DISPUTE SETTLEMENT ON THE OWNERSHIP OF TRADEMARK WITH SIMILARITY
(CASE STUDY BETWEEN GUDANG GARAM VS GUDANG BARU)

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Abstract:
One of the difficulties arising from the provisions of Law no. 15 of 2001 regarding trademark is the lack of clear guidelines to determine the criteria of a well-known and famous trademark. One of the disputes on a famous trademark was between Gudang Garam and Gudang Baru that has been settled by the Supreme Court through decision No. 162 K/Pdt.Sus-HKI/2014. Problems in this research are regarding the Legal Consequences of the Verdict of the Supreme Court Number 162 K/Pdt.Sus-Hki /2014 and how to determine the ownership of Trademark with Similarity. The methodology of this research is normative-empirical which is the combination of normative and empirical legal research. The results show that The verdict of Supreme Court Number 162 K/ Pdt.Sus-Hksi/2014 determined that as long as a trademark has been registered in Indonesia, the trademark will be given a legal protection even though the trademark has similarity with other trademark that has been famous in many other countries. This verdict is not coherence with indonesian trademark law that does not admit trademark upon a trademark with similarity. The criteria of the determination of the equation basic elements in a famous brand that is the similarity of images, phenotic, names, words, letters, numbers, color arrangement or combination of such elements.

Keywords: dispute settlement, trademark, similarity

Abstrak
dalam persamaan pada suatu merek terkenal adalah kesamaan gambar, bunyi, nama, kata, huruf, angka, susunan warna, atau kombinasi elemen-elemen tersebut.

Kata kunci: penyelesaian sengketa, merek, kesamaan

CHAPTER I. INTRODUCTION

A. Background

As the industry and trade grow, trademark become a very important element in the world of advertising and marketing because public use to associate an image, quality or reputation of goods and services with a particular trademark. Consumers buy a particular product by looking at the trademark because they think the trademark is high quality or safe to eat due to the reputation of the trademark.61

Trademarks are part of Intellectual Property Rights as governed by Law No.15 Year 2001. Article 1 paragraph (1) of Law No.15 Year 2001 explains shall mean a sign in the form of a picture, name, word, letters, figures, composition of colors, or a combination of said elements, having distinguishing features and used in the activities of trade in goods or services.

A new brand will be recognized for their ownership of the trademark after the owner register the trademark to Directorate General of Intellectual Property Rights. To fulfill the registration requirement, the trademark must have sufficient distinguishing power, meaning it has the power to distinguish between one trademark to another trademark.62 In order to have differentiating power, the trademark must be able to provide a determination concerned on the goods or services.

But in reality, one of the difficulties arising from the provisions of Law no. 15 of 2001 is the lack of clear guidelines to determine the criteria of a well-known/famous trademark. The law in Indonesia does not regulate in detail about the well known/famous trademark.

The protection of famous brand is one of the important aspects within trademark law.63 The protection provided by the trademark law to a well-known/famous trademark is a recognition of the success of the trademark owner in creating the exclusive image of its product obtained through advertising or selling of

its products directly. Therefore, the existence of famous/well-known trademark imitation is basically based on bad faith, which is taking the opportunity for taking the popularity others trademark.

One of the main equality disputes on a famous trademark is regarding dispute between Gudang Garam and Gudang Baru a case which has been handled by the Supreme Court and decided in the Supreme Court's decision No. 162 K / Pdt.Sus-HKI / 2014. The lawsuit of Supreme Court Number 162 K / Pdt.Sus-HKI / 2014 was initially started by the appeal of H. Ali Khosin and then was granted by the Supreme Court because brand “Gudang Baru” does not have any similarity in essence with Gudang Garam brand and this supreme court verdict revokes the Commercial Court decision at Surabaya District Court No. 04 / HKI-MEREK / 2013 / PN-NIAGA.SBY which stated that the case is not in accordance with the law, so the appeal filed by the Cassation Appellant, H. Ali Khosin, was granted.64

Authors consider that Gudang Garam is a famous trademark which has been established since 1989. After that, Gudang Baru then came as the new cigarette and have a similar trademark with Gudang Garam. The lack of detailed rules about famous/well-known trademark and limitations on equality criteria is essentially in Law no. 15 of 2001, so that the judges have different interpretations in resolving the dispute between H. Ali Khosin as the owner of the Gudang Baru trademark with PT Gudang Garam, tbk. Explanations above has guided and arised the authors attention to analyze the decision upon the dispute settlement on ownership Of Trademark With Similarity (Case Study Between Gudang Garam VS Gudang Baru)

B. Problems Identification:

Problem identification in this research are:
1. What is the Legal Consequences of the Verdict of the Supreme Court Number 162 K / Pdt.Sus-Hki / 2014?
2. How is The Ownership of a Trademark with Similarity?

C. Method of Research

The type of this research is Normative-Empirical65. It is the combination of normative and empirical legal research, for example testing and reviewing the provisions of the law


65 Peter Mahmud Marzuki, Pengantar Ilmu Hukum (Jakarta: Kencana Pranada Media Group, 2008) page.32
regarding famous/well-known trademark regulated on Law Number 15 of 2001 about Trademark Law. Therefore, this research has two elements, such as a) Normative element of this research that analyzes about the legal protection of famous/well-known trademark in accordance with the provisions of Law No. 15 of 2001 and b) Empiric element derived from data gathered by researchers in the field as supporting data to determine how the protection of famous/well-known trademark who get the imitation from another trademark. This research uses Gudang Garam and Gudang Baru case as object of analysis.

CHAPTER II. LITERATURE REVIEW

A. General Review On Dispute Settlement

The settlement of trademark disputes according to the positive law of Indonesia uses two ways, are litigation and non litigation, among others:

1. Alternate Dispute Settlement and Arbitration Settlement

Alternative dispute settlement is dispute resolution through the procedures agreed upon by the parties, is outside of the court which are negotiation, mediation, conciliation. Negotiation is one of the alternative dispute settlements made by the parties to the dispute or its proxy directly at the time of negotiation, without the involvement of a third party as a mediator. Mediation is one of the dispute settlements with the help of impartial parties (mediators) who participate actively provide guidance or direction to achieve the settlement. But he does not function as a judge who has the authority to make decisions. The settlement initiative remains in the hands of the parties. Conciliation is an alternative dispute resolution process involving a third party or more, whereby a third party involved to resolve a dispute is a person who is professionally verifiable.

Arbitration are considered to be a win-win solution that is solved because both settlements are considered not takes cost too much and not takes time too long. In the hearing of the arbitration, the hearing is not different from the civil proceedings as provided for in the HIR or RBg, which distinguishes the arbitration proceedings is closed to the public while the public court is open to the public, because in the arbitration the disputes of the parties are secured.

66 Kunto Wibosono, Penyelesaian Sengketa Merek Menurut Hukum Positif Indonesia, (Yogyakarta: Universitas Islam Indonesia, 2004), page 52.
2. Settlement Through the Courts

A court settlement is the latest settlement or Ultimum Remidium term where the settlement is taken if it is considered that all other settlement paths do not find a common ground between the parties. In the Settlement of the brand through the court, especially to the commercial court, there are 3 (three) kinds, namely the lawsuit to abolish the registration of the trademark, the lawsuit of the cancellation of the trademark, and the indemnification lawsuit.

B. General Review on Trademark

Based on Law no. 15 Year 2001, trademark is a sign in the form of a picture, name, word, letters, figures, composition of colors, or a combination of said elements, having distinguishing features and used in the activities of trade in goods or services. Accordingly, the trademark is an identifier activities of trading of goods or services of the same kind and simultaneously is a guarantee of quality when compared to goods or products similar services that made by others.

The function are to give identity to goods or services and serves to ensure the quality of goods and services for consumers. For people who already bought a product with a certain brand and feel satisfied to the quality of the product or service will remain search and use the product with the same trademark. Trademark can also be an advertising tool to help promotion of a product. In addition, the trademark also serves as a distinguishing product of goods or services made by a person or legal entity with the product goods or services made by a person or legal entity.  

For a trademark to be accepted, the absolute requirement is to have the power of considerable distinction. In other words, the trademarks used should be in such a way, that it has enough power to differentiate goods produced by a company or service of one's production with goods or services produced by others. In addition, not all that fulfill the differentiating power can be registered as a trademark. Article 4 of Law no. 15 of 2001 states that the trademark can not be registered on the basis of the petition filed by the applicant who have bad faith.

The signs are fulfilling conditions that can be listed as a brand, namely:

1. Has a differentiating power.
2. It is a sign of merchandise or service that may be pictures (paintings), names, words, letters, numbers, arrangement of

colors or a combination of these elements.

3. These trademarks do not conflict with legislation in effect, religious morality, decency, or order public, not a general sign and does not belong to the public, or is not a description or relating to the goods or services requested for registration.

4. The trademark also has no similarities with other brands pre-registered, well-known brands, or geographical indications already known.

5. Does not constitute, resemble or replicate any other sign owned by a particular institution or country.

Legal protection is granted to the registered trademark for the duration of 10 (ten) years from the date of the recipient and may be extended as stipulated in Article 28 of Law no. 15 of 2001. Based on Article 69 a lawsuit for cancellation of the registration of a trademark shall be filed within a period of 5 (five) years after the date of trademark registration. A lawsuit for cancellation may be filed without a time limit if the trademark concerned is contrary to morality of religion, ethics and public order.

C. General Review On Similarity Trademark

The meaning of "equality in essence" is the similarity caused by the presence of prominent elements between one brand and another, which may give the impression of equality of form, way of placement, way of writing or combination of elements or equations of speech sounds contained in these brands. If the trademark has any similarity in essence or even totally the same with any other trademark of a pre-registered party of similar goods and / or services, then the application for the registration of the trademark will be denied.

Klinik, Arti Persamaan Pada Pokoknya dalam UU Merek
trademark shall be rejected by the Directorate General of Intellectual Property Rights.

**D. General Review On Gudang Garam VS Gudang Baru Case**

PT. Gudang Garam as the Plaintiff sue PT Jaya Makmur, represented by H. Ali Khosin as the Defendant in the District Court Surabaya Number 04 / HKI-MEREK / 2013 / PNNIAGA.SBY with the type of case Similarity Trademark.\(^7\)

This case occurs because of:

1. The similarity trademark between the trademark owned by PT. Jaya Makmur as were represented by Ali Khosin named "Gudang Baru". Gudang Garam viewed the situation as a potential of economic loss. Based on this, PT Gudang Garam as the previous Defendant Cassation as Plaintiff has filed a lawsuit against the owner of Gudang Baru as Applicant of Cassation as a Defendant in the trial of Commercial Court at the Surabaya District Court. This is based on Article 68 of Law no. 15 Year 2001 which expressly states: "The trademark can not be listed by the request of the Petition filed by the Petitioners who have a bad faith ". Therefore it can be assumed that the idea of creating a trademark of Gudang Baru is inspired by the Gudang Garam that has been listed earlier in Indonesia. In bad faith, the trademark of Gudang Baru have intention to pitch the Gudang Garam trademark that can be called as a famous trademark because it can be proven that Gudang Garam having been registered in several countries in the world such as Japan, Singapore, Argentina, Malaysia, Brazil, Brunei Darussalam, Chile, South Korea, Paraguay, Saudi Arabia, Europe, Philipina, Qatar, and Taiwan since year 1989.

2. Plaintiffs strongly objected to the registration of trademark Gudang Baru because they have similarities in essence with the trademark Gudang Garam. It can be seen from the form and composition of the letters, style of writing, spelling, speech sounds, color composition and the way of laying pictures / paintings. And also Gudang Garam and Gudang Baru included in one class is 34 in the forms of tobacco, cigarette goods.

3. The existence of bad faith. This is based on the provision of Article 4 of Law no. 15 Year 2001 which expressly states: "The trademark can not be listed by the request of the Petition filed by the Petitioners who have a bad faith ". Therefore it can be assumed that the idea of creating a trademark of Gudang Baru is inspired by the Gudang Garam that has been listed earlier in Indonesia. In bad faith, the trademark of Gudang Baru have intention to pitch the Gudang Garam trademark that can be called as a famous trademark because it can be proven that Gudang Garam having been registered in several countries in the world such as Japan, Singapore, Argentina, Malaysia, Brazil, Brunei Darussalam, Chile, South Korea, Paraguay, Saudi Arabia, Europe, Philipina, Qatar, and Taiwan since year 1989.

\(^7\)Decision District Court Surabaya Number 04 / HKI-MEREK / 2013 / PNNIAGA.SBY
On 12 September 2013 the District Court Surabaya Number 04 / HKI-MEREK / 2013 / PNNIAGA.SBY won the Plaintiff's party is PT. Gudang Garam. H. Ali Khosim SE, strongly objected to the legal considerations of the Decision. Finally, through his lawyer, Yusril Ihza Mahendra, filed an appeal in the Supreme Court on September 24, 2013.

The Supreme Court Judge in the Consultative Meeting of the Panel of Judges to the Supreme Court on Tuesday, 22 April 2014 by Prof. Dr. Ir. Dr. VALERINE J.L. KRIEKHOFF, SH., MA., Supreme Court judge appointed by the Chief Justice of the Supreme Court as Chairman based on Decision Number. 162 K / Pdt.SusHKI / 2014 to grant the appeal of the Cassation Appellant of H. ALI KHOSIN, SE., and cancellation the decision of the Commercial Court at the Surabaya District Court No. 04 / HKI-MEREK / 2013 / PN-NIAGA.SBY., dated 12 September 2013.

The contents of the Decision Number. 162 K / Pdt.SusHKI / 2014: 71

1. Refusing the Plaintiff’s claim to the whole.

2. Punishes the Cassation / Plaintiffs to pay the fees at all levels of the court, in the cassation level of Rp 5.000.000,00 (five million rupiah).

Gudang Baru Brand was registered in 1995 and has been renewed in 2005. This proves that the trademark of Gudang Baru stands for more than 5 (five) years. Whereas the owner of the Gudang Garam trademark should file an objection when the Gudang Baru trademark is announced in the Official Gazette of Trademarks and a claim for cancellation of a trademark registration may only be filed within 5 years since the date of registration of the trademark under the provisions of Article 69 paragraph (1) of the trademark Law no. 15 of 2001, while the brand of Gudang Baru has been established for more than 5 (five) years. Therefore the lawsuit from Gudang Garam has expired.

CHAPTER III. DISCUSSION

A. The Legal Consequences of the Verdict of the Supreme Court Number 162 K/Pdt.Sus-HKI/2014

The verdict of Supreme Court Number 162 K/ Pdt.Sus-Hki/2014 determined that as long as a trademark has been registered in Indonesia, the trademark

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71 Decision Supreme Court Number 162 K/Pdt.SusHKI/2014
will be given a legal protection even though the trademark has similarity with other trademark that has been famous in many other countries. This verdict is not coherence with indonesian trademark law that does not admit trademark upon a trademark with similarity.

In the verdict consideration, judges considered that Gudang Baru already followed the mandatory procedure to obtain the trademark including the substantive assessment upon its trademark. For the trademark has been given, the judges decided that there is no bad faith in Gudang Baru trademark and it is not proven that they utilized Gudang Garam in producing their package.

The case was won by Gudang Baru because the registration of the Gudang Baru trademark has been carried out in accordance with the applicable mechanism or procedure and has been announced for 3 (three) months in the Official Gazette of trademark in accordance with the provisions of Article 22 of Law no. 15 Year 2001. Up to 3 (three) months period of announcement period, the Respondent of Cassation as the holder of the Gudang Garam trademark did not submit any objection or refutation. However, the Cassation Defendant filed an objection after the Gudang Baru trademark became known by the public and also because of a mistake from Gudang Garam who is silent and does not sue the Gudang Baru trademark for cancellation at the time of announcement of the Gudang Baru trademark in the Official Gazette of Brand for 3 (three) months while the trademark Gudang Garam filed a lawsuit when the Gudang Baru trademark has been registered more than 5 (five) years. Based on Article 69 of Law no. 15 of 2001, the claim for cancellation of a trademark registration may only be filed within 5 (five) years from the date of registration of the trademark. Therefore the lawsuit of the cancellation filed by Gudang Garam has expired.

B. The Ownership of Trademark with Similarity

Finally a trademark dispute between Gudang Garam and Gudang Baru can be completed in the Supreme Court by Supreme Court Decision Number 162 K / Pdt.SusHki / 2014 and has obtained permanent legal force. In this decision, the case between Gudang Garam and Gudang Baru trademark was won by the Gudang Baru trademark and consequently canceled the Commercial Court ruling at the Surabaya District Court No. 04 / HKI-MEREK / 2013 / PN-NIAGA.SBY. The court verdict supports Gudang Baru because:
1. There was no bad Faith
Regarding that matter has been considered during administrative examination, substantive inspection or in accordance with the authority of Directorate General of IPR the Gudang Baru trademark has been registered in General Register of trademark since 1995 and extended in 2005, it has been legally fulfilled result of substantive examination conducted by trademark Examiner. Therefore, it is stated that the Plaintiff / Defendant of Cassation does not have data of research result about the existence of bad faith from the Defendant.

2. There is no similarity
The trademark and drawings used by Defendants apparently there is no similarity of form, placement and similarity in sound that can cause confusion. So the pronunciation of "Gudang Baru" and "Gudang Garam" does not cause confusion in the inference of sound. Unlike the case of pronunciation in the case of "adidas" and "adadas" trademarks, which may cause confusion sound inference to the public.

3. The Registration of Gudang Baru is in accordance with the Procedure.
The registration of the Gudang Baru trademark has been carried out in accordance with the applicable mechanism or procedure and has been announced for 3 (three) months in the Official Gazette of trademark in accordance with the provisions of Article 22 of Law no. 15 Year 2001. Up to 3 (three) months period of announcement period, the Respondent of Cassation as the holder of the Gudang Garam trademark did not submit any objection or refutation. However, the Cassation Defendant filed an objection after the Gudang Baru trademark became known by the public.

However, it also contradict the consideration of the Supreme Court Judge stating that the Gudang Baru trademark has no bad faith and the similarity in essence to the Gudang Garam trademark. Gudang Baru has similarity in essence to the trademark of Gudang Garam and there is bad faith.

The similarity should not be exactly the same to all elements or elements of the trademark, but has a similar or almost similar impression can be regarded as an similar in essence. It is based Elucidation of Article 6 paragraph (1) Law no. 15 Year 2001 which defines equality in essence is a resemblance. Emphasizes the word "Similarities" that come from the word "similar". The word "similar" in KBBI is defined as "almost identical" or "similar".
According to Emmy Yuhassarie, there are two theories to determine the presence of similarities trademark are theory of holistic approach and dominancy. According to holistic approach theory, to determine whether or not brand equality should be viewed as a whole from sound, meaning, spelling, or appearance. Meanwhile, according to the theory of dominancy, only the most dominant element. So from the two theories for case Gudang Garam and Gudang Baru are emphasize to holistic approach theory it can be seen from the trademark between Gudang Garam and Gudang Baru has similarity in terms of color arrangement, there is a warehouse drawing and the same placement, there is writing "warehouse". In addition, traded goods are similar or class of cigarettes. The sound its similar only difference between Garam and Baru. Based on this arguments, the authors assume that the owner of the trademark Gudang Baru has the intention of "piggyback" reputation Gudang Garam brand that has been known by the public in bad faith.

Here are the visual of Gudang Garam and Gudang Baru product to give us clear vision in analyzing similarity between Gudang Garam and Gudang Baru:

Based on the picture above, it is seen the similarity between the two brands are:
1. Similarity of color combinations, namely red and colored text Brown.
2. Similarity of font or character of writing, which is writing "GARAM" and "GUDANG BARU";
3. Similarity of the layout, the location of the warehouse that is above the writing of Gudang Garam and Gudang Baru;

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72 Emmy Yuhassarie, *Hak Kekayaan Intelektual dan Perkembangannya*, (Jakarta: Pusat Pengkajian Hukum, 2005), h. 207.
4. There is a picture of "Warehouse" in the product, although the warehouse is different, but it can be assumed that in the picture there is intention to imitate Gudang Garam trademark.

In addition, the provisions of Law Number 15 Year 2001 on trademark regulate further whatsoever that can not be made or registered as a trademark. Based on Article 5 of Law Number 15 Year 2001 on Trademarks, the trademark can not be registered if it contains any of the following elements: contrary to prevailing laws and regulations, religious morality, ethics, or public order; has no distinctive power; has become public property; and is a description or related to the goods or services applied for registration. Article 6 of Law Number 15 Year 2001 regarding Trademark contains also the provisions concerning denial of trademark registration is the application must be rejected by the Directorate General of HKI if the mark has the equality in essence or in its entirety with the mark owned by another party already registered first for goods and / or services of a kind, a famous brand belonging to another party for goods and services a kind, and geographical indication already known. Rejection may also apply to unequal goods and / or services as long as they meet certain requirements which shall be further stipulated by a Government Regulation.

So based on Article 6 of Law Number 15 Year 2001 the Directorate General of HKI shall denial of trademark registration because the trademark of Gudang Baru has equation basic element with Gudang Garam that I already explain in above the similarity between them. The Directorate General of HKI must to careful to accept the registration of trademark.

Based on the evidence above, the authors argue that there are similarities in essence between the trademark Gudang Garam and Gudang Baru. The existence of a few differences in the elements made by the Gudang Baru is a tactic or strategy so there is no overall equation of the trademark Gudang Garam. In other words do not imitate the whole.73

In addition, Gudang Garam trademark is a famous trademark. This trademark name is proven by the general knowledge of the community, massive promotion through advertising media, and it has been registered in several countries in the world since 1989, including Japan, Singapore, Argentina, Malaysia, Brazil, Brunei Darussalam, Chile, South Korea, Paraguay, Saudi Arabia, Philippines, Philippines.

73 Yahya Harahap, Tinjauan Merek Secara Umum dan Hukum Merek di Indonesia Berdasarkan Undang-Undang No. 19 Tahun 1992, (Bandung: PT. Citra Aditya Bakti, 1996), h. 417-418
Qatar, Taiwan and several countries in continental Europe.

Based on this, it can be concluded that the owner of the trademark Gudang Baru has a bad faith that is the intention to piggyback the fame of the famous brand Gudang Garam in advance by creating a brand that has similarities in essence and is the same type or class. Therefore, the authors agree with the Decision Court Niaga Surabaya won the Gudang Garam, namely the existence of bad faith and equality of basic elements that exist between the brand Gudang Garam and Gudang Baru.

The authors agree with the decision of the Supreme Court Justices who won the Gudang Baru because of a mistake from Gudang Garam who is silent and did not sue the Gudang Baru trademark for cancellation at the time of announcement of the Gudang Baru trademark in the Official Gazette of Brand for 3 (three) months. While the trademark Gudang Garam filed a lawsuit when the Gudang Baru trademark has been registered more than 5 (five) years. Based on Article 69 of Law no. 15 of 2001, the claim for cancellation of a trademark registration may only be filed within 5 (five) years from the date of registration of the trademark. Therefore the lawsuit of the cancellation filed by Gudang Garam has expired.74

CHAPTER IV. CONCLUSION

Based on discussion, authors make conclusions as follow:

1. The verdict of Supreme Court Number 162 K/ Pdt.Sus-Hki/2014 determined that as long as a trademark has been registered in Indonesia, the trademark will be given a legal protection even though the trademark has similarity with other trademark that has been famous in many other countries. This verdict is not coherence with indonesian trademark law that does not admit trademark upon a trademark with similarity.

2. The criteria of the determination of the equation basic elements in a famous brand that is the similarity of images, sounds, names, words, letters, numbers, color arrangement or combination of such elements to goods or services of the same or not based on public knowledge, the reputation of the brand is gained because of the massive promotion, and accompanied by the

proof of registration of the mark in some countries.

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Internet:
