

Responsibility of the Directorate General of Intellectual Property regarding The Passing Off Case Between Starbucks Coffee & Starbucks Cigarettes (Case Study 836 K/PDT.SUS-HKI/2022)

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Abstract. *The aim of this research is to examine the responsibility of the Directorate General of Intellectual Property (DJKI) and to examine the considerations of the Panel of Judges regarding the brand passing off case between Starbucks Coffee and Starbucks Cigarettes based on Decision Number 836 K/Pdt.Sus-HKI/2022. DJKI's responsibility in cases of passing off brands has not been specifically regulated and written in a statutory regulation. However, DJKI has an obligation to comply with court decisions that have permanent legal force in brand cancellation lawsuits. Therefore, DJKI's responsibility for the case of brand passing off between Starbucks Coffee and Starbucks Cigarettes based on Decision Number 836 K/Pdt.Sus-HKI/2022 is to cancel the registration of the Starbucks Cigarette Brand with registration number IDM000342818 in class 34 owned by the Defendant, PT STTC from the Register Brand General. Furthermore, the considerations of the Panel of Judges in Decision Number 836 K/Pdt.Sus-HKI/2022 are in accordance with and were guided by Law No. 20 of 2016 concerning Brands and Geographical Indications. The Panel of Judges has determined PT STTC as the party found guilty of violating Article 21 section (1) letter c and Article 21 section (3) of the MIG Law as well as the Panel of Judges has also determined that the Starbucks brand owned by Starbucks Corporation is a well-known brand based on the criteria regulated in the Regulation of the Minister of Law and Human Rights of the Republic of Indonesia No. 12 of 2021 concerning Trademark Registration.*

Keywords: Brand; Passing Off; Responsibility.

1. Introduction

The economy of a country fundamentally depends on the industrial and trade sectors, supported by the presence of a free and open economic system. In support of this, the Indonesian government has committed to realizing the

ASEAN Free Trade Area (AFTA) and becoming a member of the World Trade Organization (WTO) and the Asia Pacific Economic Cooperation (APEC).¹ The rapid development of the globalization era at present certainly urges all countries to compete in enhancing their economic growth to be able to compete internationally with other nations. Therefore, the existence of Intellectual Property Rights is one of the crucial aspects in maintaining the economic superiority of a country. The term of Intellectual Property Rights is defined as the rights protecting human creativity in various fields such as arts, literature, science, aesthetics, and technology.² The development of technology and scientific knowledge in the era of global trade has, in practice, given rise to new challenges, namely various forms of violations against intellectual property rights. One form of violation that occurs is the practice of passing off, which is an action carried out by individuals or a group of people that refers to unhealthy business competition or infringement in the field of intellectual property rights.³

In its early stages, passing off was initially a form of tort, an unlawful act in the Common Law legal system, and was not widely recognized in Indonesian legal literature.⁴ However, after the ratification of the TRIPs on November 2, 1994, and the Paris Convention on May 10, 1979, several regulations within Indonesia's trademark legal framework began to encompass actions related to the context of passing off. The unlawful act against trademarks is also regulated in the Civil Code (hereinafter referred to as the KUH Perdata). Although not detailed, the act of passing off itself is considered an unlawful act and can be subject to Article 1365 of the Civil Code, which states⁵:

“Every unlawful act that causes harm to others obliges the person who, due to their fault, causes such harm, to compensate for the loss”.

Trademark legal instruments in Indonesia were first enacted in Act No. 19 of 1992, which was later amended by Act No. 14 of 1997 concerning Trademarks. Indonesia's accession to the WTO in 1994 led to the alignment of trademark regulations with TRIPs through the establishment of Act No. 15 of 2001. This law was later amended Act No. 20 of 2016 concerning Trademarks and Geographical

¹ Direktorat Perindustrian Republik Indonesia. (2007). *Kebijakan Pemerintah dalam Perlindungan Hak Kekayaan Intelektual dan Liberalisasi Perdagangan Profesi di Bidang Hukum*. Jakarta: Direktorat Jenderal Industri Kecil Menengah, p. 3

² Dwi Seno Wijanarko & Slamet Pribadi. *Perlindungan Hukum Preventif terhadap Merek Dagang di Indonesia Berdasarkan Undang-Undang Nomor 20 Tahun 2016 tentang Merek dan Indikasi Geografis*. *Jurnal Penelitian Universitas Kuningan*, 13(2). 192-201

³ Hukum Online, “*Passing Off*”, <https://www.hukumonline.com/klinik/a/passing-off-cl273/>, accessed on August 10, 2023

⁴ Soedjono Dirdjosisworo. (2005). *Antisipasi terhadap Bisnis Curang: Pengalaman Negara Maju dalam Perlindungan Hak Kekayaan Intelektual (Intellectual Property) dan Pengaturan E-Commerce Serta Penyesuaian Undang-Undang HKI Indonesia*. Bandung: CV Utomo, p. 5

⁵ Article 1365 of Civil Code



Indications (hereinafter referred to as Act No. 20 of 2016).⁶ This regulation, in principle, aims to provide legal protection for trademarks. Legal protection for trademarks is granted to the rightful holder who has submitted a trademark registration application based on the first-to-file system to the Directorate General of Intellectual Property (hereinafter referred to as DJKI) of the Ministry of Law and Human Rights of the Republic of Indonesia.

DJKI functions as the authority overseeing, managing, and providing legal protection for intellectual property rights, including trademarks, in Indonesia. DJKI, in the context of trademark registration applications, essentially has the authority to reject trademarks that violate the guidelines stipulated in Act No. 20 of 2016. The role of DJKI is crucial in ensuring the protection of trademark owner rights, fostering innovation, and creating a fair and integrity-based business environment. As an independent institution with a central role in evaluating and selecting new trademarks to be registered in the country, DJKI is expected to be at the forefront in preventing trademarks with fundamental indications of infringement.⁷ However, controversies surrounding intellectual property, particularly cases of trademark passing off in Indonesia, persist and show no signs of abating. The widespread occurrence of trademark violations in Indonesia has become common knowledge, indicating that DJKI has not optimally carried out its duties with professionalism and has not fully adhered to the guidelines outlined in Act No. 20 of 2016.

The prevalence of passing off cases in Indonesia can be observed through a notable trademark dispute involving Starbucks Coffee owned by Starbucks Corporation, a coffee shop originating from Seattle, United States, and Starbucks Cigarettes owned by PT Sumatra Tobacco Trading Company (hereinafter referred to as PT STTC), a cigarette company from Pematang Siantar, Indonesia. The case originated when PT STTC, a cigarette manufacturing company, was found to be using the “Starbucks” trademark owned by Starbucks Corporation on the packaging of their cigarettes. Upon discovering this, Starbucks Corporation, a company in the food and beverage industry and the rightful owner of the “Starbucks” trademark, filed a lawsuit against PT STTC, the cigarette manufacturing company, with the Ministry of Law and Human Rights of the Republic of Indonesia, acting on behalf of DJKI and the Directorate of Trademarks and Geographical Indications. This legal action was taken to the Central Jakarta District Court on July 29, 2021, resulting in Decision Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst.

⁶ Khoiril Hidayah. (2017). *Hukum Hak Kekayaan Intelektual*. Maang: Setara Press, p. 54

⁷ Muhamad Shafwan Afif & Heru Sugiyono. Perlindungan Hukum Bagi Pemegang Merek Terkenal di Indonesia. *Jurnal USM Law Review*, 4(2). 565-585

Starbucks Corporation is a coffee shop that has been in operation since March 30, 1971, with 165 outlets and its company's shares listed on the NASDAQ stock market in 1992.⁸ Shortly after Starbucks Corporation's shares were listed on NASDAQ, the trademark registration application for the "Starbucks" brand was submitted by PT STTC on September 10, 1992, to the DJKI with registration number IDM000342818 under category class 34, covering all types of cigarettes, tobacco, and lighters. Decision Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst favored Starbucks Cigarettes, where the Panel of Judges rejected the lawsuit to invalidate the trademark filed by Starbucks Corporation. This was because PT STTC had registered the trademark with DJKI before Starbucks Corporation. Dissatisfied with this decision, Starbucks Corporation subsequently filed a cassation to the Supreme Court with Decision Number 836 K/Pdt.Sus-HKI/2022.

The trademark dispute between Starbucks Coffee and Starbucks Cigarettes clearly illustrates the crucial role of DJKI in the entire trademark registration process and has created confusion and legal uncertainty in society. What is the accountability of the Directorate General of Intellectual Property (DJKI) in the case of passing off between Starbucks Coffee and Starbucks Cigarettes? What were the considerations of the Panel of Judges in Decision Number 836 K/Pdt.Sus-HKI/2022 regarding the passing off trademarks between Starbucks Coffee and Starbucks Cigarettes? Therefore, this research is expected to provide an understanding of the dynamics and challenges in enforcing intellectual property rights, especially in cases of passing off, within the Indonesian legal context.

2. Research Methods

The research method used in this research is a normative legal research method by examining court decisions as primary legal material. Laws and regulations, books, documents, journals, and scientific works are secondary legal materials. As well as official and trusted publications as tertiary legal materials.⁹ The types of approaches used by the researcher in this study are the statute approach and the case approach.¹⁰ The analysis technique applied in this research is a qualitative method through literature study.

⁸ Decision Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst, p. 4

⁹ Muhaimin. (2020). *Metode Penelitian Hukum*. Mataram: Mataram University Press, p. 17

¹⁰ Muhammad Siddiq Armia. (2022). *Penentuan Metode dan Pendekatan Penelitian Hukum*. Banda Aceh: Lembaga Kajian Konstitusi Indonesia, p. 12

3. Results And Discussion

3.1. Responsibility of DJKI Regarding the Brand Passing Off Case between Starbucks Coffee and Starbucks Cigarettes

The Ministry of Law and Human Rights of the Republic of Indonesia c.q. DJKI is a government institution tasked with various aspects related to intellectual property, including trademarks. In exercising its authority, duties, and functions, DJKI holds a form of responsibility for various trademark infringement cases, including cases of passing off that frequently occur in Indonesia. Passing off a brand as an act of riding on the reputation by registering a trademark without good faith should be rejected by DJKI in the trademark registration application process. This is in line with the provisions of Article 21 paragraph (3) of Act No. 20 of 2016, which states¹¹:

“The application is rejected if submitted by an applicant with bad faith”.

DJKI should be responsible for the acceptance of trademark registration applications to ensure that the trademark legal system in Indonesia operates in accordance with applicable regulations and to protect the rights of registered trademark owners.¹² Basically, DJKI has a code of ethics regulated in Director General of Intellectual Property Regulation Number: HKI-01.0T.01.01 of 2020 Regarding the Code of Ethics and Code of Conduct for Employees of the Directorate General of Intellectual Property (hereinafter referred to as DJKI Regulation No. HKI-01.0T.01.01 of 2020).

Article 4 letter d of DJKI Regulation No. HKI-01.0T.01.01 of 2020 states that DJKI employees are obliged to *“apply the Ministry of Law and Human Rights values (professional, accountable, synergy, transparent, and innovative)”*¹³. Furthermore, in Article 4 letter r of DJKI Regulation No. HKI-01.0T.01.01 of 2020, DJKI employees are also obliged to *“be responsible for the results of the implementation of their duties”*¹⁴. DJKI c.q. The Directorate of Trademarks and Geographical Indications is a sub-unit with authority in dealing with issues related to trademarks and geographical indications. Through Article 761 of

¹¹ Article 21 paragraph (3) of Act No. 20 of 2016

¹² Michael & Christine S.T. Kansil. Analisis Tanggung Jawab Direktorat Jenderal HAKI terhadap Kasus Pendomplengan Nama/*Passing Off* terhadap Merek Terkenal M&G Ditinjau Dari Undang-Undang Nomor 20 Tahun 2016 tentang Merek dan Indikasi Geografis (Studi Kasus Putusan No. 526K/Pdt.Sus-HKI/2020). Jurnal Hukum Adigama, 4(2). 424-448

¹³ Article 4 letter d of DJKI Regulation No. HKI-01.0T.01.01 of 2020

¹⁴ Article 4 letter r of DJKI Regulation No. HKI-01.0T.01.01 of 2020

Regulation of the Minister of Law and Human Rights No. 29 of 2015, it is stated that¹⁵:

“The Directorate of Trademarks and Geographical Indications has the task of formulating and implementing policies, providing technical guidance and supervision, as well as conducting evaluations and reports in the field of applications, trademark classification, publication and documentation, examination, certification, monitoring, and legal services for trademarks and geographical indications and facilitating the trademark appeal commission”.

DJKI, especially the Directorate of Trademarks and Geographical Indications, based on Article 763 of Regulation of the Minister of Law and Human Rights Number 29 of 2015, has several sub-directorates, including *“Sub Directorate of Applications and Publications, Sub Directorate of Trademark Examination, Sub Directorate of Certification and Monitoring of Registered Trademarks, Subdirectorates of Geographical Indications, Sub Directorate of Legal Services and Facilitation of the Trademark Appeal Commission, Subdirectorates of Administration and Group of Functional Positions”*¹⁶. In this case, the Sub Directorate of Trademark Examination is a sub directorate that plays a significant role in all examinations in the trademark registration application process, which will later make decisions on whether the trademark is rejected or accepted.

Article 768 of Regulation of the Minister of Law and Human Rights No. 29 of 2015 states that the Sub Directorate of Trademark Examination has the task of:

“Preparing material for formulating and implementing policies, providing technical guidance and supervision, as well as conducting evaluations and reports in the field of substantive administrative examination of trademarks; and preparing material for formulating and implementing policies, providing technical guidance and supervision, as well as conducting evaluations and reports in the field of technical services for trademarks”.

The function of the Sub Directorate of Trademark Examination according to Article 769 of Regulation of the Minister of Law and Human Rights No. 29 of 2015 is¹⁷:

“To carry out the tasks as referred to in Article 768, the Subdirectorates of Trademark Examination organizes functions:

¹⁵ Article 761 of Regulation of the Minister of Law and Human Rights No. 29 of 2015

¹⁶ Article 763 of Regulation of the Minister of Law and Human Rights No. 29 of 2015

¹⁷ Article 769 of Regulation of the Minister of Law and Human Rights No. 29 of 2015

- a. *Preparing material for formulating and implementing policies, providing technical guidance and supervision, as well as conducting evaluations and reports in the field of administrative examination of substantive trademarks; and*
- b. *Preparing material for formulating and implementing policies, providing technical guidance and supervision, as well as conducting evaluations and reports in the field of technical services for trademarks.”*

The explanation above indicates that the Sub Directorate of Trademark Examination is thus a sub directorate that functions in carrying out substantive examinations in the trademark registration application process. Therefore, the Sub Directorate of Trademark Examination has the responsibility for new trademark registrations, starting with the administrative verification process, which will proceed to the substantive verification stage. A trademark that has successfully passed the trademark registration process will, of course, obtain legal protection. Legal protection for trademark rights is essentially granted through the issuance of a trademark certificate by the Minister through DJKI. Therefore, a form of accountability is needed for any negligence committed by DJKI when receiving a trademark registration application that violates the provisions of Article 21 of Act No. 20 of 2016, resulting in the practice of passing off trademarks.

The responsibility according to Hans Kelsen carries the meaning that “someone is legally considered responsible for a particular act is that he or she can be subjected to a sanction in cases of actions contrary to the law”.¹⁸ Currently, DJKI's responsibility is not specifically regulated by legislation in the event of trademark infringement cases. Nevertheless, repressively, DJKI's responsibility is essentially to comply with and implement court decisions regarding trademark cancellation lawsuits. Preventively, DJKI's responsibility is to conduct legal education programs to enhance the active role of the public in the field of trademarks to prevent similar trademark infringements.

DJKI, on the other hand is responsible for the registration and verification of trademarks, which is not limited to the implementation of court decisions alone but also includes the obligation to carefully examine the proposed trademarks to prevent any party from suffering losses. However, in the realm of the judiciary, DJKI's responsibility for trademark cancellation is carried. DJKI in cancellation of trademark lawsuits generally becomes involved as an Intervening Defendant or Defendant II, as DJKI, being a government institution, must provide explanations regarding the registration of the Defendant's trademark (the alleged infringing party) in the General Trademark Register, subsequently, DJKI is obligated to

¹⁸ Hans Kelsen. (2006). *Teori Hukum Murni: Dasar-Dasar Ilmu Hukum Normatif, Terjemahan: Raisul Muttaqien*. Bandung: PT. Rineka Cipta, p. 136

comply with the court's decision.¹⁹ Therefore, it can be concluded that DJKI is responsible for adhering to the court's decision. The responsibility of DJKI is fulfilled by correcting the status of the previously registered trademark by removing it from the General Trademark Register, and DJKI must announce this removal in the Official Trademark Gazette.

DJKI, as an institution under the auspices of the Ministry of Law and Human Rights of the Republic of Indonesia, in the case of trademark cancellation, will fulfill its obligations as a follow-up to the final and binding court decision.²⁰ These steps are in accordance with Article 92 of Act No. 20 of 2016, which states that²¹:

(1) "Cancellation or removal of trademark registration is carried out by the Minister by striking off the relevant trademark, providing a record of the reasons and date of such cancellation or removal."

(2) Cancellation or removal of registration as referred to in paragraph (1) shall be notified in writing to the owner of the trademark or their attorney, stating the reasons for cancellation or removal and affirming that, as of the date of striking off, the certificate for the respective trademark is declared invalid.

(3) The striking off of the registered trademark as referred to in paragraph (1) shall be announced in the Official Trademark Gazette".

The application for trademark registration should be rejected by DJKI if it violates several elements as outlined in Article 21 of Act No. 20 of 2016, which are detailed as follows:

1. The presence of "elements of similarity or resemblance with registered trademarks belonging to others for similar products or services; famous trademarks of others for similar products or services; famous trademarks of others for dissimilar products or services; and registered geographical indications".
2. The presence of elements like the names of famous individuals, photos, legal entities, country names, institutions, flag symbols, official stamps, or emblems of a country.

¹⁹ Hertanti Pindayani. (2018). Tanggung Jawab Direktorat Jenderal Hak Kekayaan Intelektual terhadap Pemegang Hak atas Merek dalam Hal Ada Putusan Pembatalan Merek, *Jurnal Authentica*, 1(1). 42-50

²⁰ Hukum Online, "Jika Ada Sengketa, Ini Tanggung Jawab DJKI Atas Merek Terdaftar", <https://www.hukumonline.com/klinik/a/jika-ada-sengketa-ini-tanggung-jawab-djki-atas-merek-terdaftar-lt6310586d8c439/>, accessed on October 10, 2023

²¹ Article 92 of Act No. 20 of 2016

3. The presence of malicious intent underlying the trademark registration application.

The above elements do not specifically mention whether the submission of trademark registration applications with similarities in names but different classifications of goods and/or services is allowed or not allowed. Nevertheless, such applications are potentially accepted by DJKI. This is analogous to the case of Starbucks Coffee and Starbucks Cigarettes based on Decision Number 836 K/Pdt.Sus-HKI/2022, where both have similarities in the brand name, Starbucks. However, both Starbucks Coffee and Starbucks Cigarettes are registered in different trademark classes. Starbucks Coffee is classified under classes 30 and 43, while Starbucks Cigarettes fall under class 34. However, it is important to note that Starbucks Coffee owned by Starbucks Corporation is a famous trademark, so DJKI should reject the registration of the Starbucks Cigarettes trademark by PT STTC. This aligns with Article 21 paragraph (1) letter c of Act No. 20 of 2016, which states: *“The application is rejected if the trademark has substantial or overall similarity with the famous trademark of others for dissimilar goods and/or services that meet certain requirements”*²².

Starbucks Coffee is a famous trademark because it meets the criteria of a famous trademark as mentioned in Article 18 paragraph (3) of Regulation of the Minister of Law and Human Rights No. 12 of 2021, which states²³:

“The criteria for a Trademark to be considered a well-known Trademark as referred to in paragraph (1) are determined by considering:

- a. The level of knowledge or recognition of the public towards the Trademark in the relevant business sector as a well-known Trademark;
- b. The volume of sales of goods and/or services and the profit obtained from the use of the Trademark by its owner;
- c. The market share controlled by the Trademark in relation to the circulation of goods and/or services in society;
- d. The geographical scope of the use of the Trademark;
- e. The duration of the use of the Trademark;

²² Article 21 paragraph (1) letter c of Act No. 20 of 2016

²³ Article 18 paragraph (3) of Regulation of the Minister of Law and Human Rights No. 12 of 2021

- f. The intensity and promotion of the Trademark, including the investment value used for such promotion;
- g. Trademark registration or Trademark registration applications in other countries;
- h. The level of success in law enforcement in the field of Trademarks, especially regarding the recognition of the Trademark as a well-known Trademark by the competent authorities; or
- i. The inherent value of the Trademark obtained due to the reputation and quality assurance of goods and/or services protected by the Trademark”.

The researcher's analysis of the criteria for Starbucks Coffee as a famous trademark can be evidenced through the registration of the Starbucks Coffee trademark in several countries, indicating that Starbucks Coffee has a broad range of trademark usage. The details of the evidence of the registration of the Starbucks Coffee trademark in several countries are as follows:

1. Evidence P-6 to P-17 proves that Starbucks Coffee is a famous trademark.
2. Evidence P-21 to P-24 demonstrates the existence of intensive and mass promotional offers.

Starbucks Corporation has been registered and used in various countries, thus meeting the criteria for recognizing a trademark as famous as stipulated in Article 18 paragraph (3) of Regulation of the Minister of Law and Human Rights No. 12 of 2021. Therefore, the application for the registration of the Starbucks Cigarettes trademark by PT STTC at that time was based on bad faith, thus violating Article 21 paragraph (3) of Act No. 20 of 2016, which states: “*The application is rejected if submitted by an applicant with bad faith*”²⁴. The concept of bad faith is literally regulated in the Act No. 20 of 2016, which explains that bad faith occurs when an applicant is suspected of registering their trademark improperly and dishonestly with the intention of imitating, copying, or following another party's trademark for their business interests, leading to unhealthy business competition and misleading consumer understanding of a trademark.²⁵

²⁴ Article 21 paragraph (3) of Act No. 20 of 2016

²⁵ Fathiya Al'Uzma, OK. Saidin, T. Keizerina Devi Azwar, & Syarifah Lisa Andriati Andriati. Analisis Putusan dan Pertimbangan Hakim dalam Perkara Sengketa Merek antara Starbucks Corporation Melawan Sumatera Tobacco Trading Company (Studi Putusan Mahkamah Agung Nomor 836 K/PDT.SUS-HKI/2022). *Locus Journal of Academic Literature Review*, 2(4). 355-364

DJKI's responsibility in the case of passing off between Starbucks Coffee and Starbucks Cigarettes through trademark cancellation lawsuits is reflected in implementing this court decision. It involves correcting the status of the previously registered trademark and carrying out the cancellation of the registration of the Starbucks Cigarettes trademark based on the court's decision. The DJKI as the Co-Defendant plays a role in providing explanations regarding the registration of the Defendant's trademark, PT STTC, and ensuring that the trademark registered and used by Starbucks Coffee is well-protected and not misused by others, such as Starbucks Cigarettes, attempting to imitate or misuse the trademark for their own benefit.

The responsibility of DJKI in the case of trademark passing off is an important concern. The acceptance of trademark registration applications that have similarities or identical elements, either in whole or in part, by DJKI indicates negligence and a lack of professionalism in verifying and validating the trademark registration process. In this regard, it is important to consider the establishment of more specific written regulations governing DJKI's responsibilities in the legislation related to DJKI's accountability. Clear and firm regulations can provide stronger guidelines for DJKI in assessing trademark applications, avoiding trademark infringements, and minimizing the risk of deviations in the process.

The presence of more specific legislation regulating the tasks and responsibilities of DJKI in handling similar trademark registration applications is of crucial importance. Such policies can be useful in addressing potential negligence issues in the trademark registration process and ensuring that DJKI can carry out its duties efficiently, professionally, and accountably in line with DJKI's ethical code as stipulated in Regulation No. HKI-01.OT.01.01 of 2020 and the role of DJKI outlined in Regulation No. 29 of 2015 from the Ministry of Law and Human Rights.

3.2. Considerations of the Panel of Judges in Decision Number 836 K/Pdt.Sus-HKI/2022

In the civil law system, a judge is an interpreter of the law rather than a creator of law. A judge's role is to adjudicate legally in every case with fairness (*ex aequo et bono*). Literally, the judge's duty is to uphold justice and enforce the law. When delivering a verdict, a judge must be able to choose from various alternative actions appropriately to ensure justice in society.²⁶ Consideration by the judge becomes a crucial aspect in conducting a judicial process to ensure that the judge's decision reflects justice, utility, and legal certainty. Factors

²⁶ Antonius Sudirman. (2007). *Hati Nurani Hakim dan Putusannya*. Bandung: PT Citra Aditya Bakti, p. 47

influencing the judge's consideration include facts, evidence, and legal provisions supporting the parties during the trial process.

The judge's task in decision-making does not rely solely on legal considerations but is also related to considerations of justice. This is because the judge's consideration will be related to how the judge decides a case. Therefore, proof becomes one of the crucial factors for a judge in delivering a court decision. In the case of trademark cancellation, the burden of proof lies with the Plaintiff. This concept is known as the *actori incumbit probatio* principle, as stipulated in Article 1865 of the Civil Code, which reads²⁷:

“Anyone who claims to have a right or mentions an event to strengthen their right or refute the right of others must prove the existence of that right or event”.

The cassation request by Starbucks Corporation in the *a quo* case is an effort by Starbucks Corporation to regain ownership rights to the Starbucks trademark. Starbucks Corporation sued PT STTC for using its brand name for a cigarette brand, as can be observed in the image below.



Figure 1. Starbucks Coffee vs Starbucks Cigarettes

The Panel of Judges, through Decision Number 836K/Pdt.Sus-HKI/2022, granted the cassation request from the Appellant, Starbucks Corporation, and annulled the Commercial Court Decision of the Central Jakarta District Court Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst dated December 23, 2021. Decision Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst and Decision Number 836K/Pdt.Sus-HKI/2022 are two judgments on the same case at different levels, with the same facts and evidence. However, the Panel of Judges rendered different verdicts, leading the researcher to analyze that there were errors in the application of the law.

The rejection of the Plaintiff's lawsuit in the Commercial Court at the Central Jakarta District Court Decision Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst reflects weaknesses in law enforcement and legal uncertainty. The main reason for the rejection was the Panel of Judges' consideration that there was no sufficient evidence to support the cancellation of the Starbucks Rokok

²⁷ Article 1865 of the Civil Code

trademark. Meanwhile, based on the research findings in the aforesaid case referring to Decision Number 836K/Pdt.Sus-HKI/2022, the Panel of Judges accepted the cassation request and annulled the registration of the Starbucks Rokok trademark from the General Trademark Registry.

The considerations of the Panel of Judges in the *a quo* case indicate that there are several elements of passing off of the Starbucks trademark owned by the Appellant in Cassation, Starbucks Corporation, committed by the Appellee in Cassation, namely PT STTC, thereby violating the provisions of Article 21 of the MIG Law, as the researcher's analysis can be outlined as follows:

The Panel of Judges Consideration Based on Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022

Analysis of the Panel of Judges Consideration through Article 21 of

Act No. 20 of 2016

a.) That the Plaintiff can prove the grounds of the lawsuit that the Starbucks brand owned by the Plaintiff is a well-known brand, as evidenced by Evidence P-6 to Evidence P-17, the Starbucks brand owned by the Plaintiff has been registered in various countries, the scope of the brand's use, the duration of the brand's use, and based on Evidence P-21 to Evidence P-24, proving intense and large-scale promotion.

The actions of PT STTC in including the name Starbucks on cigarette products, which was previously filed by Starbucks Corporation in 1971, while PT STTC only introduced products with the Starbucks brand in 1992, indicate that the period of use of the Starbucks Coffee brand by Starbucks Corporation is longer than the period of use of the Starbucks Cigarettes brand by PT STTC.

b.) That the Starbucks brand owned by the Plaintiff has been registered or applied for registration in various countries long before the Defendant filed a trademark registration application for Starbucks in Indonesia in September 1992 through the Co-Defendant.

On the other hand, Starbucks Corporation also first registered and used the Starbucks brand with a significantly broad scope in various countries worldwide, as evidenced by evidence P-6 to P-17 and evidence P-21 to P-24. The scope of trademark registration and usage is one of the criteria for recognizing a trademark as a well-known mark according to Article 18 paragraph (3) letters d and g of Minister of Law and Human Rights Regulation No. 12 of 2021. Therefore, the Starbucks Coffee brand owned by Starbucks Corporation is classified as a

well-known mark.

c.) That the Starbucks brand owned by the Defendant apparently has a substantial similarity with the Starbucks brand owned by the Plaintiff in terms of arrangement and number of letters, as well as the similarity in sound and pronunciation. Thus, the registration of the Defendant's trademark on the Trademark List at the Co-Defendant's Office was done with bad faith, intending to ride on the Plaintiff's brand recognition. It is reasonable to suspect that, in registering the trademark, the Defendant had the intention to imitate, copy, or follow another party's brand for the benefit of its business, which could lead to unfair business competition, deceive, or mislead consumers.

PT STTC has imitated the Starbucks Coffee brand by incorporating elements of similarity in the name, in the form of lettering and wording. Thus, PT STTC has registered a trademark that shares similarities with the well-known trademark of another party for dissimilar goods and/or services. PT STTC has violated Article 21 paragraph (1) letter c of the Act No. 20 of 2016, which states: "An application shall be rejected if the trademark is substantially or entirely similar to a well-known mark owned by another party for dissimilar goods and/or services that meet certain requirements".

PT STTC's actions also indicate bad faith, as PT STTC registered and used a well-known trademark without the owner's permission and later used it for commercial purposes. PT STTC has violated Article 21 paragraph (3) of the Act No. 20 of 2016, which states: "An application shall be rejected if filed by an applicant acting in bad faith".

d.) That based on the considerations mentioned above, the Supreme Court is of the opinion that there are sufficient reasons to grant the cassation application from the Cassation Applicant Starbucks Corporation and annul the Decision of the Commercial Court at the Central Jakarta District Court Number 51/Pdt.Sus/Merek/2021/PN Niaga Jkt.Pst., dated December 23, 2021. Furthermore, the Supreme Court will

The evidence and facts presented by the Plaintiff, Starbucks Corporation, are sufficient to prove the allegations in the Plaintiff's case, leading the Supreme Court to annul the Decision of the Commercial Court at the Central Jakarta District Court Number 51/Pdt.Sus/Merek/2021/PN Niaga.

Through Decision Number 836 K/Pdt.Sus-HKI/2022, the Panel of Judges at the Supreme Court decided

adjudicate it independently with the following verdict. to instruct the DJKI to cancel the Starbucks Cigarettes trademark owned by PT STTC from the General Trademark Register and declared Starbucks Coffee owned by Starbucks Corporation as a well-known mark.

e.) That since the cassation application from the Cassation Applicant is granted, the Cassation Respondent must be sentenced to pay the court costs at all levels of the judiciary. As a consequence of the acceptance of the cassation petition by the Cassation Petitioner, Starbucks Corporation, the Respondent in Cassation, PT STTC, is obliged to bear the litigation costs.

Table 1. Analysis the Considerations of the Panel of Judges through Article 21 of Act No. 20 of 2016 on Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022

The considerations of the Panel of Judges in the Supreme Court Decision on the trademark passing off case between Starbucks Coffee and Starbucks Cigarettes in Decision Number 836 K/Pdt.Sus-HKI/2022 are a concrete manifestation of creating the implementation of utility, justice, and legal certainty for the public, especially in the field of intellectual property rights, specifically trademarks. The researcher analyzes that the verdict and the judge's considerations in Decision Number 836 K/Pdt.Sus-HKI/2022 are in accordance with and based on Act No. 20 of 2016. This decision represents a concrete form of the Indonesian government's seriousness in protecting the rights of trademark holders and combating crimes in the field of intellectual property.

4. Conclusion

DJKI's responsibility is basically limited to implementing court decisions that have permanent legal force in trademark cancellation lawsuits, this is in line with Article 92 of Act No. 20 of 2016. Apart from that, the considerations of the Panel of Judges in Decision Number 836 K/Pdt.Sus-HKI/2022 concerning brand passing off between Starbucks Coffee and Starbucks Cigarettes are appropriate and guided by Article 21 paragraph (1) letter c and Article 21 paragraph (3) Act No. 20 of 2016. Based on this, the Government, through the DJKI, should be able to issue policies or regulations regarding the responsibilities of the DJKI itself in implementing applications for registration of trademark rights by the Directorate of Trademarks and Geographical Indications so that it will reduce the occurrence of violations of trademark rights in Indonesia.



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