

Advancing Non-Traditional Trade Mark Protection in Indonesia: A Comparative Analysis with the United States

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Abstract: *This study examines the need for improvement of Indonesia's legal framework for the protection of non-traditional trade marks by comparing it with the progressive system of the United States. Marks can be systematically classified into two categories: traditional marks and non-traditional marks. The emergence of these non-traditional marks can be attributed to significant advancements in technology, which has fuelled regulatory frameworks such as the Geographical Mark Law, in addition to various international regulations that seek to regulate their use and protection. Despite the existence of several regulatory arrangements regarding these non-traditional marks, there are still notable differences in the recognition of such marks, a phenomenon that is primarily driven by the different legal cultures that exist in different countries. This situation inevitably raises pertinent questions regarding the urgent need for Indonesia to develop and improve its national legal framework in this particular area. Currently, Indonesia's legal structure is rooted in the principles of Pancasila and recognises only four types of non-traditional trademarks. In contrast, the US adopts a more inclusive utilitarian approach, accommodating a broader spectrum of non-traditional marks without strict limitations. Nevertheless, it is important to recognise that there are many shortcomings in the practical implementation of laws relating to non-traditional marks, a concern aptly highlighted in the critique articulated by Irene Cabouli. As a result, the advancement and evolution of legal statutes governing the rights associated with non-traditional trademarks is becoming increasingly important, especially in light of the rapid development of society and the necessity to proactively address potential challenges that may arise, including the insightful critique raised by Irene Cabouli herself.*

Keywords: comparative legal analysis, trademark innovation, non-traditional trademarks, intellectual property rights protection, Indonesian legal system

1. Introduction

A brand can be conceptualised as a distinctive mark or symbol that encompasses a myriad of elements including, but not limited to, a name, term, image, logo, emblem, design, or an intricate combination of these various components, each serving an important role. The fundamental purpose of a mark is to effectively identify, define, or ascribe a unique identity to certain goods or services offered by the seller, thereby enabling it to be clearly distinguished from similar offerings provided by competitors within the same market. As per the provisions outlined in Law No. 20 of 2016, pertaining to Trademarks and Geographical Indications, a trademark is formally defined as a sign that manifests in various forms, such as an image, name, word, letter, number, arrangement of colours, or a combination of such elements, all of which exhibit the capacity for differentiation and are used within the scope of trade activities involving goods or services. Trademarks are generally classified into two categories, which are as follows:

Traditional marks are characterised as marks that are essentially limited to signs that can be represented in the form of a particular image, name, word, letter, number, or arrangement of colours, or a combination of these elements having special capabilities, used in commercial activities involving goods or services. It is important to note that traditional marks do not incorporate modern technological advancements and are limited to serve as distinguishing markers that facilitate differentiation between one product and another in a competitive market.

In contrast, non-traditional brands represent an evolution of

traditional branding concepts, as they integrate technological elements into their composition and presentation. This type of brand transcends the conventional boundaries of being only a two-dimensional mark; instead, it can manifest as a three-dimensional representation, a holographic image, an auditory signal, an olfactory cue, a tactile texture, or even a sense of taste. According to the provisions outlined in Article 15(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), the incorporation of these diverse signs must comply with specific criteria, which require that they be visually visible or capable of being registered as a design patent. As a result, this provision may exert a significant influence on the competitive dynamics of the market, especially in the realm of products manufactured under marks that use cutting-edge technology, which may include complex colour combinations, sound elements, three-dimensional representations, and holographic images.

The rapid advancement of technological innovation serves as a catalyst for the emergence of a plethora of new ideas and developments within the commercial sector, including significant transformations in the branding landscape (Sari, 2023). Non-traditional brands have emerged as a direct response to the increasingly complex demands of the market, where products are expected to not only entice consumers through their visual aesthetics but also engage them through the incorporation of alternative sensory elements such as sound, scent, or texture, thus encouraging the creation of distinctive and memorable identities. As a result, non-traditional brands are evolving to become more adaptable and innovative in their approach to fulfil a broad spectrum of consumer preferences and expectations. The strategic implementation of technology in the context of non-traditional branding allows companies to differentiate their

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products through more inventive methodologies, while simultaneously crafting new experiences for consumers, who are increasingly emotionally connected to the products they choose to engage with (Fauza Mayana & Ahmad Ramli, 2020).

Nevertheless, despite the myriad advantages that non-traditional marks provide in terms of product differentiation, the legal protection landscape for such marks in Indonesia continues to grapple with significant challenges. A major obstacle is the ambiguity that exists in the prevailing regulations, especially regarding the technical specifications and precise definition of non-traditional marks themselves. While Law No. 20 of 2016 on Trademarks and Geographical Indications adequately addresses the concerns surrounding traditional marks, it has yet to provide explicit guidelines relating to the more complex nature of non-traditional marks (Fauza Mayana, 2017). In the Indonesian context, the recognition and acceptance of non-traditional marks such as those characterised by sound, smell, and texture remain relatively limited, especially when compared to countries such as the United States, where there has been a progressive movement to recognise and protect these types of innovative marks. Therefore, it becomes necessary to undertake the development of a more coherent and adaptable regulatory framework that will ensure adequate legal protection for non-traditional marks in Indonesia (Lestanto, 2011).

This study is important as it addresses the challenges posed by Indonesia's broad recognition of non-traditional trade marks and explores the potential benefits of implementing a more inclusive support framework to stimulate innovation and attract foreign investment. Poorly registered trademarks are at risk of misuse by other parties, which can ultimately harm the original trademark owner. (Riyanto et al., 2023).. Moreover, the lack of protection for non-traditional marks may discourage businesses to innovate, as they do not feel secure in creating a new identity for their products. Therefore, the development of non-traditional brand protection is crucial to maintain a balance between providing room for innovation and ensuring legal certainty that can protect the rights of brand owners (Wicaksono, 2024). (Wicaksono, 2024). In the context of globalisation and international competition, Indonesia needs to urgently adapt a non-traditional brand protection system in order not to fall behind in terms of intellectual property protection and to ensure that the Indonesian market remains attractive to investors and businesses.

Formulation of the Problem

1. What is the mechanism for registration of non-traditional marks in Indonesia and the United States?
2. What is the development of non-traditional mark protection based on each country's culture and legal system, along with a comparison?

2. Research Methods

The research method used in this article is a literature study. According to Mestika Zed (2003), literature study is a series of activities involving data collection through library sources, which include reading, recording, and processing research

materials. In this approach, the author utilises various types of sources, such as books, journals, encyclopaedias and magazines available in the library. In addition, non-print works such as audio recordings, videos, and films can also be used as relevant data sources to explore the topic under study. This method allows the author to obtain comprehensive and detailed information related to the development of non-traditional brand protection.

The author focuses more on the use of scientific journals, applicable regulations, as well as sources from Wikipedia to explore various notions relevant to the topic discussed. Thus, the literature study becomes an important foundation in collecting data that can be used to analyse the urgency of the development of non-traditional mark protection in Indonesia. This method provides a strong basis for understanding the issues relating to non-traditional marks as well as the legal challenges faced in the Indonesian context.

3. Discussion

1. Non-Traditional Trademark Registration Mechanism in Indonesia and Comparison with Other Countries

The registration of non-traditional marks in each country is basically territorial, which means that the registration of the mark is valid only in the country where the mark is registered. However, for registration in other countries, one can register in the respective countries that are bound to the Paris Convention. Although registration is done in the respective country, the applicable regulations still follow the country's regulations, considering that each country has a different legal system.

a. Indonesia

The diverse mechanisms pertaining to the registration of non-traditional marks within the Indonesian jurisdiction are comprehensively delineated and regulated by the legislative framework set forth in Law No. 20 Year 2016, which specifically addresses Trademarks and Geographical Indications, commonly referred to as the MIG Law. Among the fundamental principles that underpin the trademark registration process in Indonesia, one can identify the principle of the Constitutive System, which states that a trademark will only be granted legal protection and recognition upon successful registration, with such protection commencing from the date of proper registration and remaining in force thereafter. Furthermore, the legal framework in Indonesia adheres to the First-to-File system, which stipulates that registration of a mark is granted exclusively to the entity that first applies for such registration, thus ensuring that the regulatory authority will not grant registration to a mark that has similarities with a mark previously filed for registration by another party. The trademark registration procedure is overseen by the Director General of Intellectual Property Rights which is an integral part of the Ministry of Law and Human Rights of the Republic of Indonesia, which oversees and facilitates the steps required for trademark registration. In addition, the legal provisions regarding domain names are structured around the first come, first serve principle, which asserts that the entity that first registers a particular domain name is

granted exclusive rights to that name, regardless of the potential association of that name with an existing mark owned by another party.

b. United States of America

In the United States, trademark protection is governed by the **Lanham Act**, which defines a trademark as "any word, name, symbol, or device, or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others". The Lanham Act adheres to the **First-to-Use** principle, whereby rights in a mark are granted to the party who first uses the mark in commerce. However, registration through the **United States Patent and Trademark Office (USPTO)** is still required. The Lanham Act recognises three main functions of a mark: (1) As a means of distinguishing a product from other products, (2) As information that assists consumers in making decisions, and (3) As an incentive that provides reputation and economic returns to the brand owner. Registration of non-traditional marks in the United States also has specific requirements, where the mark must have a **distinguishing function** and be able to identify the source of the product. Some types of non-traditional marks recognised in the United States include: colour trademarks, sound marks, olfactory marks, taste marks, and moving image trademarks.

2. The Urgency of Developing Non-Traditional Trademark Protection Based on Cultural Legal System

a. Philosophical and Sociological Comparison of Indonesia and the United States of America

In the Indonesian context, the protection of non-traditional marks is essentially anchored in the core principles of justice, economics, culture, and societal values summarised in the philosophical framework known as Pancasila, which serves as the ideological foundation of the nation. Moreover, Indonesia has taken significant steps by ratifying a series of international treaties and conventions, among which the Paris Convention stands out as a landmark treaty that delineates guidelines governing the registration and protection of trade marks on a global scale. The overarching objective of this protection mechanism is to uphold the rights of brand owners while simultaneously considering the imperatives of national economic interests and the necessary legal certainty that is essential for the effective enforcement of these rights. In addition, the government is also actively engaged in endeavours to strike a harmonious balance between the competing interests of brand owners and the needs and expectations of the broader society.

In contrast, in the jurisdiction of the United States, the underlying philosophy that shapes trademark law exhibits a clear utilitarian orientation, which emphasises the practical aspects of the legal framework governing trademarks. The primary objective of trademark law in the United States is to facilitate the seamless flow of trade and commerce while ensuring that marks perform their important function of enabling consumers to effectively distinguish between various products in the market. Notably, the primary focus of this legal approach is not geared towards fostering creativity and innovation; rather, it is primarily concerned with

maintaining the integrity and accuracy of indicators that signify the source of products, thereby empowering consumers to distinguish the authenticity of genuine goods as opposed to counterfeit imitations. This prevailing philosophy is aptly manifested in the domestically implemented First-to-Use system, which prioritises the rights of those who have already used the trademark in commerce over those who may have registered it later.

b. Urgency of Non-Traditional Trademark Law Development

Protection of non-traditional marks is becoming increasingly prevalent in the global market. However, this growing trend has also resulted in a series of adverse consequences that have attracted major criticism from a number of legal scholars and experts, including well-known figures such as Irene Cabouli and Martin Senftleben. In their scholarly writings, they argue that a system designed for the protection of non-traditional marks may inadvertently foster a culture of standardisation and repetitive practices in product design, which consequently has the effect of stifling creativity and innovation in the industry. This phenomenon occurs mainly because companies often show a preference for using familiar and recognisable designs, as this approach tends to increase consumer recognition and brand loyalty, rather than investing resources into the development of new and unique designs that can differentiate their offerings in a competitive market. Moreover, they emphasise that while highly distinctive and original product features do qualify for legal protection under the current framework, such features are, by their very nature, intrinsic components of the product itself; thus, they argue that it is fundamentally inappropriate to grant such features brand protection status.

This specific phenomenon can be exemplified by the observable practices of leading luxury brands such as Louboutin, Gucci, and Bottega Veneta, which actively seek to protect the unique design elements associated with their products through the mechanisms provided by the brand protection system. The legal experts provided recommendations for refining the regulatory framework surrounding the protection of non-traditional brands, with the aim of ensuring that such regulations do not serve to stifle the process of innovation and creativity, while simultaneously avoiding the setting of standards that could potentially lead to a detrimental decrease in both the quality of products available on the market and the diversity of design choices presented to consumers.

4. Conclusion

The development of legal, technological, and business systems, along with the standardisation of regulations to protect non-traditional marks, encourages companies to adopt more standardised designs rather than creating new ones. Ultimately, this may reduce investment in product quality improvement, as non-traditional brands provide an opportunity for businesses to extract more value from their brand itself.

The non-traditional trademark registration mechanism between Indonesia and the United States (US) shows

significant differences. Indonesia adheres to the **first-to-file** principle, while the US adheres to the **first-to-use** system. However, both Indonesia and the US have similarities in the principle of **distinction**, where non-traditional marks must clearly distinguish the product from other products. Indonesia alone recognises four types of non-traditional marks, namely colour combinations, sound, three-dimensional (3D), and holograms. Meanwhile, at the international level, there are still several other types of non-traditional marks, such as olfactory marks, taste marks, and texture or feel marks. Flavour marks are still debatable, and this shows the challenges in the recognition of non-traditional marks globally. Indonesia's limited recognition of non-traditional trademarks highlights the need for a more inclusive and progressive legal framework. By aligning with global standards and adopting elements from the US model, Indonesia can boost innovation, attract foreign investment, and protect the rights of brand owners while encouraging diversity and creativity in design.

Philosophically, Indonesia refers to Pancasila as a legal guideline, while the United States adopts **utilitarianism** and **free market** philosophy. Taking these differences into account, it is likely that Indonesian society will evolve towards a pattern similar to that of the United States, along with the application of progressive law. Therefore, the development of non-traditional trademark law in Indonesia is necessary.

The urgency of non-traditional brand development must also be seen from a cultural perspective and its impact on the industry. Exclusive and potentially perpetual protection of non-traditional brands may risk stifling innovation in industries, including the fashion industry. This is highlighted by Irene Cabouli and Martin Senftleben in their article entitled Hands Off "My" Colours, Patterns, and Shapes! How Non-Traditional Trademarks Promote Standardisation and May Negatively Impact Creativity and Innovation. They argue that protection of product designs and aesthetic features as non-traditional marks may lead to rigid standards and decrease creativity. Therefore, while the law should keep up with the development of society, non-traditional mark law should also be designed to prevent such negative impacts and favour diversity and innovation.

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