

Juridical Analysis of the MS Glow Vs. Brand Dispute PS Glow Based on RI Supreme Court Decision Number 161 K/Pdt.Sus-HKI/2023

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Abstract

Even though the law regarding brands has been regulated and made easier, in reality brand disputes often occur in our country. Plagiarism of product and service brands is a case that often occurs in brand disputes. One example is the trademark dispute between MS Glow vs. PS Glow. The problems in this research are (1) how are trademark disputes resolved in Indonesia? (2) What are the legal protection efforts for trademarks in Indonesia? and (3) what are the judge's considerations in the Supreme Court decision number 161 K/PDT.SUS-HKI/2023? This research is normative juridical research using a statute approach and a case approach. The conclusions of this research are (1) trademark dispute resolution can be carried out through litigation, non-litigation, arbitration and the Trademark Law approach; (2) legal protection efforts for trademarks are carried out using preventive, repressive and geographical indication approaches; and (3) the judge's considerations in the Supreme Court decision number 161 K/PDT.SUS-HKI/2023 do not focus on whether or not a product can use a name that is cut from the registered brand name. As in the case of "MS GLOW" which registered their brand with the name "MS GLOW/For beautiful skincare" while in promotional activities they only used "MS GLOW". Apart from that, the judge's decision also started from inappropriate considerations when linking two cases, namely the Medan Commercial Court Decision with the Surabaya Commercial Court Decision. Even though the two decisions have different subject and object cases.

1. Introduction

Names and symbols for each person or company organization are considered important because they will help in marketing the goods and services being sold. Names and symbols will be identifiable by the public to indicate the origin of goods or services. In the business world, names and symbols become known as brands. Branding goods or services requires creative thoughts and ideas so that they are easy to remember and take root in people's minds.

The brand itself is a distinguishing sign that differentiates a product from other products, thereby showing the identity of goods and services (an indication of origin). Brands also provide quality assurance (a guarantee of quality) and marketing and advertising advice (a marketing and advertising device) which contains information to the public. Based on Article 1 paragraph (1) of Law Number 20 of 2016 concerning Marks and Geographical

Indications, it is stated that: A brand is a sign that can be displayed graphically in the form of an image, logo, name, word, letter, number, color arrangement, in 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two)) or more of these elements to differentiate goods and/or services produced by individuals or legal entities in goods and/or services trading activities. The definition of this brand has three important elements, namely form, function and purpose.

Brands are important for companies as a marketing tool, differentiating from competitors and as a guarantee of quality so that consumers feel happy and attached to the brand. Creating a brand is not easy but requires intellectual work, deep and philosophical thoughts, and creative ideas to produce a brand that is able to stick in people's minds. Thus, brands are part of Intellectual Property Rights (IPR) that need to be protected.

According to the Directorate General of

Intellectual Property Rights, Intellectual Property Rights are rights to an object that originates from human or personal intellectual origin so that those who produce it obtain natural ownership. So that through Intellectual Property Rights you can protect and defend the products you make without fear of other parties wanting to plagiarize their products. Therefore, trademarks as part of Intellectual Property Rights need to receive legal protection that guarantees legal certainty, justice and benefit.

Legal protection for legal brand owners aims to provide exclusive rights for the brand owner (exclusive rights). The aim is of course to limit other parties from creating brands that resemble or are almost the same as the brand owner. This exclusive right gives a monopoly to the brand owner to be able to use it as long as it does not violate the rules for using the brand and permits or prohibits its use to other parties. Protection for brand owners is also regulated in the Paris Convention in article 6 bis, which states that a well-known mark that has been used by a brand user who has bad intentions can always be requested to have it cancelled or canceled by the registration official. Furthermore, there is a TRIPs agreement which regulates IPRs in countries around the world as part of property law which is based on territorial principles which are the domain of national law. This means that every registered mark will receive protection, but it is territorial in nature, meaning it will only be protected in the territory of the country where the mark is registered.

Indonesia itself is a member of the Madrid Protocol, which provides provisions that make it easier for a brand to be registered in several countries at once. This makes it easier for domestic business actors because they do not need to register them in several other countries, which of course will cost a lot of money and time. Seeing the importance of brand regulation, a law was made that was adjusted to developments and the latest brand law is Law Number 20 of 2016 concerning Brands and Geographical Indications, previously Law Number 15 of 2001 concerning Brands (hereinafter referred to as the Brand

Law) in order to provide fair legal certainty regarding brand issues. In 1961, the colonial legal regulations regarding brands in 1912 remained in effect as a result of the application of transitional articles in the 1945 Constitution and the 1949 RIS Law and the 1950 Temporary Law. The Brand Law Number 21 of 1961 is actually just a repetition of the previous regulations. In 1992, Law Number 19 of 1992 concerning trademarks was enacted replacing Law Number 21 of 1961. With the new regulation, administrative decrees related to trademark registration procedures were made. In relation to the interests of trademark rule reform, Indonesia also ratified the WIPO (World Intellectual Property Organization) International Trademark Agreement. In 1997, Law Number 19 of 1992 was amended and refined into Law Number 14 of 1997 by considering aspects of TRIPs-GATT.

In 2001, the new Trademark Law was successfully enacted by the government. The law contains various matters that have mostly been regulated in previous regulations. Some important changes listed in Law Number 15 of 2001 are the temporary determination of the court, the change of ordinary crimes to complaint crimes, the role of the Commercial Court in deciding trademark disputes, the possibility of using alternative dispute resolution and increased criminal provisions. Then in 2016, Law Number 20 of 2016 concerning Trademarks and Geographical Indications was ratified by President Joko Widodo on November 25, 2016, the Law revoked Law Number 15 of 2001 concerning Trademarks. The background to its ratification was that Law Number 15 of 2001 concerning Trademarks still had shortcomings and had not been able to accommodate the development of community needs in the field of Trademarks and Geographical Indications and had not sufficiently guaranteed the protection of local and national economic potential so that it needed to be replaced.

Although the law on trademarks has been regulated and simplified, in reality trademark disputes often occur in our country. Plagiarism of product and service brands is a

case that often occurs in trademark disputes. One example is the trademark dispute between MS Glow vs. PS Glow. MS. Glow For Cantik Skincare class 3 (Cosmetic Class) owned by Shandy Purnamasari has been registered since 2016 and ends in 2026. Putra Siregar, the owner of the PS. Glow product, just filed a registration in 2021 with the status in process. In the Medan court, the judge stated that MS. Glow is the only first product brand registered by the Directorate General of Intellectual Property and PS. Glow has similarities in principle with MS. Glow. Meanwhile, in the Surabaya Court, the judge rejected the statement because the registered product was different from the product brand marketed by Putra Siregar and stated that the MS. Glow product has similarities in principle with PS. Glow which is used based on Law Number 20 of 2016 concerning Geographical Indication Brands. The conclusion of the Medan District Court judge in decision Number 2/Pdt.Sus.HKI/Merek/2022/PN.

Niaga Mdn granted Shandy Purnamasari's lawsuit that she was the sole registered owner of the first user of the trademark "MS. Glow/For Cantik Skincare+Logo" and the brand "MS. Glow For Men". Meanwhile, the Surabaya District Court with Decision Number 2/Pdt.Sus.HKI/Merek/2022/PN.Niaga Sby granted Putra Siregar's lawsuit with the consideration that the defendant had no rights and was unlawfully using the MS. Glow trademark and stated that PT. PS Store Glow Bersinar Indonesia has exclusive rights to use the trademarks "PS. Glow" and "PS. Store Glow" which have been registered with the Directorate General of Intellectual Property Rights.

After the decision of the Surabaya Commercial District Court, MS Glow did not accept it and filed an appeal to the Supreme Court and asked to cancel the decision. The Supreme Court's decision is different from the decision of the Surabaya Commercial District Court. In the Supreme Court's decision, MS Glow still has the right to use the trademark "MS GLOW/for cantik skincare + LOGO" with Registration Number IDM000633038 and the

Trademark "MSGLOW FOR MEN" with Registration Number IDM000877377. Meanwhile, the PSTORE GLOW Trademark with Registration Number IDM000943833, the PSTORE GLOW Trademark with Registration Number IDM000943834, and the PSTORE GLOW MEN Trademark" with Registration Number IDM000943835, can no longer be used.

2 Research Methodology

The type of research used in this study is normative legal research with the approach used is the statute approach and case approach. Researchers collect data using library research techniques. The secondary data analysis technique or legal materials used in this study is qualitative analysis.

3. Results and Discussion

Trademark Disputes in Indonesia

Several well-known trademark imitation cases have taken place in Indonesia, notably: the Commercial Court's decision on Case No. 39/Merek/2003/PN.Niaga JKT.Pst., involving Boncafe International PTE LTD as the plaintiff against Budi Harianto as the defendant. Boncafe International PTE LTD, owning the Boncafe trademark & Logo since 1962 (Trademark No. 430986, dated August 20, 1999), filed a lawsuit against "Moncafe" due to significant similarities in name and logo. The Moncafe brand registration replicated Boncafe's trademark elements, prompting Boncafe to object. The court ruled in favor of Boncafe, stating: (1) the defendant had been duly summoned but was absent, (2) granted the plaintiff's claims in full, (3) recognized Boncafe International PTE LTD as the legitimate trademark owner, (4) declared Boncafe a well-known trademark, (5) canceled Moncafe's registration, and (6) imposed litigation costs of IDR 5,000,000 on the defendant.

In a related case, Supreme Court Decision No. 115 PK/Pdt.Sus-HKI/2014 concerned the "Maxima" trademark owned by PT. Maxistar Intermoda Indonesia against Ng Jok Pin, who registered "Maxistyle: The Textile Expert" without consent. PT. Maxistar had registered

its trademark since September 18, 1985, and renewed it in 1995. However, Maxistyle was registered in 2011 under IDM0000037555. PT. Maxistar alleged that the registration imitated their brand to exploit Maxima's reputation. The court annulled Maxistyle's registration and ruled in favor of PT. Maxistar as the legitimate owner, imposing litigation costs on the defendant.

Supreme Court Decision No. 128 PK/Pdt.Sus-HKI/2013 addressed the IKEA trademark infringement involving the "IKEMA" brand, which exhibited similarity to IKEA. The court partially granted IKEA's request, canceling IKEMA's registration and ordering a payment of IDR 641,000. Trademark cancellation based on likeness or identical elements, such as logos or names, can be processed through the Commercial Court or Supreme Court under Article 68 (2) and (3) of Law No. 20 of 2016 on Trademarks and Geographical Indications. According to these articles, trademark cancellations can occur if a mark substantially replicates another's elements, particularly if these similarities harm market presence.

Trademark Protection Efforts in Indonesia

According to the Trademark Law, protection for well-known trademarks includes preventive and repressive measures. Preventive protection prevents potential violations and is evident in Article 3, where trademark rights are granted upon registration, providing the registrant exclusive use rights. Article 20 prohibits trademark registration if the mark contravenes public morals, law, order, or contains misleading information. Repressive protection entails legal actions for existing violations, such as compensation claims through the commercial court, where Article 83 grants trademark owners the right to file claims against unauthorized users. Violators may face injunctions and damages for infringement, with Article 100 stipulating criminal sanctions.

Legal Resolution of Trademark Disputes

Trademark dispute resolution

mechanisms include litigation, non-litigation (ADR), arbitration, and specific regulations like Law No. 20 of 2016. Litigation is court-based, offering a "win-lose" outcome, while ADR focuses on negotiation, mediation, and conciliation. Arbitration is an alternative for parties seeking an out-of-court settlement based on mutual agreements, often chosen to expedite complex trade disputes. Law No. 20 offers procedural guidance, favoring specialized trademark laws over general civil procedures for these cases.

Finally, alternative dispute resolutions are increasingly preferred for trademark disputes due to their flexibility. For instance, the case of Levi Strauss Co. illustrates an award of immaterial damages of IDR 2 billion for imitation. Damages cover both material (actual financial losses) and immaterial (reputation harm) compensation. The combination of legal protection measures is crucial for maintaining brand integrity, deterring potential infringers, and sustaining trademark reputation in the competitive marketplace.

Considerations of the Judge and the Decision of the Supreme Court 161 K/Pdt.Sus-HKI/2023

Case Position

The dispute between MS Glow and PS Glow over the ownership rights to the skincare and beauty product trademark exemplifies a conflict in brand ownership. This issue began when Shandy Purnamasari and Maharani Kemala Dewi founded a skincare business under the brand name "MS Glow" in 2013. The business subsequently became widely recognized across Indonesia through extensive promotion. After establishing a strong market reputation, competition emerged from other parties. In an effort to discuss potential cooperation, Shandy met with Putra Siregar and explained MS Glow's business model, including the production process initially managed by PT Ekosjaya Abadi Lestari before they established their own factory. However, further communication ceased after this meeting.

Subsequently, Shandy discovered skincare products marketed under the

trademarks “PS Glow” and “PS Glow Men,” which were perceived as similar to “MS Glow” and “MS Glow for Men.” Shandy suspected that Putra Siregar had copied her brand to leverage MS Glow’s popularity, causing consumer confusion. Through her attorney, Shandy issued a summons on August 6, 2021, demanding the withdrawal of “PS Glow” and “PS Glow Men” products and seeking damages of Rp. 360,000,000,000. Shandy also submitted a complaint to the Directorate of Trademarks and Geographical Indications, Ministry of Law and Human Rights, and on March 15, 2022, she filed a lawsuit in the Medan Commercial Court. MS Glow won this lawsuit. However, Putra Siregar filed a counter-lawsuit in the Surabaya Commercial Court on April 12, 2022, where the court ruled that the defendants had unlawfully used the MS Glow trademark, which closely resembled PS Glow and PStore Glow.

Cassation Process to the Supreme Court

Following the Surabaya Commercial Court decision, MS Glow submitted a cassation appeal to the Supreme Court on July 21, 2022, followed by a cassation memorandum on August 2 and an additional cassation memorandum on September 29. In this appeal, the defendants requested that: (1) the cassation be granted and the Surabaya Commercial Court’s decision annulled, (2) the objections from the cassation applicants be fully accepted, and (3) the plaintiff’s lawsuit be dismissed entirely. Additionally, the applicant requested that the plaintiff cover all case costs incurred.

Supreme Court Judge’s Considerations

The Supreme Court stated that the Surabaya Commercial Court had misapplied the law, citing the following reasons: (1) the plaintiff’s lawsuit was deemed vague and unclear as it did not include specific ownership evidence of the “MS Glow” trademark, such as registration dates, leading to ambiguity in legal standing, (2) the right to file a lawsuit regarding trademark infringement belongs solely to the registered trademark owner or licensee, per Article 83, paragraph 1, (3) the lawsuit was filed in connection with a previous case regarding

trademark cancellation, and (4) the prior case decision from the Medan Commercial Court was still under appeal and had not reached a final and binding status (inkracht van gewijsde).

Supreme Court Decision

The Supreme Court ultimately granted the cassation request from the first cassation applicant and rejected the second cassation applicant’s request. Consequently, the Supreme Court ruled that the plaintiff’s lawsuit was inadmissible, and the plaintiff was required to bear all case costs at all levels of the court.

Decision Analysis

The Supreme Court’s considerations in Decision Number 161 K/Pdt.Sus-HKI/2023, in the author’s view, are problematic, especially regarding the court’s assertion that the plaintiff failed to clearly establish ownership of the “MS Glow” brand. In contrast, the Surabaya Commercial Court’s ruling did not involve “PS Glow” asserting ownership over the “MS Glow” trademark but rather centered on the similarity between the “MS Glow” and “PS Glow” brands. “MS Glow” registered its trademark as “MS Glow/For Cantik Skincare”; however, in its promotional activities, only “MS Glow” was used, which indeed resembles “PS Glow.”

Moreover, the Supreme Court’s decision considered both the Surabaya District Court’s ruling and the prior decision from the Medan Commercial Court, even though these addressed different issues. The Medan Commercial Court dealt with trademark cancellation, where Shandy Purnamasari served as the plaintiff and Putra Siregar as the defendant. Conversely, the Surabaya Commercial Court case addressed trademark infringement, with PT. Bersinar Glow Indonesia as the plaintiff and Shandy Purnamasari as the defendant. Given these differing subjects and objectives, the two cases should ideally be treated as distinct.

Furthermore, the Supreme Court did not address whether it is permissible for a product to use only a portion of a registered trademark. This question is of significant public interest, as

it would help establish a sense of justice and legal certainty.

4. Closing

Based on the analysis presented in the previous chapters, the conclusions of this research are as follows: (1) The resolution of trademark disputes in Indonesia can be achieved through litigation, non-litigation, arbitration, or under Law No. 20 of 2016 concerning Trademarks and Geographical Indications (Trademark Law). Article 83 of the Trademark Law stipulates that registered trademark owners can file for compensation and/or the cessation of all acts related to the use of the trademark; (2) Legal protection for trademarks in Indonesia is pursued through three approaches: preventive, repressive, and protection based on geographical indications. Preventive protection aims to safeguard against legal violations before they occur. Repressive protection is intended to defend the trademark when infringements take place.

Meanwhile, protection based on geographical indications is designed to protect a product as a sign of its geographical origin, owing to the unique characteristics of certain regions, which may arise from natural conditions, human factors, or a combination of both; and (3) The considerations made by the judges in the Supreme Court decision No. 161 K/Pdt.Sus-HKI/2023 do not focus on whether a product can use a truncated version of a registered trademark. For instance, in the "MS GLOW" case, the brand registered its trademark as "MS GLOW/For Cantik Skincare," yet promoted it solely as "MS GLOW." Additionally, the judge's ruling was based on flawed reasoning when linking two cases—the decision from the Medan Commercial Court with that from the Surabaya Commercial Court—despite the fact that both decisions pertain to different subjects and objects of the case.

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