






Targeting MSMEs Opportunities through Brands: Strengthening the Legal Protection through Community Services

Nurul Fibrianti ^a[✉], Duhita Driyah Suprapti ^a,
Anindya Ardiansari ^a, Isnani Isnani ^a, Niken Diah
Paramita ^a, Windiahsari Windiahsari ^b

^a Universitas Negeri Semarang, Indonesia

^b National Cheng Kung University, Taiwan, Province of
China

✉ Corresponding email: nurulfibrianti@mail.unnes.ac.id

Abstract

This paper explores the critical intersection of branding and legal protection for Micro, Small, and Medium Enterprises (MSMEs), acknowledging the pervasive misunderstanding among business actors regarding brands as intellectual property. Despite brands serving as integral identities for products, many MSME owners overlook their legal protection by the state. This gap in understanding exposes brands, including owned trademarks, to unauthorized use, posing significant risks to brand owners. Consequently, MSME actors often perceive brands merely as complementary additions to their products, neglecting their pivotal role in securing business viability. Recognizing the imperative for



assistance in trademark registration to safeguard businesses, this paper advocates for proactive measures to educate and support MSMEs in navigating legal frameworks. By empowering MSMEs with the knowledge and tools for effective brand management and legal safeguards, this initiative aims to unlock opportunities for growth and competitiveness in the market landscape. Moreover, leveraging the potential of branding within tourism-rich regions like Karanganyar Regency, particularly the Matesih sub-district, offers a promising avenue for MSMEs to broaden product visibility. The influx of tourists presents an opportunity for MSMEs to position their products as souvenirs, thereby indirectly promoting their brands through consumer engagement. By capitalizing on protected brands, MSMEs can effectively tap into consumer-driven promotion and expand their market reach. This paper underscores the crucial role of community services in strengthening the legal protection of MSMEs' brands, thereby facilitating their sustained growth and resilience in the marketplace. Through strategic interventions and collaborative efforts, MSMEs can harness the power of branding to seize business opportunities and thrive amidst evolving market dynamics.

KEYWORDS *Legal Protection, MSMEs, Brands, Community Empowerment*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are integral drivers of economic development, contributing significantly to innovation, employment, and market diversification. However, amidst their contributions, MSMEs often face challenges in protecting their intellectual property, particularly in understanding and safeguarding their brands. This paper explores the intersection of branding, legal protection, and community services in empowering MSMEs to thrive in competitive market landscapes.¹

¹ Tulus Tambunan, "MSMEs in times of crisis. evidence from Indonesia." *Journal of Developing Economies* 5, no. 2 (2020): 89-102; Nafizha Trie Permata Sari, and Andriani Kusumawati. "Literature review: The efforts to strengthening of micro,

Matesih Village, nestled within the picturesque Karanganyar Regency, emerges as a focal point for this discussion. Situated near the renowned Tawangmangu tourist area, Matesih Village benefits from the influx of visitors seeking not only scenic experiences but also locally crafted souvenirs. The movement of products from Tawangmangu to various tourist destinations amplifies the visibility and reputation of regional products, renowned for their distinctive taste and superior quality.²

In this context, brands transcend mere identifiers, becoming powerful assets for MSMEs seeking to expand their market reach and enhance consumer recognition. As consumers associate product quality with recognized brands, branding emerges as a strategic avenue for MSMEs to capitalize on market opportunities and foster consumer loyalty. Consequently, understanding and protecting brands as intellectual property assume paramount importance for MSMEs in leveraging their competitive advantage and sustaining business growth.

By elucidating the symbiotic relationship between branding, consumer behavior, and market dynamics, this paper aims to underscore the critical role of community services in facilitating MSMEs' access to legal protections and brand management resources. Through collaborative efforts and targeted interventions, MSMEs can harness the power of branding to unlock opportunities for product differentiation, market expansion, and sustained profitability.³

small and medium-sized enterprises (MSME) in Indonesia." *Asian Journal of Management, Entrepreneurship and Social Science* 2, no. 1 (2022): 98-115.

² See Istinganah Eni Maryanti, et al. "Pengenalan Akuntansi Sederhana Umkm di Desa Karangbangan, Kecamatan Matesih, Kabupaten Karanganyar." *GANESHA: Jurnal Pengabdian Masyarakat* 4, no. 1 (2024): 111-114; Zulfikri Toguan, "Problematika Hak Kekayaan Intelektual di Bidang Merek Bagi Pelaku Usaha Mikro Kecil Menengah." *UIR Law Review* 5, no. 2 (2021): 42-56; Widya Mudyantini, et al. "Peningkatan Kualitas, Pembuatan Selai Dan Biskuit Tepung Ubi Jalar Pada Kelompok Tani Mulyo Dusun Kramen Desa Pablengan Kecamatan Matesih Kabupaten Karanganyar." *Dimas Budi: Jurnal Pengabdian kepada Masyarakat Universitas Setia Budi* 4, no. 2 (2020): 78-85.

³ Gunawan Widjaja, et al. "Understanding Digital Application in Small Business for Profitable and Sustainable Practices in Indonesia: Review of Best Practices." *International Journal of Disaster Recovery and Business Continuity* 12, no. 1 (2021): 168-180.

The significance of branding in product recognition underscores the imperative for Micro, Small, and Medium Enterprises (MSMEs) to safeguard their brand assets. MSMEs are intricately tied to intellectual property rights (IPR), with brands serving as pivotal components of their market identity.⁴ Protecting the integrity of their brands is paramount to prevent misuse and exploitation. Instances of brand abuse, such as counterfeiting where identical brands are used without authorization, or brand stacking where similar shapes, fonts, and colors are employed to mimic established brands, pose significant threats to brand reputation and market competitiveness.⁵ Thus, MSMEs must proactively protect their brands to preserve their uniqueness and ensure their sustained success in the marketplace.

The comprehension of product naming among MSME players often falls short, lacking a comprehensive understanding of the legal and business implications associated with their product names, commonly referred to as brands. While MSMEs may possess product names, they frequently overlook the significance of these names beyond mere identification. Meli Hertati Gultom's research highlights this oversight, indicating a prevalent ignorance regarding the importance of trademark registration.⁶

Furthermore, obstacles in trademark registration persist for MSMEs, as evidenced by data from the Directorate General of Intellectual Property of the Ministry of Law and Human Rights in 2020, revealing only

⁴ Rahel Khozinatul Asror, and Eloh Bahiroh. "Economy in Indonesia Domestic Economic Resilience Through UMKM." *Indonesian Journal of Interdisciplinary Research in Science and Technology* 2, no. 1 (2024): 81-92; Wicaksono Febriantoro, "Kajian dan strategi pendukung perkembangan e-commerce bagi UMKM di Indonesia." *Jurnal Manajerial* 17, no. 2 (2018): 184.

⁵ Septi Indrawati, "Perlindungan Hukum Merek Pada Produk Usaha Kecil di Kabupaten Kebumen." *Amnesti: Jurnal Hukum* 1, no. 1 (2019): 29-35.

⁶ Meli Hertati Gultom, "Perlindungan Hukum Bagi Pemegang Hak Merek Terdaftar Terhadap Pelanggaran Merek." *Warta Dharmawangsa* 56 (2018). See also Yayuk Sugiarti, "Perlindungan Merek Bagi Pemegang Hak Merek Ditinjau dari Undang-Undang Nomor 15 Tahun 2001 Tentang Merek." *Jendela Hukum* 3, no. 1 (2016): 32-41; Kadek Yoni Vemberia Wijaya, and I. Gusti Ngurah Wairocana. "Upaya Perlindungan Hukum Terhadap Pelanggaran Hak Merek." *Kertha Semaya: Journal Ilmu Hukum* 6, no. 10 (2018): 1-6.

411,458 intellectual property protections, particularly brands, amidst the vast landscape of MSMEs in Indonesia, approximately 65,465,497.⁷ This glaring disparity underscores the urgent need for education and assistance in trademark registration for MSME actors, both as a means of fostering business development and as crucial protection against infringement.

Hence, there is a pressing need to impart a deeper understanding of the significance of registered trademarks among MSME actors.⁸ Through targeted educational initiatives and facilitated assistance in trademark registration processes, MSMEs can unlock the potential of their brands while fortifying their legal standing in the competitive marketplace.

Furthermore, this study advocates for a holistic approach towards empowering MSMEs in Matesih Village and beyond, by strengthening their understanding of branding and legal protections through community-driven initiatives. By leveraging the distinctive qualities of regional products and fostering brand consciousness among consumers, MSMEs can navigate market challenges effectively, cementing their position as key contributors to local economies and cultural heritage preservation.⁹

The primary objective of MSME mentoring initiatives is to facilitate the registration of brands owned by MSMEs with the Directorate General

⁷ See Haryo Adiyatman Wicaksono, and Pandu Adi Cakranegara. "Intellectual Property Rights: Legal Protection in Copyright of Creative Media State Polytechnic Research Products." *LEGAL BRIEF* 11, no. 3 (2022): 1951-1955; Ahmad Fauzi, and Ismail Koto. "Perlindungan Hukum Bagi Konsumen Yang Telah Dilanggar Haknya Melalui Jalur Litigasi Dan Non-Litigasi." *Jurnal Yuridis* 9, no. 1 (2022): 13-26.

⁸ Andrew Betlehn, and Prisca Oktaviani Samosir. "Upaya Perlindungan Hukum Terhadap Merek Industri UMKM di Indonesia." *Jurnal Law and Justice* 3, no. 1 (2018): 3-11.

⁹ See Prihadi Nugroho, et al. "Missing Policy for Supporting Cultural Heritage Preservation of Batik Industry Clusters in Barlingmascakeb Region, Indonesia." *IOP Conference Series: Earth and Environmental Science*. Vol. 1082. No. 1. IOP Publishing, 2022; W. Steelyana, "Batik, a beautiful cultural heritage that preserve culture and support economic development in Indonesia." *Binus Business Review* 3, no. 1 (2012): 116-130; Nursini Nursini. "Micro, small, and medium enterprises (MSMEs) and poverty reduction: empirical evidence from Indonesia." *Development Studies Research* 7, no. 1 (2020): 153-166.

of Intellectual Property of the Ministry of Law and Human Rights. This registration serves as a crucial step in safeguarding these brands from unauthorized usage and fraudulent activities by third parties. Additionally, registered and well-established brands can function as potent marketing tools, extending beyond local boundaries.

The benefits of these activities are manifold for MSME players. By gaining a deeper understanding of intellectual property protection, particularly in relation to brands, MSMEs can leverage their brands effectively to capitalize on business opportunities. With registered brands, MSMEs gain a competitive edge, enabling them to assert their unique identity and quality offerings in the market.¹⁰ Moreover, the protection afforded by registered brands alleviates concerns of piggybacking or unauthorized imitation, instilling confidence in MSMEs to expand their marketing reach without fear of infringement.

Brands as Intellectual Property Rights: Indonesia's Development and Future Challenges

Intellectual property rights are the equivalent of the term *intellectual property right*. *Intellectual property right* is a protection of human works both works in the form of activities in science, industry, literature and art. In law, intellectual property is included in the legal group of property (*property law*) with intangible objects. Intellectual property is a right that arises for the results of human brain thought that produces a product or process that is useful for humans. Intellectual property is a private right. A person is free to choose whether to register his intellectual work or not.

One element of intellectual property is the brand. Brand regulation is contained in Law Number 20 of 2016 concerning brands and

¹⁰ See Ariefika Listya, and Yayah Rukiah. "Visual Branding Produk Belimbing Olahan UMKM Depok Melalui Desain Logo." *Demandia: Jurnal Desain Komunikasi Visual, Manajemen Desain, dan Periklanan* 3, no. 2 (2018): 199-218; Esti Handayani, Muhamad Asari, and Siti Mahmudah. "Kekuatan Merek untuk Usaha Mikro Kecil Menengah (UMKM)." *EKOMABIS: Jurnal Ekonomi Manajemen Bisnis* 2, no. 1 (2021): 25-36; Dyah Panuntun Utami, "Strategi Branding untuk Membangun Image Positif Pangan Lokal Bagi Usaha Mikro Kecil Dan Menengah." *Journal of Food Technology and Agroindustry* 3, no. 1 (2021): 26-35.

geographical indications where marks are defined signs 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, sounds, holograms, or a combination of 2 (two) or more of these elements to distinguish goods and / or services produced by people or legal entities in the trade of goods and / or services.

Historically, the brand was originally used in a narrow sense as *Badge of origin*¹¹ is a brief description of the origin of goods that shows the relationship between the goods or services traded with the party selling / producer.¹² Over time the development of trade, the function of the brand is to distinguish goods or services made by other similar companies.¹³

¹¹ The "badge of origin" is a concept within trademark law that refers to the function of trademarks as indicators of the origin or source of goods or services. In essence, it signifies that a trademark serves as a symbol that identifies the specific business, individual, or entity responsible for producing or providing a particular product or service. The badge of origin principle is fundamental to the purpose of trademarks, which is to enable consumers to distinguish between goods or services offered by different producers or providers. By associating a particular trademark with a specific source of goods or services, consumers can make informed purchasing decisions based on factors such as quality, reputation, and trustworthiness associated with that source. For example, when consumers see the trademarked logo or name of a well-known brand on a product, they immediately recognize it as originating from that brand's company. This association creates trust and expectation regarding the quality and characteristics of the product, thereby influencing consumer behavior. See Jennifer Davis, "The value of trade marks: economic assets and cultural icons." *Bridging Aesthetics and Economics, Montreal: Editions Themis* (2006): 97-126; B. Pratama, and M. R. D. Rafii. "Implementing trademark law in domain name cases." *IOP Conference Series: Earth and Environmental Science*. Vol. 729. No. 1. IOP Publishing, 2021; Mukti Fajar, Yati Nurhayati, and Ifrani Ifrani. "Iktikad Tidak Baik dalam Pendaftaran dan Model Penegakan Hukum Merek di Indonesia." *Jurnal Hukum Ius Quia Iustum* 25, no. 2 (2018): 219-236; Yusuf Gunawan, "Penyelesaian Sengketa Merek Terdaftar dan Merek Terkenal dalam Mewujudkan Perlindungan Hukum." *Iblam Law Review* 2, no. 2 (2022): 141-164.

¹² Ranti Fauza Mayana, and Tisni Santika. *Hukum Merek Perkembangan Aktual Perlindungan Merek dalam Konteks Ekonomi Kreatif di Era Disrupsi Digital*. (Bandung: Refika Aditama, 2021).

¹³ Fauzi Wibowo. *Hukum Dagang Indonesia*. (Jakarta: Legality, 2017).

Thus, the brand can function as an identification and origin of goods and as a guarantee of product quality.

Brands constitute a significant component of intellectual property, enjoying legal protection provided by the state. This safeguarding offers a multitude of benefits, as outlined by Benefits of Intellectual Property. Firstly, it enhances trading and investment positions, providing assurance to businesses and investors regarding the security and exclusivity of their brand assets. Moreover, the protection of brands fosters innovation and technological development, encouraging companies to invest in research and development to maintain a competitive edge in the market. This, in turn, contributes to economic growth and prosperity.¹⁴

Furthermore, brand protection facilitates international competitiveness by ensuring that companies can differentiate their products and services in global markets. This encourages firms to invest in quality and innovation to meet the demands of consumers worldwide. Additionally, it assists in the selective commercialization of inventory and innovation, enabling businesses to effectively monetize their intellectual property assets and drive revenue growth.¹⁵

Beyond economic considerations, brand protection plays a crucial role in socio-cultural development. By preserving and promoting unique brands, communities can celebrate their heritage and cultural identity, fostering a sense of pride and belonging. Moreover, brands help maintain an international reputation for export purposes, signaling quality and authenticity to consumers abroad. This enhances market access and strengthens the global standing of businesses and industries.¹⁶

¹⁴ Tim Lindsey, Eddy Damian, Simon Butt, and Tomi Surto Utomo (eds). *Hak Kekayaan Intelektual: Suatu Pengantar*. (Bandung: Alumni, 2006).

¹⁵ Lindsey, Damian, Butt, and Utomo (eds).

¹⁶ Auliya Rochman, "How does the government reduce unemployment? Legal Policy Analysis of the Government's Role in Strengthening SMEs in Indonesia." *Unnes Law Journal* 7, no. 2 (2021): 319-332; Rina Shahriyani Shahrullah, Febri Jaya, and Inal Arifin. "The Challenges of Micro, Small and Medium Enterprises in Indonesia in the Era of the ASEAN Economic Community." *Syiah Kuala Law Journal* 5, no. 1 (2021): 124-138; Agus Supandi, Pudji Astuty, and Wahyu Murti. "The Effect of MSMEs Growth on the Open Unemployment Rate in West Java Province." *Proceedings of the 2nd International Conference on Law, Social Science,*

In addition, the protection of brands as intellectual property serves as a cornerstone of economic development and cultural preservation. By safeguarding brands, the state not only fosters innovation and competitiveness but also promotes socio-cultural diversity and international trade. Thus, brand protection emerges as a vital tool for driving growth, innovation, and prosperity in the modern economy.

Furthermore, the branding system is by system *first to file* or registration that gives birth to the right to the mark.¹⁷ The party entitled exclusively to the mark is the party who first registered the mark. Thus, other parties who will use the mark must ask permission from the owner

Economics, and Education, ICLSSEE 2022, 16 April 2022, Semarang, Indonesia. 2022.

¹⁷ "First to file" is a principle in intellectual property law that determines who obtains legal rights over a particular intellectual property, such as a trademark, patent, or copyright, based on the timing of their application filing. Essentially, the individual or entity who submits the application for intellectual property protection first is granted priority rights over others who file later, regardless of who may have been the first to create or use the intellectual property. In the context of trademarks, the "first to file" principle means that the individual or business who submits the trademark application with the relevant government authority, such as the United States Patent and Trademark Office (USPTO) in the United States or the Directorate General of Intellectual Property (DJKI) in Indonesia, will be granted exclusive rights to use that trademark in commerce for the specified goods or services listed in the application. This principle is followed in many countries around the world. The "first to file" principle encourages prompt and diligent filing of trademark applications to secure legal protection for brands and prevent potential conflicts or disputes over ownership rights. It emphasizes the importance of being proactive in protecting intellectual property assets and ensures a clear and orderly process for determining ownership rights. See Prisca Oktaviani Samosir, and Aida Mustafa. "Legal Protection Implications on Trademark in Indonesia by Comparing the First to Use and First to File Principles." *International Conference on Law Reform (INCLAR 2019)*. Atlantis Press, 2020; I. Gede Mahatma Yogiswara, et al. "Settlement of Brand Rights Disputes Through the Commercial Court in Indonesia: Study of Surabaya Court Decision." *Indonesia Law Reform Journal* 2, no. 3 (2022): 299-308; Raden Murjiyanto, "Legal Protection of the Registered Trademark Owner in the Constitutive System (First to File) in Indonesia." *SHS Web of Conferences*. Vol. 54. EDP Sciences, 2018; Endang Purwaningsih, "Patent Law and Its Enforcement in Indonesia, Japan and the USA." *Jurnal Media Hukum* 27, no. 1 (2020): 1-22.

of the mark who has exclusive rights.¹⁸ A brand will only be valuable if it has exclusive rights. Without exclusive rights, people will be free to imitate and falsify other people's brands.¹⁹ Therefore, the brand is given exclusive rights along with its protection. Registered marks are granted protection by the state for a period of 10 years from receipt. Protection can be extended for the same period of 10 years. Trademark registration is subject to specific conditions to ensure its validity and effectiveness. These conditions, as elucidated by Wibowo, include compliance with public decency and order, distinctiveness, non-public ownership, and a non-descriptive nature.²⁰

Firstly, trademarks must comply with public decency and order, ensuring they do not conflict with prevailing standards of decency and societal values. This criterion prevents the registration of trademarks containing offensive or inappropriate content that may offend or disturb the public. Secondly, trademarks must possess distinctiveness, meaning they have distinguishing power that enables consumers to differentiate the goods or services associated with them from those of competitors.²¹ This requirement ensures that trademarks effectively serve their primary function of identifying the source of goods or services in the marketplace.

Furthermore, trademarks must not already be owned or registered by another entity. This condition prevents conflicts of ownership and

¹⁸ Wibowo, *Hukum Dagang Indonesia*.

¹⁹ Cita Citrawinda Noerhadi. *Perlindungan Merek Terkenal dan Konsep Dilusi Merek dari Perspektif Global*. (Jakarta: Yayasan Pustaka Obor Indonesia, 2020).

²⁰ Wibowo, *Hukum Dagang Indonesia*. See also, Hosiana Daniel Adrian Gultom, Ellora Sukardi, and Serlly Waileruny. "Kajian Terhadap Hak Eksklusif Atas Jingle dari Perspektif Hak Cipta dan Merek." *Ajudikasi: Jurnal Ilmu Hukum* 5, no. 2 (2021): 135-150; Widowati Maria Teresa, and Budi Santoso. "Perlindungan Hukum Pencatatan Logo Sebagai Ciptaan Setelah Berlakunya Undang-Undang Nomor 28 Tahun 2014 Tentang Hak Cipta." *Notarius* 12, no. 1 (2019): 118-126; Agung Sujatmiko, "Tinjauan Filosofis Perlindungan Hak Milik Atas Merek." *Jurnal Media Hukum* 18, no. 2 (2011): 177-189.

²¹ Sandro Mendonça, Tiago Santos Pereira, and Manuel Mira Godinho. "Trademarks as an indicator of innovation and industrial change." *Research policy* 33, no. 9 (2004): 1385-1404. See also Selly Marcelina, "Dispute Settlement on The Ownership of Trademark With Similarity (Case Study Between Gudang Garam vs Gudang Baru)." *Problematika Hukum* 3, no. 1 (2019): 79-92.

ensures that trademarks are unique and exclusive to their respective owners, thereby protecting their rights and preventing confusion among consumers. Lastly, trademarks must not be merely descriptive of the goods or services for which registration is sought. They should be distinctive and not directly indicative of the characteristics, quality, or attributes of the goods or services. This criterion prevents the monopolization of generic or descriptive terms and fosters fair competition in the marketplace.²²

By adhering to these conditions, trademark registration ensures the integrity and effectiveness of trademarks as valuable intellectual property assets. It promotes fair competition, protects consumer interests, and fosters innovation and creativity in branding and marketing strategies.

Targeting MSMEs Opportunities through Brands: Between the Protection and Economic Values (Case of Karanganyar Regency, Indonesia)

In the bustling economic landscape of Karanganyar Regency, Indonesia, Micro, Small, and Medium Enterprises (MSMEs) serve as the backbone of local commerce, driving innovation, employment, and economic vitality. Amidst this dynamic ecosystem, the role of branding emerges as a critical determinant of success, bridging the gap between market recognition and business sustainability. However, the journey towards leveraging brands for MSME growth is fraught with challenges, balancing the imperative of protection against the pursuit of economic.²³

This study delves into the intricate interplay between brand

²² Rachmad Abduh, and Fajaruddin Fajaruddin. "Intellectual property rights protection function in resolving copyright disputes." *International Journal Reglement & Society* 2, no. 3 (2021): 170-178; Candra Irawan, "Protection of traditional knowledge: A perspective on Intellectual Property Law in Indonesia." *The Journal of World Intellectual Property* 20, no. 1-2 (2017): 57-67.

²³ Betty Eliya Rokhmah, and Ismail Yahya. "Tantangan, Kendala, dan Kesiapan Pemasaran Online UMKM di Desa Nglebak, Kecamatan Tawangmangu, Kabupaten Karanganyar." *Filantropi: Jurnal Manajemen Zakat dan Wakaf* 1, no. 1 (2020): 20-31.

protection and economic value creation for MSMEs in Karanganyar Regency. By examining the unique challenges and opportunities encountered by MSMEs in this region, we aim to elucidate the strategies and interventions necessary to navigate this complex landscape effectively.

Karanganyar Regency stands as a microcosm of Indonesia's vibrant entrepreneurial spirit, where MSMEs thrive amidst a rich tapestry of cultural heritage and economic diversity. Yet, despite their integral role, MSMEs in this region grapple with the dual mandate of protecting their brands while harnessing their economic potential. This dichotomy underscores the delicate balance required to foster brand resilience while capitalizing on the inherent value they offer in driving business growth.

Karanganyar Regency's geographical location is defined by its coordinates between 110° 40" - 110° 70" East Longitude and 7° 28" - 7° 46" South Latitude, positioning it astronomically within Indonesia's spatial framework. Its boundaries are delineated by neighboring regions: to the west lie Surakarta City and Boyolali Regency, while East Java Province and Magetan Regency border it to the east. To the north, Sragen Regency provides its boundary, while to the south, Karanganyar Regency shares borders with Wonogiri Regency and Sukoharjo Regency. This geographical context forms the foundation of Karanganyar Regency's distinctive identity and regional significance within Indonesia's diverse landscape.

Karanganyar Regency, nestled in Central Java, Indonesia, boasts an average altitude of 511 meters above sea level and enjoys a tropical climate, with temperatures typically ranging between 22 to 31 degrees Celsius. This diverse terrain encompasses various elevations, with the lowest point found in Kebakkramat District at 80 meters above sea level, while the highest peak resides in Tawangmangu District, soaring to 2000 meters above sea level. Comprising 17 sub-districts, Karanganyar Regency is home to Matesih, a notable sub-district renowned for its historical significance. Matesih is distinguished by Astana Giri Bangun, a revered tomb complex resting on the slopes of Mount Lawu at an elevation of 660 meters above sea level. This sacred site, situated in Girilayu Village, serves as the final resting place for the family of Indonesia's 2nd President, Suharto, adding to the cultural richness of the region, located approximately 35 kilometers east of Surakarta city.

Positioned within a burgeoning tourist destination, Matesih District presents a myriad of opportunities for the growth of Micro, Small, and Medium Enterprises (MSMEs). The influx of tourists not only enhances the local economy but also offers a distinct market niche for MSME players in Matesih District to capitalize on. To harness this potential effectively, MSMEs must strategically capture this market share, ensuring the sustainable development of their enterprises.

As articulated by Mayanan and Santika, MSMEs function as vital organizational entities, serving as conduits for delivering goods and services to consumers. In Matesih District, MSMEs play a pivotal role in catering to the needs and preferences of tourists, thereby contributing to the vibrancy and economic resilience of the region. By recognizing and leveraging these opportunities, MSMEs in Matesih District can chart a path towards sustained growth and prosperity.²⁴

Micro, Small, and Medium Enterprises (MSMEs) encounter significant challenges in effectively targeting business opportunities, as the mere availability of market share does not ensure successful targeting. These challenges are not unique to MSMEs in Matesih District, Karanganyar Regency, but are prevalent among MSMEs across various regions. Effective targeting of business opportunities is integral to successful business management, requiring meticulous attention to detail to achieve desired outcomes.

One avenue for MSMEs to overcome these challenges is through the acquisition of a registered brand, enabling them to establish a recognizable presence and compete without jeopardizing their ownership rights to the brand as intellectual property. Intellectual property, encompassing the protection of ideas and information with commercial value, is a cornerstone in safeguarding the interests of businesses.²⁵

By securing a registered brand, MSMEs can navigate the competitive landscape with confidence, leveraging their intellectual property rights to assert their unique identity and offerings. This proactive approach not only enhances brand visibility and recognition but also

²⁴ Mayana, and Santika. *Hukum Merek Perkembangan Aktual Perlindungan Merek dalam Konteks Ekonomi Kreatif di Era Disrupsi Digital*.

²⁵ Mayana, and Santika.

mitigates the risk of infringement, safeguarding the interests of MSMEs in the pursuit of business opportunities. Thus, the strategic acquisition and management of intellectual property rights serve as critical components in MSMEs' endeavors to target and capitalize on business opportunities effectively. Through a comprehensive analysis of the Karanganyar Regency MSME landscape, this paper seeks to shed light on the nuanced relationship between brand protection and economic values. By exploring case studies, empirical research, and industry insights, we aim to provide actionable recommendations for MSMEs, policymakers, and stakeholders alike.

In Matesih District, MSMEs currently lack protected brands, as they perceive branding merely as a product name or accessory, overlooking its critical role and the need for protection. This oversight stems from a limited understanding among MSME actors, who are unaware of the legal safeguards available for brands. Consequently, MSMEs remain vulnerable to potential fraud and infringement, with the misconception that branding solely serves as a nominal identifier.

Moreover, the constraints of time, energy, and financial resources further impede MSMEs' ability to pursue trademark registration. The intricacies of the registration process, including understanding procedures, classifying goods, and conducting similarity checks with existing products, present additional barriers for business actors lacking requisite knowledge in intellectual property management. As a result, MSMEs in Matesih District face significant challenges in safeguarding their brands and mitigating risks associated with brand infringement and exploitation.

This perception leads to the neglect of brand protection. Brands are treated solely as product names, overlooking the numerous advantages that MSME actors can gain from securing registered trademark intellectual property.²⁶

1. The mark may only be used by the owner of the mark exclusively. These intellectual property rights are directly protected against competitors. When the brand is known to the wider public and then other parties want to use the brand, then the party must get permission

²⁶ Dewi Sulistianingsih. *Perdebatan Pengetahuan Tradisional dalam Kekayaan Intelektual*. (Yogyakarta: Pohon Cahaya, 2016).

from the brand owner and the brand owner can benefit in the form of *royalties*.

2. Helps maintain a long-term competitive advantage in business. With a registered brand, it can be ascertained that the brand owner gets all the benefits in terms of economy and this economic benefit can maintain business continuity
3. Registered intellectual wealth is an asset. What is meant by assets here is that intellectual wealth can be guaranteed to financial institutions to get financing or credit.
4. Provide confidence in consumers regarding product quality. This makes the product trusted by consumers through the brand. To find the quality of a particular product, the brand is used as a guideline for consumers.

Situated within Karanganyar Regency, Matesih District boasts the allure of being a sought-after tourist destination, drawing visitors from diverse regions to the picturesque locale of Tawangmangu. This influx of tourists presents a prime opportunity for MSMEs in Matesih District to capitalize on burgeoning business prospects. Leveraging product names, commonly known as brands, prominently displayed on packaging labels, MSMEs can strategically target these opportunities. Brands serve as a pivotal tool for MSMEs to seize business prospects, particularly amidst tourist influxes. As tourists explore the scenic attractions of Tawangmangu, they often seek souvenirs to bring back home, serving as mementos for loved ones. By familiarizing themselves with the brands of products, tourists can easily identify MSME offerings within Matesih District, Karanganyar Regency, thereby enhancing brand recognition and market presence.

Moreover, brands transcend mere identification of goods or services among competitors.²⁷ They encapsulate intrinsic value, reflecting the ethos and principles of the brand. From a marketing standpoint, brands serve as a vital component of strategy, embodying brand identity and facilitating product recognition.²⁸ Recognizable brands are vulnerable to exploitation

²⁷ Ridwan Khairandy. *Pokok-Pokok Hukum Dagang Indonesia*. (Yogyakarta: UII Press, 2013).

²⁸ Mayana, and Santika. *Hukum Merek Perkembangan Aktual Perlindungan Merek dalam Konteks Ekonomi Kreatif di Era Disrupsi Digital*.

from unauthorized parties engaging in piggybacking, counterfeiting, and other illicit activities. Without the protection afforded by intellectual property rights, business actors, even in developed nations, face a sense of insecurity, hindering their ability to conduct operations confidently.²⁹

In the realm of intellectual property law, trademarks are pivotal assets protected by the State. The legal framework must safeguard trademarks as they inherently represent a form of property.³⁰ Protection is granted based on the principle of "*first to file*," whereby the individual or entity who submits the initial application for trademark protection through the Directorate General of Intellectual Property (DJKI) secures exclusive rights over the mark. This timely protection ensures that unauthorized use of the mark by third parties is prohibited without the explicit consent of the trademark owner.

Intellectual property protection, being a fundamental "*right*," is intricately linked to economic activities. In essence, intellectual property rights (IPR) are inseparable from commercializing intellectual endeavors.³¹ Thus, IPR plays a vital role in facilitating the monetization and exploitation of intellectual creations, underscoring its significance within economic contexts. The remedy to the aforementioned challenges lies in extending assistance to MSME actors, enabling them to discern and seize business opportunities within their respective regions by leveraging existing potentials. A key aspect of this assistance entails fortifying the trademarks owned by promoting and facilitating brand protection requests. Providing aid to MSMEs yields significant benefits, including enhancing comprehension regarding intellectual property protection for brands as a strategic tool for targeting business opportunities. Furthermore, it imparts knowledge on the brand verification process, facilitating the application for state protection. The outcome of such

²⁹ Imas Rosidawati Wiradirja, and Fontian Munzil. *Pengetahuan Tradisional dan Hak Kekayaan Intelektual: Perlindungan Pengetahuan Tradisional Berdasarkan Asas Keadilan Melalui Sui Generis Intellectual Property System*. (Bandung: Refika Aditama, 2018).

³⁰ Titon Slamet Kurnia, *Perlindungan Hukum Terhadap Merek Terkenal di Indonesia Pasca Perjanjian TRIPs*. (Bandung: Alumni, 2011).

³¹ Suyud Margono, *Hukum Hak Kekayaan Intelektual (HKI)*. (Bandung: Pustaka Reka Cipta, 2015).

service endeavors culminates in the issuance of a unique application number for brand protection within Matesih District, Karanganyar Regency. Subsequently, successful applicants will obtain brand certification (*granted*) within a two-year timeframe post-application.

Consequently, bolstered understanding of the role of brands in capitalizing on business opportunities, coupled with assistance in brand protection applications for MSME actors in Matesih District, Karanganyar Regency, enhances their ability to compete without the looming threat of brand ownership infringement.

Conclusion

In conclusion, MSME actors operating in tourist areas stand to benefit significantly from assistance in trademark registration, recognizing brands as pivotal tools for targeting business opportunities. With a registered brand, MSME players can expand their market reach and promote their products to a broader audience. Tourists purchasing products as souvenirs serve as invaluable ambassadors, spreading awareness of the brand and facilitating its recognition beyond the local market. Moreover, it is imperative to provide intensive assistance to MSME actors, tailored to address the specific challenges faced by each individual enterprise. By acknowledging and resolving these challenges according to their unique needs, MSMEs can unlock their full potential and thrive in the competitive business landscape. Through collaborative efforts and targeted interventions, MSMEs can navigate obstacles effectively and capitalize on the opportunities presented by their brands, ultimately fostering sustainable growth and prosperity.

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