

Reconstructing Indonesia's Trademark Registration System through the Lens of General Principles of Good Governance to Realize Substantive Justice

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Abstract

The constitutive or first-to-use system in trademark registration in Indonesia actually creates problems, particularly in failing to meet substantive justice aspects in trademark registration. This is because the constitutive or first-to-use system only provides protection for registered trademarks. This research aims to analyze and reconstruct a trademark registration system that accommodates the General Principles of Good Governance (AUPB). This study provides a novel perspective by

integrating the General Principles of Good Governance (AUPB) with Indonesia's trademark registration system, offering a unique approach to enhance substantive justice in trademark law. The research highlights the need for reform in the Indonesian trademark registration process, which can guide policymakers and legal practitioners in improving the accuracy and fairness of trademark protection, thereby reducing disputes and enhancing the protection of intellectual property rights. This research is normative legal research using statutory, conceptual, and philosophical approaches. The research results confirm that the "*first to file*" system in trademark registration in Indonesia has undermined substantive justice because it only provides legal protection when a trademark has been registered. The urgency to make AUPB a guideline in the trademark registration process is oriented so that the DJKI trademark registration process can prioritize aspects of accuracy and prudence. Reconstructing a trademark registration system model that embodies substantive justice can be done by not applying the constitutive system absolutely but rather relatively by accommodating developments in trademark registration practices. This application needs to be combined with the general principles of good governance to create a fair and effective system in protecting trademark rights and realizing substantive justice.

Keywords *AUPB, Substantive Justice, Trademark Registration*

Introduction

Intellectual property is generally understood as the result of human thought and creativity, which is manifested in a certain form, giving it aesthetic value and an orientation toward economic aspects. Because it impacts the economy and supports various aspects of human life, the state is present to facilitate and provide legal protection related to intellectual property, commonly known as Intellectual Property Rights (IPR). IPR is constructed as an exclusive right granted by the state to creators and inventors over their intellectual works, whether in the form of design, creation, or various other inventions. IPR is generally known in various forms such as copyright, trademarks,

patents, industrial designs, layout designs of integrated circuits, trade secrets, and new plant varieties.

Among the various types of IPR mentioned above, trademarks have the highest number of infringement complaints compared to other types of IPR. This is based on data from the Directorate General of Intellectual Property (DJKI), which confirms that in 2018, the number of intellectual property infringement complaints regarding trademark rights reached 20 complaints out of a total of 36 complaints in other types of IPR. The number of intellectual property infringement complaints in the field of trademark rights also increased in 2019, reaching 34 complaints out of a total of 47 complaints in other types of IPR. In 2020, the number of intellectual property infringement complaints in the field of trademark rights decreased to only 8 complaints out of a total of 30 complaints in other types of IPR. Although there was a decrease in 2020, it can generally be concluded that complaints of intellectual property infringement in the field of trademark rights occur every year. One cause of this is the lack of thoroughness by DJKI in the examination process during trademark registration.

A common issue in trademark registration is the registration of well-known trademarks by local residents using similar or even identical signs, known in trademark law as similarity in essence or overall similarity. In a global context, trademarks often serve as a meeting point between local and international identities, connecting consumers with producers through a series of interactions involving recognition, trust, and loyalty. However, issues related to trademark registration, especially those involving foreign parties, often lead to complex legal and ethical problems.

One of the issues related to trademark registration involving foreign parties is caused by the "first to file" or constitutive system. This is because the "first to file" or constitutive system emphasizes that the party who registers first is the one who obtains the exclusive right related to the trademark.¹ Although Indonesia has adopted the Madrid

¹ Nisa Aurellia and Kholis Roisah, "Legal Protection against Unregistered Marks and Unfair Competition Practices (Comparative Study of Indonesia and the United States)," *International Journal of Social Science and Human Research* 06, no. 06 (2023): 3818–21, <https://doi.org/10.47191/ijsshr/v6-i6-75>.

Protocol, the existing system continues to exhibit flaws, particularly in its rigid adherence to the "*first to file*" principle. This system often disregards prior use and fails to protect unregistered trademarks that are already in use, leading to legal disputes and undermining trust in the trademark registration process.² The integration of the Madrid Protocol has not fully resolved these issues, highlighting the need for further refinement of the registration system. Therefore, this research aims to analyze and address issues related to trademark registration in Indonesia, including the "first to file" system in trademark registration, by incorporating the use of the General Principles of Good Governance (AUPB). This research is crucial as it addresses the fundamental shortcomings of the current trademark registration system in Indonesia, which fails to uphold substantive justice. The research underscores the need for systemic reform to better protect trademark rights in a rapidly evolving global economy.

Previous research has extensively examined the trademark registration system from various perspectives. For instance, Marchelina Ramadhanty in 2023 researched the juridical consequences of the 'GoTo' trademark rights owned by Gojek and Tokopedia if they continue to use the trademark.³ The study concluded that both trademarks have essential similarities. Another study by Joshua in 2022 emphasized the legal consequences of using trademarks with essential similarities, viewed from Law No. 20 of 2016 concerning Trademarks and Geographical Indications.⁴ Yusuf Habibi conducted similar research in 2023, focusing on trademark dispute resolution containing essential similarities to create business certainty.⁵ Based on these

² Muh Ali Masnun, "Reorientasi Pengaturan Pemberdayaan Hukum Usaha Mikro Kecil Menengah Melalui Hak Atas Merek Kolektif," *Jurnal Wawasan Yuridika* 3, no. 2 (2019): 217, <https://doi.org/10.25072/jwy.v3i2.248>.

³ Marchelina Ramadhanty Wahyu Utami, "Pelanggaran Hak Merek Yang Memiliki Persamaan Pada Pokoknya (Studi Kasus Sengketa Merek 'GOTO' Antara Gojek Dan Tokopedia Dengan PT Terbit Financial Technology)," in *Prosiding Seminar Hukum Aktual Fakultas Hukum Universitas Islam Indonesia* (Yogyakarta: FH UII, 2023).

⁴ Joshua Jorgen Sumanti, "Akibat Hukum Pemakaian Merek Yang Memiliki Persamaan Pada Pokoknya Ditinjau Dari Undang-Undang Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis," *Lex Privatum* 10, no. 2 (2022).

⁵ M. Yusuf Habibi, "Sistematika Penyelesaian Sengketa Merek Yang Mengandung Kesamaan Pada Pokoknya Dalam Menciptakan Kepastian Berusaha Berdasarkan

previous studies, it is relatively rare or even non-existent to find research focusing on reconstructing the trademark registration system model based on AUPB.

Unlike previous studies that focus more on technical and procedural aspects, this study will re-examine the trademark registration system model, emphasizing AUPB aspects. The goal is to create a trademark registration system model that is not only efficient and transparent but also capable of producing fair decisions for all parties, including trademark applicants, other trademark holders, and the general public.

The urgency of this research lies in the importance of creating a trademark registration system that is fair and in line with the times. By having a trademark registration system model based on AUPB, it is hoped that it will reduce potential conflicts and trademark disputes in the future because the use of AUPB in trademark registration is oriented toward achieving substantive justice. In addition, this research is also expected to contribute to policy and regulation development in the field of intellectual property rights, especially trademarks in Indonesia. Thus, this research is expected to make a significant contribution to realizing substantive justice in the trademark registration system in Indonesia, specifically by referring to AUPB.

This research is normative legal research with the main orientation being the use of legal principles and concepts to study and analyze trademark registration in Indonesia.⁶ The research involved an extensive review of legal documents, including statutory laws, regulations, and relevant case studies in the field of trademark law. The primary legal materials used in this research are the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945) and Law No. 20 of 2016 concerning Trademarks and Geographical Indications (Trademark Law). Secondary legal materials used in this research include scientific articles, books, and various scientific studies discussing trademark registration in Indonesia, both in soft and hard files. Non-legal materials used are dictionaries. The approach used in this research

Undang-Undang Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis," *Indonesia Berdaya* 4, no. 3 (2023): 1245–1254.

⁶ Hari Sutra Disemadi, "Lensa Penelitian Hukum: Esai Deskriptif Tentang Metodologi Penelitian Hukum," *Journal of Judicial Review* 24, no. 2 (2022): 289–304, <https://jurnal.unigal.ac.id/>.

includes statutory, conceptual, and philosophical approaches. A qualitative analysis was conducted, focusing on the interpretation and application of legal principles, particularly the AUPB, in the context of trademark registration. The analysis involved comparing the current system with potential models that could better incorporate principles of substantive justice.

Issues in Trademark Registration in Indonesia

The Indonesian Language Dictionary provides a brief understanding that a trademark is a stamp or sign of a product created as a differentiator from other products, especially similar products in the market.⁷ This view aligns with Article 1 point 1 of the Trademark Law, which states that a trademark is essentially a sign displayed in a graphic form, such as images, logos, names, words, and so on, including combinations thereof. As part of intellectual property, the trademark registration process is crucial. The importance of the trademark registration process is in line with six trademark functions, which include⁸: (i) trademarks as identifiers to distinguish a production, (ii) trademarks as tools and media for promotion, showing differences between one brand and another, (iii) trademarks essentially become symbols of the quality and reliability of a product, (iv) trademarks indicate or show a product that has been produced.

The importance of the trademark registration process, as emphasized above, juridically has significant implications that trademark registration is related to granting exclusive rights by the state to a registered trademark.⁹ This means that before a trademark is registered, it does not yet have exclusive rights from the state and therefore does not yet have legal guarantees and protection. The important aspect of trademark registration directly related to exclusive rights from the state is because Indonesia adopts a "first to file" or

⁷ Pusat Bahasa Departemen Pendidikan Nasional, *Kamus Bahasa Indonesia* (Jakarta: Departemen Pendidikan Nasional, 2008).

⁸ Maria Lilla Montagnani Irene Calboli, *Handbook of Intellectual Property Research: Lenses, Methods, and Perspective* (London: Oxford University Press, 2021).

⁹ Belardo Prasetya Mega Jaya Asep Hakim Zaikiran, Mentari Jastisia, "Trademark Registration As A Legal Protection Effort For MSME Products," *Siyar Hukum Jurnal Ilmu Hukum* 20, no. 1 (2022): 1–18.

constitutive trademark registration system.¹⁰ This means that trademark rights are given to the party who first registers the trademark with the Directorate General of Intellectual Property (DJKI) without considering who first used the trademark in the market. In other words, whoever first registers the trademark in Indonesia will own the trademark rights.

The current system in Indonesia predominantly follows the "*first to file*" principle, where legal protection is granted only to trademarks that are formally registered. This system is heavily procedural, emphasizing registration over the actual use of trademarks in the market. While it provides a clear and structured process, it often overlooks trademarks that have been in use but not registered, which can lead to unfair outcomes.

In the "first to file" system, priority is given to the party who first submits the trademark registration, not to the party who first used the trademark.¹¹ This differs from the "first to use" or declarative system, where trademark rights are given to the party who first used the trademark in the market, even if they have not registered it. The "first to use" or declarative system can be seen in copyright practices.¹² The characteristic of the "first to use" or declarative system does not emphasize registration like trademark registration in the constitutive system but emphasizes recording.¹³ The advantage of the "first to file" system is that it provides legal certainty for the trademark holder who has registered it.¹⁴ However, this system can also lead to potential

¹⁰ Yusuf Gunawan, "Legal Analysis of Ambiguity of Trademark Registration in Indonesia," *Nurani* 23, no. 1 (2023): 163–70, <https://doi.org/10.19109/nurani.v>.

¹¹ Henny Marlyna and Agus Sardjono, "Does the Trademark Protection Regulation Protect Consumers against Counterfeit Products? Analyzing the Theories of Trademark and Indonesian Trademark Law," *Pertanika Journal of Social Sciences and Humanities* 27, no. 3 (2019): 1865–77.

¹² Diana Silfiani, "Indonesian Legal Protection for Song Commercialization and Music Copyrights in Digital Platforms," *Padjadjaran Jurnal Ilmu Hukum* 9, no. 2 (2022): 152–69, <https://doi.org/10.22304/pjih.v9n2.a1>.

¹³ Hari Sutra Disemadi and Hanifah Ghafila Romadona, "Kajian Hukum Hak Pencipta Terhadap Desain Grafis Gratis Yang Dipergunakan Kedalam Produk Penjualan Di Indonesia," *Jurnal Meta-Yuridis* 4, no. 2 (2021): 45–66, <https://doi.org/10.26877/m-y.v4i2.8167>.

¹⁴ Radhyca Nanda Pratama Muh. Ali Masnun, "Analisis Penghapusan Merek Terdaftar Atas Prakarsa Menteri Karena Bertentangan Dengan Peraturan

conflicts, especially if another party has previously used the trademark in the market but has not registered it.

According to Article 3 of the Trademark Law, Indonesia explicitly uses the "*first to file*" system. Nevertheless, in practice, the implementation of the "first to file" system in trademark registration has weaknesses, including that when there is an existing and active trademark in the market that has not been registered, the trademark does not have legal protection guarantees.¹⁵ This becomes more relevant when the existing and active trademark in the market is a foreign trademark that has not been registered. Even though it exists and is active in the market, it does not have legal protection guarantees because it has not been registered.¹⁶

The issues related to trademark registration in Indonesia with the "*first to file*" system, if analyzed thoroughly, essentially prioritize procedural justice aspects. Procedural justice aspects in trademark registration with the "first to file" system are evident when justice for the trademark holder can be realized once the registration process is completed. However, there is a situation where a trademark already exists and is used in the market but has not been registered, and thus it does not receive legal protection from the state.¹⁷ This implies that the trademark registration system in Indonesia, which adopts the "first to file" system, essentially derogates substantive justice and emphasizes procedural justice.¹⁸ The necessity for reconstructing the trademark registration system arises from the system's failure to address the substantive justice issues inherent in the "first to file" approach. The

Perundang-Undangan," *IUS: Kajian Hukum Dan Keadilan* 8, no. 30 (2020): 485–99.

¹⁵ M Khoiron, "Trademark Policy for Small and Medium Industries in Indonesia," *International Journal of Management and Industrial Science* 1, no. 1 (2022): 13–16.

¹⁶ Muh Ali Masnun, Radhyca Nanda Pratama, and Astanti Nurfiana Dilla, "Menakar Kewajiban Penggunaan Bahasa Indonesia Pada Merek Dagang," *Mimbar Hukum* 32, no. 3 (2020): 392–406.

¹⁷ I Dewa Gede Atmadja, "Legal Ideology on Social Justice Perspective," *Journal Equity of Law and Governance* 1, no. 2 (2021): 158–63, <https://doi.org/10.55637/elg.1.2.4345.158-163>.

¹⁸ Wawan Andriawan, "Pancasila Perspective on the Development of Legal Philosophy: Relation of Justice and Progressive Law," *Volksgeist: Jurnal Ilmu Hukum Dan Konstitusi* 5, no. 1 (2022): 1–11, <https://doi.org/10.24090/volksgeist.v5i1.6361>.

research presents data on the number of trademark registrations that have been rejected or led to disputes due to prior use, demonstrating the inadequacy of the current system and the urgent need for reform.

Substantive justice in the trademark registration process in Indonesia is something that should be prioritized. This is because trademark registration is closely related to business and economic activities, where the presence of substantive justice should be prioritized over procedural justice.¹⁹ Substantive justice is important to prioritize because it relates to the content or substance of the decision or result itself.²⁰ It assesses whether the outcome or decision is fair and correct based on prevailing legal and moral norms. In a legal context, substantive justice evaluates whether existing laws and policies reflect principles of fairness and equality.²¹

Substantive justice in trademark registration aligns with Ronald Dworkin's view, which emphasizes morality as the main essence of law.²² Substantive law is law that reflects moral values, so when moral values are facilitated in the law, substantive justice can be achieved in society.²³ Implementing substantive justice in trademark registration is expected to accurately protect the rights of parties who have used their trademarks, even if they have not registered them.

Based on the above explanation, it can be concluded that the main issue in trademark registration in Indonesia is related to the implementation of the "*first to file*" system in trademark registration in Indonesia, which, in practice, derogates substantive justice because it only provides legal protection when a trademark has been registered.

¹⁹ Trisa Rembonita, Fokky Fuad Wasitaatmaja, and Article History, "Public Domain As Indonesia's Trademark Law In The Utilitarian's Perspective," *International Journal Multidisciplinary Science* 3, no. 2 (2024): 9–19.

²⁰ Dicky Eko Prasetyo, "Pancasila Sebagai Pengembangan Moral Virtual Dalam Perspektif Living Ideology," *Pancasila : Jurnal Keindonesiaan* 3, no. 2 (2023): 127.

²¹ Elisabeth Sundari et al., "A Dynamic Pancasila's social Justice Implementation In The Indonesian Labor Law Development," *Journal of Legal, Ethical, and Regulatory Issues* 25, no. 2 (2022): 1–15.

²² Muh. Afif Mahfud, "The Relevance of Ronald Dworkin's Theory for Creating Agrarian Justice in Indonesia," *Yustisia* 8, no. 3 (2019): 385–99, <https://doi.org/10.20961/yustisia.v8i3.27386>.

²³ Mariana Motta Vivian, "Law, Justice and Reza Banakar's Legal Sociology," *Onati Socio-Legal Series* 11, no. 1 (2021): 1–29, <https://doi.org/10.35295/osls.iisl/0000-0000-0000-1169>.

However, in practice, there are trademarks that already exist and are used in business practices but have not been registered, and therefore do not receive legal protection.

The Urgency of the General Principles Of Good Governance (AUPB) in Trademark Registration

The issues in trademark registration, as explained in the previous discussion, one of the causes is the use of the constitutive or "first to file" trademark registration system. In the practice of trademark registration in Indonesia, the "*first to file*" system emphasizes the important role of DJKI as the institution where trademark registration is conducted. Referring to the "first to file" system, DJKI will provide legal protection after the trademark registration is completed.²⁴ In the practice of trademark registration at DJKI, DJKI often directly carries out administrative procedures for registration without conducting substantive checks. This has implications for the frequent occurrence of essentially similar trademarks being registered by DJKI. The issues in trademark registration based on the "first to file" system at DJKI in practice also cause problems, especially related to the registration of foreign trademarks.

The issues related to trademark registration based on the "*first to file*" system at DJKI have led to an orientation where DJKI needs to pay attention to and even make AUPB the basis for conducting the trademark registration process that ensures justice for the public. AUPB, in legal science, is a legal principle, so it has an abstract dimension and guides the implementation of a legal norm. According to G.W. Paton, legal principles are abstract thoughts in law that have a guiding dimension, meaning the implementation of a legal norm must refer to legal principles.²⁵ G.W. Paton's view of legal principles aligns with Ronald Dworkin's view, which emphasizes that legal principles are the

²⁴ Febriyanti and Kusumo Bintoro, "Analisis Critical Success Factors Direktorat Jenderal Kekayaan Intelektual (DJKI) Dalam Layanan Paten," *Syntax Literate* 8, no. 3 (2023): 2139, <http://dx.doi.org/10.36418/syntax-literate.v8i3.11531>.

²⁵ M. Zamroni, "General Principles of Good Governance in Indonesia: What Are The Legal Bases?," *Varia Justicia* 15, no. 1 (2019): 1–8, <https://doi.org/10.31603/variajusticia.v15i1.2464>.

fundamental basis of law, clarifying the validity of a legal norm, especially in cases categorized as hard cases.²⁶

Based on the views of G.W. Paton and Ronald Dworkin, Peter Mahmud Marzuki emphasizes three functions of legal principles, which include: normative function, legitimative function, and actualization function.²⁷ The normative function means legal principles have an orientation to fill legal gaps and, in certain cases, can override positive law. The legitimative function means legal principles are used as the basis for judicial institutions to adjudicate a specific case based on legal principles. The actualization function means legal principles are used by judicial institutions to actualize a legal norm, where there is a factual legal act or event not specifically regulated in a legal norm. In this actualization function, legal principles aim to clarify the value and intent of a legal norm.²⁸

From the three functions of legal principles as proposed by Peter Mahmud Marzuki, legal principles are essentially of two types: general legal principles and specific legal principles.²⁹ General legal principles are those that are general and can be applied in all fields of law. Specific legal principles are those that focus on specific areas of law and often become the main focus in particular fields of law.³⁰ Regarding the trademark registration process, the relevant legal principle to refer to is AUPB. This is because the trademark registration process is a process in

²⁶ Kenneth Einar Himma and Brian Bix, *Law and Morality*, ed. Kenneth Einar Himma and Brian Bix, *Law and Morality* (Routledge, 2017), <https://doi.org/10.4324/9781315092003>.

²⁷ Peter Mahmud Marzuki, *Teori Hukum*, 1st ed. (Jakarta: Kencana, 2020).

²⁸ Sudjana, "Penggunaan Prinsip Konstitutif Pada Merek Dalam Perspektif Teori Pelindungan Dan Tujuan Hukum," *Res Nullius Law Journal* 3, no. 1 (2021): 25–54.

²⁹ Fajar Sugianto Yuber Lago, Yuni Priskila Ginting, "Dilema Keadilan Hukum Antara Hukum Tidak Tertulis Yang Hidup (Ongeschreven Recht) Dan Asas Legalitas Dalam Hukum Pidana Indonesia Ditinjau Dari Aspek Filo- Sofis," *Jurnal Ilmu Hukum* 19, no. 1 (2023): 1–23.

³⁰ Dicky Eko Prasetyo Christiana Sri Murni, Fradhana Putra Disantara, "Political Law In Settling Sports Disputes In Indonesia," *Kanun: Jurnal Ilmu Hukum* 25, no. 2 (2023): 320.

the field of administrative law involving administrative bodies or officials, in this case, DJKI.³¹

The importance of the position of AUPB in administrative law is emphasized by G.J.M. Cartigny and F.H. Van der Burg, who state that AUPB is an abstract and unwritten legal principle that must be observed and considered by administrative bodies or officials.³² Another view on AUPB is proposed by Jazim Hamidi, who states that AUPB, in addition to being a guide for administrative bodies or officials, must also be a "testing tool" for judges in court to assess an administrative decision or legal act.³³ Jazim Hamidi also emphasizes that AUPB essentially stems from the ethics of state administration, so some AUPB are unwritten, but some have been written down.

Regarding Jazim Hamidi's view, S.F. Marbun offers a different perspective, stating that it is incorrect to say that AUPB is derived from ethics, but rather AUPB is unwritten law with sanctions if AUPB is not applied or considered in an administrative decision or legal act.³⁴ The difference between Jazim Hamidi and S.F. Marbun's views can be seen in the distinction between ethics and law, where Jazim Hamidi emphasizes that AUPB is a legal principle derived from ethics, while S.F. Marbun views that AUPB is not ethics but an unwritten legal principle.

The existence of AUPB in positive law in Indonesia has been facilitated, as in the formulation of Article 5 of Law No. 30 of 2014 concerning Government Administration (UU AP), which emphasizes that the implementation of government administration in Indonesia must be based on AUPB. The emphasis on AUPB in UU AP does not

³¹ I Ketut Supasti Dharmawan, *Harmonisasi Hukum Kekayaan Intelektual Indonesia* (Denpasar: Swasta Nulus, 2018).

³² Sri Nur Hari Susanto, Peni Susetyorini, and Kadek Cahya Susila Wibawa, "The Coherence of Good Administration and Good Governance in Government (A Conceptual Approach)," *International Journal of Multidisciplinary Research and Analysis* 07, no. 03 (2024): 1100–1105, <https://doi.org/10.47191/ijmra/v7-i03-31>.

³³ Xaviera Qatrunnada Djana Sudjati and Dewi Cahyandari, "General Principles of Good Governance in Administrative Court Decision Regarding Request for Review of Abuse of Authority," *Jurnal Dinamika Hukum* 21, no. 3 (2022): 461, <https://doi.org/10.20884/1.jdh.2021.21.3.3070>.

³⁴ Askari Razak, "General Principles of Good Government on the Competence of Government Apparatus in Making State Administration Decisions," *Unes Law Review* 6, no. 1 (2023): 3452–59.

mean that AUPB is written but that AUPB can develop and exist in various regulations that essentially form the basis for formulating an administrative decision or legal act.³⁵ Regarding trademark registration in Indonesia, DJKI must adhere to AUPB in the trademark registration process. This is because the trademark registration process is a process in administrative law, and DJKI is an administrative government body that must use AUPB as a guideline.³⁶

The urgency of making AUPB a guideline in the trademark registration process is oriented so that DJKI can prioritize accuracy and prudence in the trademark registration process, anticipating potential future disputes related to registered trademarks. The urgency of AUPB as a guideline in the trademark registration process is also relevant to the idea of substantive justice, where trademark registration that refers to AUPB can realize a balance in society, particularly between the party registering the trademark and the general public. By optimizing the trademark registration process, the public can assess that a specific trademark represents the quality of a certain product.

AUPB in Reconstructing Trademark Registration in Indonesia

The historical development of the trademark registration system in Indonesia can be seen that before the enactment of the Trademark Law and even when Law No. 15 of 2001 on Trademarks had not been enacted, the trademark registration system in Indonesia still applied the "first to use" system in trademark registration.³⁷ Trademark registration based on the "first to use" system, meaning trademark registration has a declarative character, implying that the party who uses the trademark first and is widely recognized in business practices immediately receives legal protection from the state. The trademark registration practice

³⁵ Kadek Agus Sudiarawan and Bagus Hermanto, "Rekonstruksi Pergeseran Paradigma Upaya Administratif Dalam Penyelesaian Sengketa Prapemilihan Kepala Daerah," *Legislasi Indonesia* 16, no. 3 (2019): 325–43.

³⁶ Abdul Rauf, "The Application of The Principle of Openness in Realizing Good Governance," *Jurnal Hukum Volkgeist* 6, no. 1 (2021): 46–50, <https://doi.org/10.35326/volkgeist.v6i1.1586>.

³⁷ Chandra Irawan, *Politik Hukum Hak Kekayaan Intelektual Indonesia (Kritik Terhadap WTO/ TRIPs Agreement Dan Upaya Membangun Hukum Kekayaan Intelektual Demi Kepentingan Nasional)* (Bandung: Mandar Maju, 2011).

applying the "first to use" system indeed has advantages such as flexibility and the ability to ensure substantive justice, particularly for parties who already have a trademark and that trademark has been used and exists in business practices.

The change in Indonesia's trademark registration system from the "first to use" system as applied in other IPRs, such as copyright, to the "first to file" system can be seen from two arguments: first, the development of the international trademark registration system, which commonly applies the "first to file" system for reasons of effectiveness and ease of ensuring legal certainty. The development of the trademark registration system in Indonesia to apply the "first to file" system indeed accommodates the development of trademark registration at the global level³⁸. The second argument for the change in Indonesia's trademark registration system from the "first to use" system to the "first to file" system is based on the argument that the "first to file" registration process, besides ensuring legal certainty, also facilitates the evidence process if there is a trademark dispute.³⁹

Looking at the change in Indonesia's trademark registration system from the "first to use" system to the "first to file" system, it can be concluded that the change is based solely on pragmatic arguments, namely accommodating the development of trademark registration at the international level and because the "first to file" system can more effectively ensure legal certainty and the evidence process in court if there is a trademark dispute. The change in the trademark registration system from the "first to use" system to the "first to file" system, because it is not based on substantive arguments, essentially perpetuates procedural justice and neglects substantial justice. The "first to file" trademark registration process potentially neglects substantial justice because it only focuses on protecting trademark rights when the trademark has been registered. In fact, in Indonesia, various trademarks exist but have not been registered.

³⁸ Dewan Alif Ovi and Abdul Hakim Noyon, "A Legal Appraisal of the Protection and Opportunities of Geographical Indication (GI) in Bangladesh," *UAP Law Review* 1, no. 2 (2022): 57–72.

³⁹ Theresia N.A Narwadan et al, "Well-Known Trademark Protection in Indonesia: The Essence of Good Faith and Legal Practices," *Scholars International Journal of Law, Crime and Justice* 4, no. 7 (2021): 451–57, <https://doi.org/10.11114/ijlpa.v1i2.3879.3>.

Substantial justice is more facilitated when Indonesia's trademark registration system uses the "first to use" system. The "first to use" or declarative system grants trademark rights based on the first use of the trademark in the market, not based on the first registration. In the "first to use" system, trademark rights are given to the party who first uses the trademark in the market, not to the party who first registers it. In the "first to use" system, trademark rights are given to the party who first uses the trademark in the market, not to the party who first registers it. This means that if there is a dispute between two parties over trademark rights, the party that can prove they first used the trademark in the market will have trademark rights. Even if the trademark has not been registered, the trademark owner who has used their trademark in the market can have legal rights and protection. However, for maximum protection, it is still recommended to register the trademark.⁴⁰ In the "first to use" system, a party attempting to register a trademark already used by another party in the market (even if not registered) with bad intent can be prevented from obtaining trademark rights.

From the above explanation, it can be understood that the "first to file" trademark registration system, on one hand, causes issues because it neglects substantive justice and emphasizes procedural justice. Another aspect to consider in trademark registration is using AUPB as a guideline for DJKI in trademark registration. In the trademark registration process, AUPB can be optimized by applying several main principles in AUPB related to trademark registration: good faith principle, caution principle, accuracy principle, transparency principle, efficiency principle, and responsive principle. Implementing the good faith principle in trademark registration can be done by DJKI carefully using the good faith principle as a basis for trademark registration.⁴¹ This means that if a trademark registration is done with bad intent,

⁴⁰ I Gede Mahatma Yogiswara Winatha, A.A.Gede Agung Indra Prathama, and Putu Chandra Kinandana Kayuan, "Comparative Analysis of Legal Protection and Criteria of Well-Known Marks (Indonesia, United States, India, China, and Germany)," *Audito Comparative Law Journal (ACLJ)* 4, no. 1 (2023): 43–54, <https://doi.org/10.22219/aclj.v4i1.23768>.

⁴¹ Farida Umami, Ahkam Nashrullah Maududi, and Aminah Rizqi Mahmudah, "A Discourse of General Principles of Good Governance in Public Services in Indonesia," *Indonesian Journal of Pancasila and Global Constitutionalism* 1, no. 1 (2022): 17–32, <https://doi.org/10.15294/ijpgc.v1i1.56876>.

DJKI can reject the trademark registration. DJKI can also cancel a trademark registration if bad intent is proven.

The use of AUPB in trademark registration includes the caution principle, where DJKI is expected to carefully conduct trademark registration, including referring to substantive and formal requirements related to trademark registration. The next principle is the accuracy principle, where DJKI must be thorough and conduct comprehensive research on whether the registered trademark has already been used by other business actors. Implementing the accuracy principle in trademark registration is a preventive measure to anticipate future trademark disputes. The transparency principle in trademark registration means that the trademark protection process must be transparent so that all parties can understand the process and decisions made. Implementing the transparency principle also relates to the accountability aspect, where every decision and action in trademark protection must be accountable. The efficiency principle means that the trademark protection process must be efficient, avoiding resource and time wastage. The responsive principle means that trademark protection must be responsive to needs and changes and can adapt quickly.

Applying AUPB to reconstruct trademark registration, including using the good faith principle, caution principle, accuracy principle, transparency principle, efficiency principle, and responsive principle carefully and simultaneously, can fulfill substantive justice aspects in trademark registration. Substantive justice in trademark registration can be fulfilled, particularly concerning equality that every trademark must be treated equally without discrimination. Concerning legal certainty, trademark owners must obtain legal certainty in protecting their rights. Regarding personal rights protection, in addition to trademark protection, the personal rights of trademark owners must also be protected. By combining these aspects, the trademark protection model aims to create a fair and effective system in protecting trademark rights and realizing substantive justice.

Based on the above explanation, the trademark registration system model aimed at realizing substantive justice can be reconstructed by not applying the constitutive system absolutely but rather relatively, considering other aspects. This implementation needs to be combined with the general principles of good governance, which include the principles of good faith, caution, accuracy, transparency, efficiency, and

responsiveness. It is hoped that this combination can create a trademark protection model that aims to establish a fair and effective system in protecting trademark rights and realizing substantive justice.

Conclusion

The issues in trademark registration in Indonesia with the "*first to file*" system in trademark registration in Indonesia, in practice, derogate substantive justice because it only provides legal protection when a trademark has been registered. The urgency of making AUPB a guideline in the trademark registration process is oriented so that DJKI can prioritize accuracy and prudence in the trademark registration process, anticipating potential future disputes related to registered trademarks.

Reconstructing the trademark registration system model that realizes substantive justice can be done by not applying the constitutive system absolutely but rather relatively by accommodating developments in trademark registration practices. This application needs to be combined with the general principles of good governance, including the good faith principle, caution principle, accuracy principle, transparency principle, efficiency principle, and responsive principle, to create a fair and effective system in protecting trademark rights and realizing substantive justice.

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