this article the Delfi Chacha brand belonging to Delfi Chocolate Manufacturing SA must be rejected in part.</li> </ol>

Based on the above, according to the author, the decision made by the Mark Appeal Commission, the Commercial Court at the Central Jakarta District Court and the Supreme Court regarding the Chacha brand dispute is in accordance with the provisions of Law Number 20 of 2016 which states that the owner of the registered mark has the first rights. exclusive and protected by the state in accordance with Article 1 Number 5 of Law Number 20 of 2016. In addition, this decision is in accordance with Article 21 Paragraph 1 Point (a) which states that the application is rejected if the mark has been registered and belongs to another party and has been requested in advance.

If viewed from the trademark registration, *first to file*, the author considers that Jogi Hendra Atmadja's Cha-Cha Brand has been registered in advance and has received legal protection from the state which of course has been registered in the Indonesian Trademark Register with Number IDM000400409. Therefore, for brands that are substantially or completely similar to Cha-Cha, the application for trademark registration must be canceled by the DJKI.

### 3. Legal Consequences That Arise After the Issuance of the Decision on the Chacha Trademark Dispute Number 230 K/Pdt.Sus-HKI/2023

Decision Number 59/Pdt.Sus-Merek/2022/PN Niaga.Jkt.Pst which was decided by the panel of judges at the Commercial Court was to reject all claims submitted by the plaintiff in their entirety and sentence the plaintiff to pay the court costs of IDR 730,000.00 (seven hundred thirty thousand Rupiahs).

Based on the Commercial Court's decision, the plaintiff submitted a cassation request to the Supreme Court. Based on the cassation petition, the panel of judges of the Supreme Court gave the decision contained in the Supreme Court Decision Number 230K/Pdt.Sus-HKI/2023 with the decision to reject the cassation petition from the cassation applicant, Delfi Chocolate

Manufacturing S.A, and sentenced the cassation applicant to pay the court costs in the cassation of IDR 5,000,000.00 (five million Rupiahs).

The decision contained in the Supreme Court Decision Number 230K/Pdt.Sus-HKI/2023 gives rise to legal consequences arising from the decision, as follows:

1. For the Plaintiff
  - a. There is no overall right to the Delfi Chacha brand in class 30 in the Territory of the Republic of Indonesia.
  - b. The Delfi Chacha brand with Number DID2019026369 class 30 is similar in essence and/or as a whole to the Cha-Cha comparison brand with the registry number IDM000400409.
  - c. The Mark Appeal Commission Decision Number 722/KBMHKI/2021 remains in effect.
  - d. It cannot include the registration of the plaintiff's Delfi Chacha mark as a whole in class 30
  - e. The rejection of the claim filed by Delfi Chocolate Manufacturing S.A
  - f. The Panel of Judges sentenced Delfi Chocolate Manufacturing S.A to pay court costs of IDR 730,000.00 (seven hundred thirty thousand Rupiahs) because the plaintiff's lawsuit could not be accepted by the Panel of Judges
2. For the Defendant

The legal consequences of the Supreme Court Decision Number 230K/Pdt.Sus-HKI/2023 for the Government of the Republic of Indonesia in which case Ministry of Law and Human Rights of the Republic of Indonesia in which case Directorate General of Intellectual Property Rights in which case the Mark Appeal Commission, namely the Decision of the Mark Appeal Commission Number 722/KBMHKI/2021, remains in effect.

The legal consideration in this decision is that the Panel of Judges is of the opinion that the Commercial Court's decision at the Central Jakarta District Court in this case did not conflict with the law and/or statute, so the cassation petition submitted by the Cassation Petitioner Delfi Chocolate Manufacturing S.A had to be rejected.

The considerations of the Panel of Commercial Court Judges at the Central Jakarta District Court are as follows:

- a. The Delfi Chacha brand owned by the plaintiff with the Agenda Number DID2019026369 had similarities for similar goods with the Cha-Cha brand with the registration number IDM000400409 for class 30 belonging to Jogi Hendra Atmadja
- b. The Delfi Chacha brand with the Agenda Number DID2019026369 belonging to the plaintiff was substantially similar to the Cha-Cha brand owned by Jogi Hendra Atmadja with the Registration Number IDM000400409 for the same type of goods and in the same class of goods, namely class 30.
- c. The argument that the word Chacha is not a unique word or the result of imagination so that anyone can use or register the mark if there are other elements combined or combined with the word, such as the distinguishing element, cannot be proven, either by witnesses or experts.

## D. CLOSING

### Conclusion

Legal protection for brands in Indonesia has been comprehensively regulated in Law Number 20 of 2016 concerning Trademarks and Geographical Indications. The principle "*first-to-file*" is the main basis for determining the exclusive rights of registered trademark owners. In the case of a trademark dispute between Delfi Chocolate Manufacturing S.A and the owner of the "Cha-Cha" brand, the Supreme Court confirmed that the "Cha-Cha" brand has exclusive rights because it was first registered and received legal protection.

The "Delfi Chacha" mark was considered to be substantially similar to the "Cha-Cha" mark, both phonetically and conceptually, so the application had to be rejected based on Article 21 of the Trademark Law. This decision also strengthens the legal position of trademark registration as an important protection instrument for business actors in maintaining their business identity and reputation. In addition, this dispute shows that legal efforts such as cassation will only be successful if they are supported by a strong legal basis and do not conflict with applicable regulations.

This case emphasizes the importance of initial registration in the legal trademark protection system in Indonesia. Not only does it give exclusive rights to the brand owner, but it also ensures that no other party can use a similar brand to potentially mislead consumers. In this way, legal protection for brands helps maintain market stability and healthy business competition.

### Suggestion

Business actors are advised to comply with regulations regarding trademark registration to prevent legal disputes in the future. The government and the DJKI need to increase accuracy in the trademark registration process to prevent similar conflicts. In addition, academics and legal practitioners are encouraged to examine more deeply brand protection, including the aspects of international law, to improve understanding and better implementation.

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