

## Analysis of Rejection of Trademark Registration Due to Substantial Similarities in Trademarks (Case Study of the Mark "de Ratu") During

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### ABSTRACT

Trademark registration is a crucial step for businesses to protect the identity and reputation of their products. However, this registration is often rejected by the competent authority because of the basic similarities with a previously registered mark. This research aims to analyze rejection of trademark registration in Indonesia which is caused by basic similarities. In the context of brand law, principal similarity refers to a situation where two marks are deemed to have similarities that are significant enough to confuse consumers. Based on data from the Directorate General of Intellectual Property (hereinafter referred to as DJKI), the number of trademark registrations rejected for this reason continues to increase every year. This research will discuss the factors that influence rejection of trademark registration, its impact on brand owners, as well as best practices that can be taken to reduce the risk of rejection. With a normative approach, this research will examine existing regulations and how they are implemented in the field

**Keywords:** *Trademark Registration, Rejection of Trademark Registration, Basic Similarities*

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### INTRODUCTION

In the business world, brands have a strategic role, functioning as marketing tools and valuable assets that can increase company value. In the era of globalization and intense competition, brand protection is becoming increasingly important to prevent imitation practices and rights violations. A strong brand provides a competitive advantage and builds consumer trust, as well as the protection of small, medium and large businesses and domestic industries.

Trademarks have a legal aspect, namely the existence of an element of Intellectual Property Rights (hereinafter referred to as IPR) where the aim of trademark rights protection is to provide exclusive rights to the holder so that the mark is not used by other business actors. In another sense, brand rights are monopoly, which means that only the brand holder can use them. Trademark holders can use it as long as it is within the limits of statutory regulations applies. In addition, the brand holder can give permission or prohibit other people or other legal entities from using their brand. Brand owners reserve the right

to take legal action against those who infringe the brand, which may include civil and criminal suits.

Trademark rights have material legal force where the registered trademark owner has the right to use his trademark economically in business. The legal protection of trademark rights follows a constitutive system, which means that the acquisition of trademark rights occurs because of the registration process, first register the brand, then he is the one who has the right to the brand, which is called the "first to file" system (Elsa Savira, 2023).

This is supported by government regulations in Law Number 20 of 2016 concerning Trademarks and Geographical Indications, "A brand is a sign that can be displayed graphically in the form of an image, logo, name, word, letter, number, color arrangement, in 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two) or more of these elements to distinguish goods and/or services produced by individuals or legal entities in goods and/or services trading activities (UU. No. 20/2016).

In the implementation of Law no. 20 of 2016, there are several other special provisions in the Law regarding trademark registration, namely Indonesian Government Regulation number 90 of 2019 concerning Procedures for Applications, Examination and Settlement of Appeals at the Mark Appeal Commission. Then RI Government Regulation no. 24 of 1993 concerning Classes of Goods or Services for Trademark Registration. Followed by Minister of Law and Human Rights Regulation no. 67 of 2016 concerning Trademark Registration.

Trademark registration is a crucial aspect in the protection of Intellectual Property Rights (IPR) which functions to differentiate products or services from one entity with the others. Brands not only function as symbols, but also reflect the product's identity and reputation in the market.

Everyone who wants to obtain rights to a trademark must submit an application for trademark registration to the Directorate General of Intellectual Property, hereinafter referred to as DJKI.

To ensure that the mark meets the requirements, the registration application process involves administrative and substantive examination. Registration requirements include: the mark must be clear and recognizable. The mark must not be the same or similar to a mark already registered for the same goods or services. Brands must not conflict with laws, norms of decency or public order (Perdana, 2017).

The Indonesian government is also actively increasing public awareness about the importance of protecting intellectual property rights and other intellectual property rights through education and general understanding regarding the existence of brand value in IPR. Therefore, currently many business actors are already trying to register their brands, which ultimately results in a high chance of rejection. Rejection of trademark registration often occurs, one of which is due to the fact that it is substantially similar to an existing trademark. According to data from DJKI, in 2022, around 30% of total trademark registrations will experience rejection, with similarities being one of the main causes. Similarity essentially refers to a situation where two brands have very similar elements, which can cause

confusion among consumers. For example, the case between the "de Ratu" and "Ratukopi" brands or the "GoTo" brand proposed by Gojek and Tokopedia has similarities in essence with the "GOTO" brand owned by PT Terbit Financial Technology, or another example is the "McDonaldson" brand for fast food which is similar to the "McDonald's" brand which causes confusion in the market. This is what happened in the application for registration of the trademark "de Ratu" with number DID2021087253 submitted on December 11 2021.

This letter of rejection of the application for registration of the "de Ratu" mark was issued after an examination process lasting nine (9) months, based on the provisions of Article 21 paragraph (1) letter (a) of Law Number 20 of 2016 concerning Marks and Geographical Indications because the mark is substantially or completely similar to a registered mark belonging to another party or was applied for in advance by another party for goods and/or services. similar, namely in the same class, in this case class 30. The "de Ratu" mark is considered to have similarities with previously registered marks, namely "Ratu Kopi" and "Ratu Chollate", in this case there is a main word which is considered to have similarities, namely the word "Ratu". However, in the case of this rejection, the reasons for rejection put forward based on article 21 paragraph 1 of Law Number 20 of 2016 do not take into account article 1 concerning brands which reads "A brand is a sign that can be displayed graphically in the form of images, logos, words, numbers, color arrangements, in the form of 2 (two) dimensions and/or 3 (dimensional) dimensions, sound, hologram, or a combination of 2 (two) or more of these elements to differentiate goods and/or services produced by individuals or legal entities from other similar items.

## **METHOD**

This research uses a normative juridical approach with qualitative methods. The normative legal approach is focused on the analysis of legal norms, both written and unwritten. This research will also include a qualitative analysis of the cases studied to gain deeper insight into the reasons behind rejection of trademark registration. .This research will examine existing regulations related to trademark registration, especially those relating to similarities in essence (Diantha, 2017).

The type of research used is descriptive analytical. Descriptive research aims to provide a clear picture of the conditions and phenomena studied, while analysis aims to interpret and understand the meaning of the data collected.

The data sources used in this research consist of:

### **a. Primary Legal Materials**

Primary legal materials are legal materials that include statutory regulations, official minutes, court decisions and official state documents. According to Cohen and Olson, all written rules enforced by the state can be found in court decisions that have permanent legal force, laws established by parliament, exclusive decisions and regulations, as well as decisions from administrative agencies.

In this research, the primary data used are:

- 1) The 1945 Constitution of the Republic of Indonesia.
- 2) Civil Code.

3) Law Number 20 of 2016 concerning Marks and Geographical Indications

**b. Secondary Legal Materials**

Secondary data sources are sources that are not directly related to the problem being studied, or data obtained from literature that supports primary data. Secondary legal materials are legal materials that function as supporting data in research. This includes texts written by legal experts, papers, legal cases, journals, or opinions from experts in the legal field. This legal material has no legal force and only serves to explain primary legal material. Examples include draft legislation, scientific work from scholars, and research results.

**FINDING AND DISCUSSION**

**RESEARCH RESULT**

Interpretation of the rules of the Trademark and Geographical Indications Law regarding principal similarities in cases of refusal to register a mark Law Number 20 of 2016 concerning Trademarks and Geographical Indications regulates brands as intellectual property rights. A brand can be defined as a sign that can be displayed graphically in the form of an image, logo, name, word, letter, number, color arrangement, or hologram, or a combination of two (two) or more of these elements to differentiate goods and/or services made by a person or legal entity. Brands help improve the reputation and image of a company in the eyes of the public. Law number 20 of 2016 concerning Trademarks and Geographical Indications, especially Articles 4 to 19, regulates the trademark registration process in Indonesia. In general, after a trademark application is received, the Director General of Intellectual Property Rights will announce the accepted application for trademark registration (Rifa'i,, 2023).

Basically, the trademark registration procedure is stated in Law Number 20 of 2016 in Article 4 paragraph (1) that the application for trademark registration is submitted by the Applicant or his Proxy to the Minister electronically or non-electronically in Indonesian. Article 4 paragraph (2) states that the application referred to in paragraph (1) must include:

- a. Date, month and year of Application;
- b. Applicant's full name, nationality and address
- c. Full name and address of the Proxy if the Application is submitted by Proxy;
- d. Color if the Mark for which registration is requested uses color elements;
- e. Name of country and date of the first Mark application in the case of an Application submitted with Priority Rights; And
- f. Class of goods and/or class of services as well as description of types of goods and/or types of services.

Regarding trademark registration procedures, not all trademark registrations can be granted by the Directorate of Intellectual Property (Directorate General) because trademarks can face three possibilities:

- a. Cannot be registered
- b. Registration must be rejected
- c. Accepted/registered

In general, a trademark cannot be registered on the basis of an application submitted by an applicant in bad faith. An applicant who has good faith means that they are registering a trademark honestly and do not intend to imitate or plagiarize someone else's popularity, which will result in losses for other people.

In Law Number 20 of 2016 concerning Marks and Geographical Indications in Article 21 paragraph (1) it is stated that the Application must be rejected if the Mark has similarities in essence or in its entirety with:

- 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 brands belonging to other parties for dissimilar goods and/or services that meet certain requirements;
- d. Registered geographical indication.

Similarities are essentially similarities between brands caused by dominant elements that give the impression of similarity in form, placement, writing, and combination of elements, as well as sound. In essence, the elements of equality consist of 1) form; 2) placement; 3) writing or combination of elements; and/or 4) speech sounds.

Furthermore, Article 21 paragraph (2) states that the application is rejected if the mark:

- a. Represents or resembles the name or abbreviation of the name of a famous person, photo, or name of an authorized body; or the name of a legal entity owned by another person, except with the written consent of 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; or
- 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.

In Article 21 paragraph (3) there is a statement that the application is rejected if it is submitted by an applicant who has bad intentions. Similarity can basically be explained as a similarity of salient elements that differentiate a particular brand from other brands. This can lead people to think that there are similarities in shape, placement, writing of element combinations, and speech sounds in addition to the same meaning that the brands have. law that belongs to another person, except with the written consent of the person entitled to it (Sari, 2022).

One of the related cases is that MS Glow sued PS Glow at the Medan Commercial Court on March 15 2022. In case number 2/Pdt.Sus-HKI/Merek/2022/PN Niaga Mdn, MS Glow sued PS Glow for violations of similarity in name, packaging, product type and business model. The judge stated that MS Glow was the first party to use and register the MS Glow trademark at the Directorate of Intellectual Property Rights based on this lawsuit. There are significant similarities between the MS Glow and PS Glow trademarks. The Medan Commercial District Court's decision stated that PS Glow was removed from the registered trademark and the trademark registration was cancelled. The Director General of

Intellectual Property Rights cancels a trademark registration by deleting the canceled mark from the General Register of Trademarks, along with the reason for the cancellation and the cancellation date. Apart from that, the brand certificate will be revoked by the Director General of Intellectual Property Rights.

Based on legal facts and case developments, the PS Glow brand was only registered on May 1 2021 with registration number IDM000943833, and the MS Glow brand was registered for class 3 goods/services at the Directorate General of Intellectual Property Rights on September 20 2016 with registration number IDM000633038. Because the system in Indonesia is First to File, the brand owner owns the rights to the brand and has exclusive rights to use it (Usman, 2021).

The trademark similarities between MS Glow and PS Glow can be seen from the use of the phrase "Glow" and there is only a difference in the phrases "MS" and "PS".

Image 1



Image 2



Image 1. MS Glow logo Image 2. PS logo

Thus, Law Number 20 of 2016 concerning Trademarks and Geographical Indications, Article 21, is very relevant and can handle trademark disputes between MS Glow and PS Glow to provide legal certainty. The owner of the MS Glow brand sued PS Glow in a trademark infringement case due to the many similarities, including products, names and brand images, between MS Glow and PS Glow. Apart from that, in accordance with Article 21 paragraph (3), PS Glow is based on bad faith and is dishonest because it imitates and imitates the MS Glow brand.

As mentioned previously, Intellectual Property Rights protect creators of valuable works with brands. In this case, court decisions regarding violations of the same name must take into account the principles of Intellectual Property Rights, one of which is the Economic Principle, which states that intellectual property rights originate from creative works for economic purposes. The basic principle of justice, *Lex Privatum*, provides legal protection for a person's work, including trademark rights.

## DISCUSSION

### How can connotative similarities be a factor in brand cancellation?

Similarity of Connotations as a Brand Invalidation Factor Brands aim to help customers differentiate between their products. Brands that do not have a unique appeal will definitely make customers confused when choosing a product.

Article 21 of the Trademark Law defines similarity in essence as the similarity of dominant elements so as to give the impression of similarity. This similarity can come from similarities in form, writing, placement, speech sound, or a combination of these elements. In the case of marks that do not have the same elements above, Article 21 of the Trademark Law does not explain whether the similarity in connotation can be considered to be substantially similar, so that it can be a reason to refuse the deletion of the mark (Jened, 2015).

According to the Big Indonesian Dictionary, connotation is the meaning added to the denotation meaning. Brand similarity is basically the similarity of the meaning contained in a brand with other registered marks.

Although these connotational similarities cannot be seen directly, they can be discovered by studying the meaning of the brand. If you look at the meeting at the World Trade Mark Symposium in Cannes, France, 5–9 February 1992, it provides several elements that can be used as a reference to assess similarities in essence, similarity of appearance, similarity of sound, similarity of connotation (connotation similarity of appearance), similarity in trade impressions, and similarity of trade channels. According to Rahmi Janed, similarity basically occurs when a brand is almost similar to another brand based on appearance, sound and connotation (Z.A, 2004).

This equation is also related to the concept of "a likelihood of confusion". This concept occurs when people misjudge the identity of goods or services. This concept also occurs when people believe that the brands come from the same company. This can cause people to feel confused when choosing a brand.

This happened in the application for registration of the brand "de Ratu" which was rejected by the DJKI because it had similarities with the brands, namely the brands "Ratu Kopi" and "Ratu Chollate" with similar classes of goods/services. The "Ratu Kopi" brand with registration number IDM000075878 and the "Ratu Chollate" brand with registration number IDM000865029 were previously registered and are still within the legal protection period for registered marks, namely 10 years from the time they were registered for class 30 of goods/services. This impression gives a confusing impression because apart from the almost identical connotation, these trademarks are used in the same class of goods, namely 30. This is also considered to be in bad faith. In the trademark registration regulations with the DJKI, a mark cannot be registered with the same class type name if the mark is registered in type 1 class code with the same brand description classification. However, if the mark is registered under a type of class code with a different description classification, then the mark does not fall within the criteria for a mark that can be rejected (PP no 90/2019). The type of class of registered marks can be accessed via the Mark Classification System website.

Based on the case of rejection of the "de Ratu" mark above, the author analyzes that there are legal loopholes in the brand registration system in Indonesia. In terms of trademark registration, the Trademark Law has weaknesses, namely:

**a. There are no regulations regarding the philosophy of registered brands**

A product is not easy to name or brand. In addition, giving a brand name to products that are made by yourself or created with a lot of time, thought and resources.

Products made with great effort will be given pride to you that brand. Because the philosophy of trademark registration is contrary to good faith.

Therefore, the requirement to state the philosophy behind the brand name to be registered must be met. The author believes that it is necessary to build high quality local brands for local products in Indonesia to avoid brand disputes due to the same brand name in Indonesia as other brands.

Brand name and logo philosophy basically talks about how the brand name to be registered began, including its meaning, a brief history of the name, additional information supporting the originality of the brand, and how the brand is different from other brands.

**b. There are multiple interpretations of understanding regarding equality in essence or in its entirety.**

In Law Number 20 of 2016 concerning Trademarks and Geographical Indications, the definition of similarity is only discussed in essence. It is not clear whether the equations are essentially related to the overall equation.

This is very important because similarity in essence or in its entirety is a requirement to determine whether a brand is similar to other brands. In other words, it shows whether two brands can be compared with each other.

In addition, the author saw irregularities in assessing the substance of the brand so that the brand was rejected. In the case of rejection of the "de Ratu" mark, the DJKI only considers the similarity of brand connotations without reviewing the meaning contained in Law Number 20 of 2016, that a brand is a sign that can be displayed graphically in the form of images, logos, names, words, letters, numbers, color arrangements, in the form of 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two) or more of these elements (UU, no. 20/2016). Thus, the author considers that there are other considerations in assessing similarity in essence, that in brands there are logos, images, words, letters, holograms which can be used as differentiating factors between brands with similar connotations.

Applicants for trademark registration who do not agree with the rejection of trademark registration, based on article 24 paragraph (7), the applicant or their legal representative can file an appeal against the type of goods/services that are rejected. An appeal can be submitted in writing to the Trademark Appeals Commission.

## **CONCLUSION**

In the case of the rejection of the mark "de Ratu" which was caused by the fact that the mark requested to be registered was substantially similar to a mark that had been previously registered for similar goods/services, the author found that there was a legal gap in the mark registration system in Indonesia.

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