ROUSE

Indonesia – Overview of IP landscape

Lisa Yong

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INDONESIA

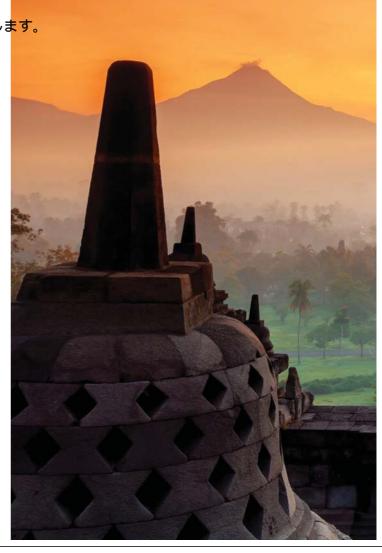
Regularly recognized as an IP leader in Indonesia

Over 20 years of experience in Indonesia

An IP specialist with services for every stage of the IP lifecycle

Unique combination of Indonesian lawyers, Registered Foreign lawyers, IP Consultants, patent specialists and investigators working together

Act for MNCs, including 50% of the leading global brands



INDONESIA OVERVIEW



- Largest market in South East Asia
- 255 million people, GDP: US\$888 billion, GDP growth 5%, inflation 6.4%





- Japan 2nd largest investor
- Impact on FDI Depreciation of IDR, restrictions
- Recent high speed train bids- reflect frustrations of doing business in Indonesia



INDONESIA OVERVIEW

Risks – weak IP regime as many laws still not WTO compliant



- · Challenges in enforcement
- Lack of transparency in criminal and court proceedings



- No useable customs border protection system
- Litigation is unpredictable, preliminary injunctions rare and evidence complex
- Asean Economic Intergration by December 2015

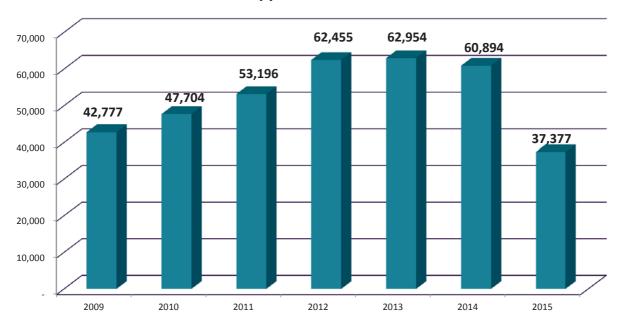


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TRADEMARK

Trademark Applications filed 2009-2015



^{*} Data for 2015: up to August 2015



TRADEMARK

Article 1.1 - Definition of trademark

Any sign in the form of a picture (logo), name, word, letters, numbers, composition of colors, or a combination of these elements used in trade to distinguish the goods and services of one trader from those of another.



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TRADEMARK - DESCRIPTIVE MARKS



for 'coffee'



for 'soaps and medicated soaps'



Karakter-karakter Jepang berbunyi : BESUTO KOSUME TAISHO (Bahasa Inggrisnya : The Best Cosmetics Awards).-

Hurufiah: Penghargaan Kosmetika Terbaik.-



DEEPCLEAN

for 'skin care products and cleaning preparations'



HAKATA RAMEN BARIKIYA

Applicant: Ida Ayu Made Swastini



TRADEMARK - RECENT PRACTICE

Descriptive marks rejected

ORIGAMI



for 'paper coffee filters' for 'non alcoholic beverages'

Cross class searches - retail/sales services class

Example: - Bakery shop (Class 35) against bakery products (Class 30)

- Clothing store (Class 35) against clothing (Class 25)

Tobacco regulations

Rejecting marks in Class 34 bearing 'LIGHTS', 'SUPER', 'SLIMS', 'MENTHOL', etc – words that convey a health benefit, quality etc.

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TRADEMARK – NEW LAW 2016

New Trademark Law is expected to be passed by end 2015

- Non-traditional mark (3D marks, Hologram, Sound Mark)
- International Filing based on Madrid Protocol
- Publication of 2 months, before substantive examination period of 5 months.
- Shortened registration process to 8 months (previously 14 months)
- Increased criminalities for infringement



TRADE DRESS / UNFAIR COMPETITION













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TRADE DRESS / UNFAIR COMPETITION

Article 1365 of the Civil Code

Any unlawful act that has caused damage to another person, shall require the person whose wrongful act has caused such damage, to cover the damage.

Article 382 bis of the Penal Code

Any person who, in order to establish, to retain or to expand the sale of his trade or business or those of the trade or business of another, commits a fraudulent act of misleading the public or a certain person, shall, if therefore some loss for his competitors or competitors of the other person may arise, be guilty of unfair competition, and be punished by a maximum imprisonment of one year and four months or a maximum fine of thirteen thousand five hundred rupiahs.



TRADEMARK/TRADE DRESS – KEY POINTS







- File early for regional brands as cheaper than cost of recovering trademark
- Search before launch, as trademark piracy common
- File for labels/packaging as weak laws
- Letter of consent cannot use to overcome objections
- New Trademark Law/Madrid Protocol 2015?
- Useful resources :

WIPO http://www.wipo.int/branddb/en/

DGIP www.dgip.go.id

TMO's LADI http://e-statushki.dgip.go.id/

BPOM (FDA) www.pom.go.id

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TRADE SECRET

Trade Secret Requirement

In accordance to trade secret definition as stated in Law No. 30 year 2000 concerning Trade Secret, to be protected as a trade secret, the following requirements must be satisfied:

- The trade secret is neither common knowledge nor easily obtainable;
- When used in business activities, the trade secret will create for its holder advantages over those who do not hold or use it; and
- The owner of the trade secret maintains its secrecy by necessary measures so that the secret will not be disclosed nor be easily accessible.

Trade Secret Licensing

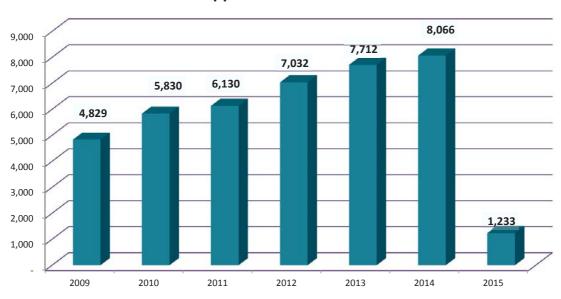
The Right Holder to Trade Secret shall be entitled to grant a license to a third party on the basis of a licensing agreement to enjoy the economic benefit of a trade secret. A licensing agreement shall be recorded at the Directorate General and shall be announced in the Official Gazette of Trade Secret.

As of today, no license has been recorded at the Directorate General of Intellectual Property.



PATENT

Patent Applications filed 2009-2015



* Data for 2015 only up to February 2015

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PATENT – SEARCH

- FTO searches
- Online system: http://e-statushki.dgip.go.id/
- Some limitations not always online, or up to date, keyword search only against title and abstract
- Indonesian key words
 - 2-4 equivalent Indonesian terms
 - Broad choice of key words needed
- Ask for corresponding search to verify the result against patent documents carrying same key word



PATENT - PROSECUTION

- Inventors assignments signed by inventors/notarized copies of the employment contract with inventors (grace period up to 3 three months)
- Translation filed within 30 days of filing
- Substantive examination mainly relates to conformance with international application
- ASPEC (ASEAN Patent Examination Cooperation)
 - 10 requests as of June 2015

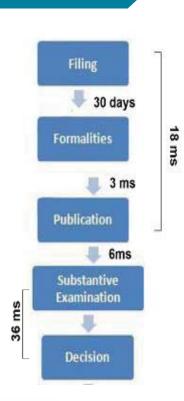
Patent Prosecution Highway (PPH-JPO) - 360 requests, 9 granted as of Aug 2015

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PATENT - PROCESS

- Decisions of grant should be issued within 36 months from the date of substantive examination request
- In practice: 3-5 years for grant to be issued, 2-4 years for simple patents (not always the case)
- Most grants are based on conformance of claims to corresponding grants overseas (EPO, US, Japan, Australia, Korea);
- Annuities payable yearly within one year of grant;
- Cancel patent to avoid/reduce annuity payments Government will issue demand letters for the debt owed.





PATENT – ANNUITIES

- Annuities payable 1 year from grant, counted from application date.
- If within 3 consecutive years, the patent holder fails to pay the annuities, the patent shall be deemed void from the last date of the third year.
- Elucidation: The period of three (3) years is meant to give the Patent Holder enough time to develop the sustainability of his or her Patent. A cancellation of a Patent due to failure to pay the annual fee shall be informed in writing by the Directorate General to the Patent Holder. The notice will indicate the date the Patent expires as provided by this Law. The annual fee to be paid in the three(3)-year period shall remain payable by the Particular Patent Holder.
- Over 10,000 letters of demands sent by Patent office
- 2000 cases transferred to KPNL (State Assets and Auction Services Office)

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PATENT -ANNUITIES (PROPOSED NEW DRAFT)

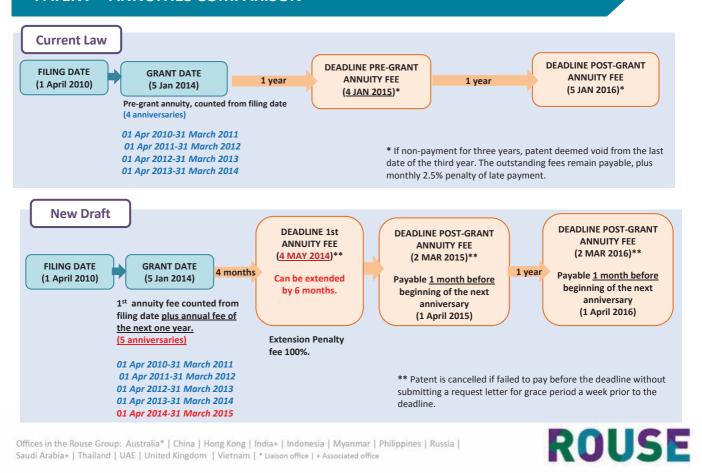
- **First annuity** is payable <u>4 months from grant date</u>, counted from application date plus annual fee of the next one year.
- Failing to pay annuity within 4 months from grant date patent deemed cancelled.
- Grace period of six month submit request during last week before expiry. Penalty 100%.

Post grant annuity

- Must be paid one month before beginning of the next anniversary. Failing which patent will be considered cancelled.
- Grace Period- same as above.



PATENT – ANNUITIES COMPARISON



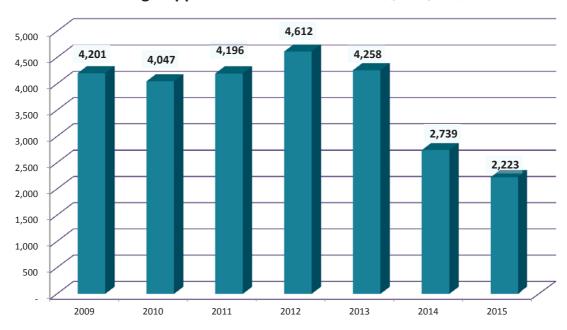
PATENT - DRAFT NEW LAW 2016

- Excluded subject matter Invention does not include rules and method that *only comprises* computer program
- **Substantive Examination** further extension period of 6 months due to "emergency" example "force majeure" war, strike etc
- Post Grant correction of certificate possible for "data errors"
- **Post Grant amendment** possible within 3 months from notice of grant for limited situations translation of the specification; to clarify ambiguity; to narrow the scope of claims; and to reduce the number of claims
- **Maintenance** grace period for late payment is shortened. The patent is deemed cancelled if annuity is not paid by the due date (grace period of 6 months from due date)
- **Compulsory license** additional ground for State to grant compulsory license to *export* the patented product to developing countries that suffer from epidemic.



INDUSTRIAL DESIGN





- * Data for Oct Dec 2014 not included yet as it has not been updated well up to now
- ** Data up to July 2015

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INDUSTRIAL DESIGN

- Design must be new or novel
- Universal novelty: standard to be applied: not substantially similar to prior disclosure either in Indonesia or outside of Indonesia
- 6 months priority to decide whether to file in Indonesia
- Substantive examination after publication
- 2 years average time frame to registration
- 10 year protection
- Useful as a practical tool for enforcement

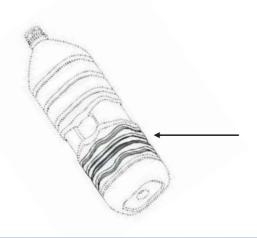


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INDUSTRIAL DESIGN - EXAMPLES

PARTIAL DESIGN

Configuration of beverage container Suntory Beverage & Food Limited



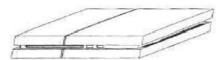


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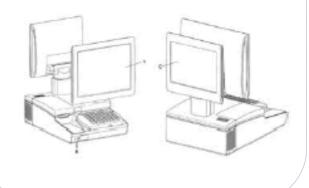
INDUSTRIAL DESIGN - EXAMPLES

Shape and Configuration of Arithmetic and Control Unit Sony Computer Entertainment Inc





Shape, Configuration, composition of point—of—sale terminal NEC Infrontia Corporation





INDUSTRIAL DESIGN - EXAMPLES

MECHANIC COMPONENT DESIGN RELATED – Aesthetic impression?

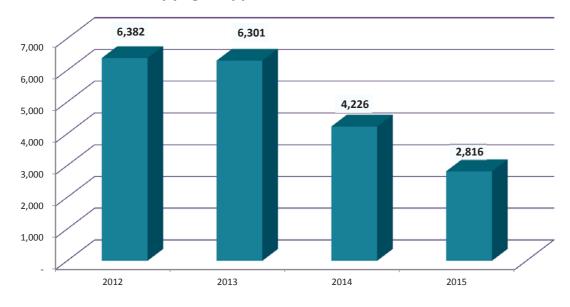


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COPYRIGHT

Copyright Applications filed 2012-2015



- Data for Oct Dec 2014 not included yet
- Data for 2015 up to July 2015



COPYRIGHT - LAW NO. 28 YEAR 2014

- Clearer definitions of Copyright-protected works
- Extended Duration of Copyright Protection from 50 years to 70 years after the death of the author. For a work that is owned by legal entity, the protection remains valid for 50 years from its first publication
- Landlord Liability for the management of trade venues (e.g. malls, retail centers)
- Online Infringement the Ministry of Information now has power to block access to infringing material on websites
- Copyright infringement is now classified as a complaint-based offence. Under the criminal provisions of the new law, the *mens rea* element has been removed
- Collective Management Organizations are now required to register with the Ministry of Law
- Copyright protection of Drawings for the purpose of Industrial Design may now be possible
- · Copyright registration not compulsory, but recommended for easy enforcement

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IP Disputes & Enforcement Options

MARKET SURVEY













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COUNTERFEIT STATIONERY - DESTRUCTION



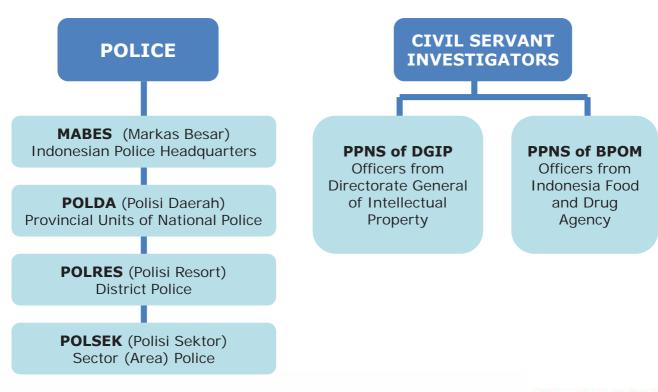


Attending Media
 The media representatives attending the destruction included:

TV	Print	Online
1. Trans 7 2. TV One 3. Indosiar	Sinar Harapan Republika Seputar Indonesia Antara Radar Karawang Kabar Karawang Pasundan Ekspress	Bisnis.com Republika online Vivanews.com



IP ENFORCEMENT BODIES



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RAID ACTIONS

DGIP Civil Servant investigator's Raid Action 2011-2015

Statistics / data 2011-2015								
	Intellectual Property Cases	Year						
No		2011	2012	2013	2014	2015		
1	Copyright	2	4	3	5	1		
2	Patent	0	2	0	1	0		
3	Trademark	26	25	14	10	6		
4	Industrial Design	6	3	0	1	2		
Total		34	34	17	17	9		

Post Raid Issues:

- Settlement negotiations preferred;
- Public apology is key;
- Damages;
- Criminal prosecution not advised because of long delay and ineffective.



FILING IP COMPLAINT ONLINE

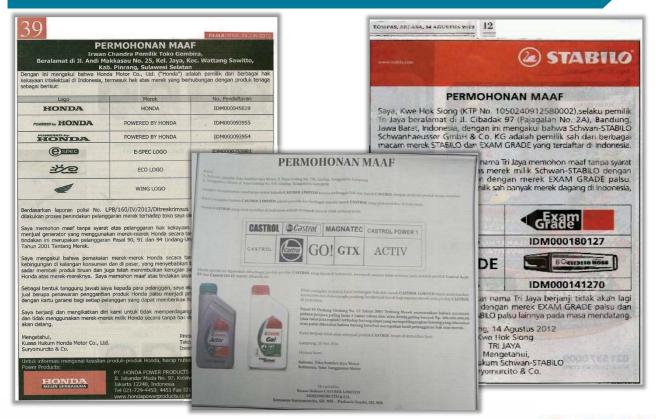
http://efiling-hki.dgip.go.id/pengaduan/

- Online forms to file complaint directly to DGIP (PPNS) for IP infringement
- Remains to be seen if PPNS will act quickly
- For infringing copyright content on websites, new Ministry of Law and Ministry of Communication and Informatics' Joint Regulation - on 02 July 2015.
- On 18th Aug 2015, DGIP blocked 22
 websites containing illegal films based on
 complaints from the Film Producers
 Association of Indonesia (APROFI) using the
 new system.



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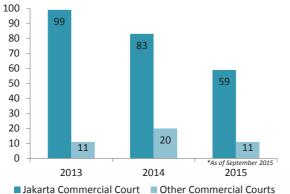
RAID OUTCOME - PUBLIC APOLOGY





LITIGATION – COMMERCIAL COURTS





-) Jakarta Commercial Court
- 2) Surabaya Commercial Court
- 3) Medan Commercial Court
- 4) Semarang Commercial Court
- 5) Makassar Commercial Court

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LITIGATION - PROCEDURE

File Complaint to the Commercial Court

3-4 months



Appeal to the Supreme Court (Kasasi)

9-12 months



Final & Binding

Reconsideration Appeal to the Supreme Court (*Peninjauan Kembali*)

9-12 months



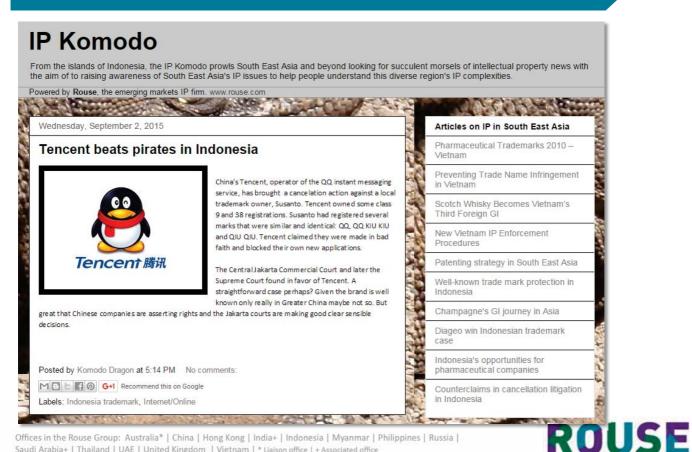
LITIGATION – RECENT TRADEMARK CASE STUDIES

Case Detail	Grounds of claim & Court decision	Marks Comparison
GS YUASA Corporation v. PT Gramitama Battery Indonesia Plaintiff's mark: GS Deffendant's mark: GiSi No. 130 PK/Pdt.Sus-HKI/2014	Ground: bad faith registration, similarities with a well-known mark Result: Plaintiff won on Reconsideration Appeal	GSS PREMIUM O ADMINIST ON RU
KAO Corporation, DK v. PT Sintong Abadi Plaintif's mark: BIORE Defendant's mark: BIORF No. 127 PK/Pdt.Sus-HKI/2013	Ground: bad faith registration, similarities with a well-known mark Result: Defendant won on Reconsideration Appeal – Both marks are not similar in sound or phonetics. only similarities between the two marks are the word "BIO" which is considered public domain.	BIORE
Toyota Motor Corporation v. Welly Karlan Plaintiff's mark: LEXUS Deffendant's mark: PROLEXUS 450 K/Pdt.Sus-HKI/2014	Ground: bad faith registration, similarities with a well-known mark Result: Plaintiff lost on First instance and Appeal — The 5 years statutory period has passed	LEXUS PROLEXUS

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IP KOMODO DRAGON (HTTP://IPKOMODODRAGON.BLOGSPOT.CO.ID/)

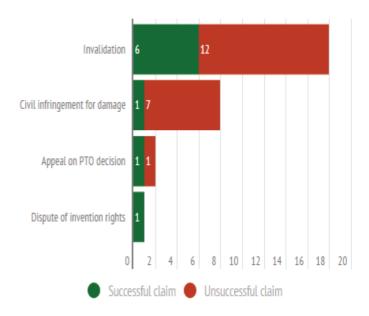


LITIGATION - PATENTS

- · Infringement actions rare
- · Most litigation are revocations
- · Successful damages claim even rarer
- Reason for low civil infringement actions:
 - Interlocutory injunction framework unworkable
 - · Damages award uncertain
- Most revocations claims are in reaction

to criminal enforcement action

70% local parties



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WARNING LETTER OUTCOME - PUBLIC APOLOGY





CUSTOMS - SUPREME COURT REGULATION NO. 4 OF 2012

Supreme Court Regulation No. 4 of 2012 finally issued on 30 July 2012

Customs discover suspect shipment and seize goods (unclear how?)

Notification to IP owner (unclear how?)

IP owner must apply to court for a court order; and pay bond.

Customs will detain shipment.

The IP owner must file a claim to the court – to prove its allegation.

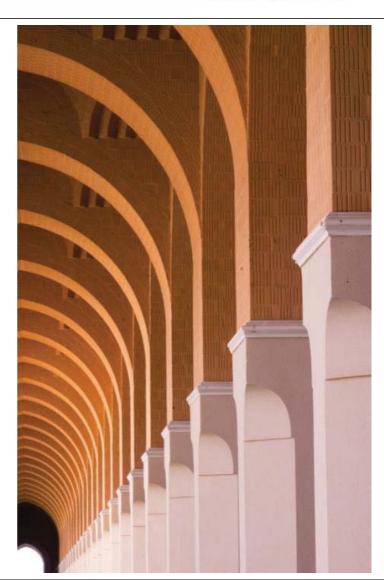
It means the owner must take a full civil IP litigation.

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CUSTOMS - THE PROBLEMS

- Civil IP litigation is very expensive;
- No one needs a full trial for a customs seizure;
- IP holders cannot report information to Customs to initiate seizures as IP holders don't have information on others' shipments;
- No ex officio reporting to IP holders by Customs;
- Customs are given no help or guidance;
- Court procedures cumbersome e.g. legalized POA needed (legalization takes +/-1 month);
- In practice the most complicated and most expensive system in Asia!;
- No-one will use it (say our clients);
- A new regulation on *ex officio* procedures has been drafted but not enacted.



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PRACTICAL TIPS

- Get your IP rights filed early and properly
- Anticipate the counterfeiting and take steps do not wait till too late!
- Keep records and preserve evidence
- Be creative look at copyright/designs/consumer complaints
- Alternatives negotiations and settlements
- Public education and awareness through notices
- Manage expectations

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IT IS POSSIBLE...

among paras teoreta-menun-julkan gejala kepunahen-yalori di bawah 100 ekor dalam satu populasi. "Jumlah 17 ekor di sa-tu populasi, seperti di Wae Wa-ul, bisa dibilang tinggal menung-gu waktu punah." kata Siti. PERMOHONAN MAAF 1. Saya, DARWIN CHANDRA alias AMIN, pemilik Toko TRI STAR Intervensi segera tang Asia Tenggara (EAZA), yang kannya dari ancaman kepu memiliki buku silsilah sejumlah an masih tetap ada. (NAW) MOTOR, beralamat di Jl. Batu Ceper VII No. 15 C, Kebon Kelapa, Gambir, Jakarta Pusat, dengan ini mengakui bahwa Tanna mangsa mencultura BAYERISCHE MOTOREN WERKE ÄKTIENGESELLSCHAFT (BMW) adalah pemilik dari berbagai macam merek BMW yang terdaftar di Indonesia. Saya memohon maaf tanpa syarat atas kesalahan saya melang-gar hak atas merek milik BMW dengan menjual kampas rem dan saringan udara BMW palsu. 3. Saya berjanji untuk tidak akan menjual lagi kampas rem dan saringan udara BMW palsu dan produk-produk BMW palsu lainnya di kemudian hari. Jakarta, 10 Agustus 2009 TRI STAR MOTOR AMIN Are you willing Mengetahui, Kuasa Hukum BMW to take the risk with SURYOMURCITO & CO. Gunawan Suryomurcito, SH. - Purnomo Adityo, SH. non-original parts? Sukucadang asli BMW tersedia di seluruh dealer resmi BMW di Indonesia beserta partner bisnisnya. Informasi lebih lanjut, silahkan menghubungi atau SMS (selama jam kerja) ke 0812-986-2345 atau email ke customer.support@bmw.co.id Rewat BMW Anda dengan suku cadang orismi di bengkel resmi kami. Depatkan penawaran menarik untuk BMW Anda, seperti* Oil marin & librar oil and state Do. 622 00





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