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Legal Protection of Famous Brand Rights (Well-Known Mark) "Starbucks" (Studi Putusan Mahkamah Agung Nomor 836 K/PDT.SUS-HKI/2022)

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Abstract: The case pertaining to the disagreement between Starbucks Company and PT Sumatra Tobacco Trading Company was resolved at the cassation level by Supreme Court Decision Number 836 K/PDT.SUS-HKI/2022, and at the first level by Commercial Court Decision Number 51/Pdt.Sus/Merek/2021 /PN. Where the conflict arose from the complaint filed in class 34 against PT Sumatra Tobacco Company to cancel the use of the "Starbucks" brand. There were significant discrepancies between the first-level ruling and the cassation-level decision. One of the key elements in analyzing a court decision is the judge's consideration. Thus, disagreements and court rulings will be studied in this study. Since 2012, PT Sumatra Tobacco Trading Company has had a brand license and registered the "Starbucks" trademark. Then, in 2020, the new.

Abstrak: Perkara perselisihan pendapat antara Starbucks Company dengan PT Sumatra Tobacco Trading Company diselesaikan pada tingkat kasasi melalui Putusan Mahkamah Agung Nomor 836 K/PDT.SUS-HKI/2022, dan pada tingkat pertama melalui Putusan Pengadilan Niaga Nomor 51/Pdt. .Sus/Merek/2021 /PN. Dimana konflik tersebut timbul dari adanya pengaduan yang diajukan dalam golongan 34 terhadap PT Sumatra Tobacco Company untuk membatalkan penggunaan merek "Starbucks". Terdapat perbedaan yang signifikan antara putusan tingkat pertama dan putusan kasasi. Salah satu unsur kunci dalam menganalisis suatu putusan pengadilan adalah pertimbangan hakim. Dengan demikian, perbedaan pendapat dan putusan pengadilan akan dikaji dalam penelitian ini. Sejak tahun 2012, PT Sumatra Tobacco Trading Company telah memiliki lisensi merek dan mendaftarkan merek dagang "Starbucks". Kemudian, pada tahun 2020, yang baru.

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INTRODUCTION

In the era of globalization, the development of economic activities is increasingly rapid. Of course, this has a positive influence, especially on the economy of a country. But it cannot be denied that this also has a negative impact. One of them is about business competition. This can be caused because in general, business actors are parties who will always seek profits in their activities. These benefits are carried out with various approaches to obtain even more profits. Then the thing that an entrepreneur will greatly avoid is loss. Business competition is one of the things that is very detrimental to business activities. Therefore, to minimize losses that can arise (Qurniasari et al., 2019).

Globalization creates conditions where there are no boundaries or borderless, so of course this provides a

buffer in the business world. Foreign companies looking to do business development or expansion in other countries are now very possible. Therefore, business competition no longer occurs between local products, but there is the involvement of competition for foreign products. In terms of creating economic conditions that avoid various threats, this is one of the functions of the government to strive to create stable conditions for the country's economic sphere. Therefore, in a business activity, it is no less important to be about legal protection.

Unfair business competition is something that must be avoided because it can cause losses for many parties. One form of unfair business competition is brand infringement. The brand becomes an important thing because it is generally used as a sign of a product intended to show the origin of the product (Mashdurohatun, 2013). The use of the brand is a form of responsibility from the manufacturer regarding the quality or quality of an item traded. The use of a brand on a product is one of the efforts to create healthy business competition. This is because the rights to a brand in Indonesia can be obtained after registration. Trademark registration in Indonesia is carried out by the Directorate General of Intellectual Property (Kansil, 2018).

Trademark registration is the first step to protect a product from imitation and use of the mark by other parties. This is because brand rights are only obtained after being registered by the applicant. This principle is called the first-to-file principle, which means that protection for a mark can be obtained after the registration is received. In contrast to the declarative system better known as the principle of first to use, where the right to a mark is obtained if someone has declared it first without being registered. Brand infringement that results in fraudulent practices will not only cause harm to brand licensees but also harm consumers. As for brand owners, the losses that can be caused in addition to the possibility of a decrease in revenue, the quality of genuine and fake products can reduce the image of the product in the eyes of consumers (Marwiyah, 2010).

The dispute that became the focus this time was a dispute between Starbucks Corporation and PT Sumatra Tobacco Trading Company. Starbucks Corporation is one of the foreign companies from the United States that has been established since 1971. PT Sumatra Tobacco Trading Company (STTC) is a company established in 1952 based on Indonesian law. STTC is a company whose activities produce white kretek cigarette products. Examples of cigarette product brands issued by STTC are Casual Hero, Tri Happiness, Union, Marcopolo, and others. Based on the court of first instance (decision number 51/Pdt.Sus/TBrand/2021/PN), Starbucks Corporation caused the plaintiff to sue STTC to cancel the mark "Starbucks" in class 34 belonging to the defendant with the trademark registration number IDM000342818.

The exception filed by STTC at the hearing stated that the filing of the lawsuit intended by the plaintiff has been more than 5 years since the issuance of the trademark certificate (Al'Uzma et al., 2023). This means that the application period for the cancellation of trademark registration has expired. In the first instance, the judge who heard and decided the case decided to reject the Plaintiff's claim and sentenced the plaintiff to pay the costs of the case. After that, in January 2022, Starbucks Corporation filed a cassation application (Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022). At the cassation level, the petitioner won and annulled the Commercial Court Decision. Are the considerations for Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022 in accordance with the applicable trademark cancellation legislation? (Rifai, 2016).

METHODS

This research was conducted as a type of normative research where the research was carried out by considering legal rules, principles, and principles to answer questions that arise (Mahmud Marzuki, 2005). Normative legal research is research

conducted by analyzing the relationship of a legal theory with the facts that occur. Normative research is a process by which research aims to discover legal rules, principles, and doctrines. This research will focus on examining the dispute between Starbucks Corporation and STTC in the first instance decision, namely the Commercial Court Decision at the Central Jakarta District Court decision Number 51/Pdt.Sus/ Brand/2021/PN and at the cassation level Supreme Court Decision Number 836 K/ Pdt.Sus-HKI/2022.

RESULTS AND DISCUSSION

Brands as referred to in Law Number 20 of 2016 are defined as "signs displayed graphically in the form of images, logos, names, words, letters, numbers, two-dimensional and/or three-dimensional color arrangements, dimensions, sound, hologram, or a combination of two or more of these elements to differentiate goods and/or services produced by individuals or legal entities in a trade in goods and/or services. Trademarks are called trademarks and are protected by intellectual property laws (IPR) or intellectual property rights. IPR is one of the protections for a work that is born or derived from human intellectual abilities (Rizaldi, 2009). In this case, an intellectual work has economic value and can be applied in a business activity.

IPR can be divided into Copyright or in foreign languages Copy Rights and Industrial Property Rights or in foreign languages Industrial Property Rights. Brands are included in Industrial Property Rights because they are related to innovation in industrial activities. Brand management in Indonesia uses a first-to-file system or a constitutive system. This stipulates that the protection of a mark is obtained after registration.

Arrangements regarding trademark registration in Indonesia are carried out by the Directorate General of Intellectual Property. This is done by applying for trademark registration. The application for trademark registration contains conditions that must be fulfilled by the applicant. One of the requirements to fulfill a trademark registration application is that the applicant must be in good faith. The application for registration of the mark must be made without any intention to commit deception.

The dispute over the "Starbucks" brand between Starbucks Corporation and PT Sumatra Tobacco Trading Company (STTC) began when Starbucks Corporation offended STTC's "Starbucks" brand which is registered in brand class 34 which is a group of Tobacco and Smokers' Goods. Starbucks Corporation sued the defendant because the plaintiff used the brand "Starbucks" as one of the cigarette brands produced by the defendant. On the other hand, Starbucks Corporation registers the brand "Starbucks" in class 30 which is a group of ground coffee, coffee drinks, tea, cocoa, and similar beverages. Starbucks Corporation felt aggrieved because the mark used for the defendant's production used the same brand as its coffee brand. Although the two marks are the same and registered in different classes, the plaintiff claims that his "Starbucks" brand has a high reputation.

However, in the final decision in the Commercial Court of the Central Jakarta District Court, the petitioner's application was rejected in its entirety. Therefore, Starbucks Corporation filed an application for cassation because it was not satisfied with the first-instance ruling. Supreme Court Decision number 836 K/Pdt.Sus-HKI/2022 between the cassation applicants, namely Starbucks Corporation and PT Sumatra Tobacco Trading Company (STTC) as cassation respondents. At the cassation level, the judge's judgment pointed out the difference in which Starbucks Corporation's application as an applicant for cassation was granted and stated that the respondent cassation had bad faith in registering the

mark. Then the Supreme Court judge also declared that the brand "Starbucks" is a well-known brand (well-known mark).

The difference between the first instance and the cassation level in examining and deciding this case is a crucial issue. It is important for judges to create justice and legal certainty in terms of deciding a case. In the case of deciding a case, Judges must adhere to applicable legal principles or rules so that justice can be upheld. One form of reflection of the quality of the judge's decision is if the judge can hand down a decision By paying attention to three very important points; Justice (gerechtigheit), Certainty (rechsecherheit), and Expediency (zwachmatigheit) (Manan, 2012).

The basis for the trademark cancellation lawsuit filed by Starbucks Corporation is based on the provisions of Article 76 jo. Article 21 paragraph (3) of Law No. 20 of 2016 concerning Marks and Geographical Indications (Trademark Law) where Article 76 paragraphs (1) and (2) stipulate that a claim for cancellation of a registered mark can be filed for parties who have an interest and if the owner of an unregistered mark can only file a lawsuit if he has applied to the Minister. Furthermore, Article 21 regulates the rejection of trademark registration applications, where paragraph (1) stipulates that the application for trademark cancellation is rejected if it has similarities in principal or in whole with:

a. The mark has been registered as belonging to another party and has been applied in advance if the product is similar.
b. A well-known brand belonging to another party if the product is similar.
c. Different well-known brands of types that meet certain requirements.
d. Geographical Indications.

Article 21 paragraph (2) also explains that the rejection of a trademark registration application can also be caused because, it resembles the name of a famous person, photograph, or legal entity of another party, and also if the mark is an imitation that resembles the name or abbreviation of the name, flag, symbol or symbol of a country or national or international institution, and if the mark is an imitation that resembles the official stapling mark or stamp of the state or government agency. Article 21 paragraph (3) explains that an application can also be rejected if the applicant has bad faith. In the decision of the Supreme Court which stated that the application for registration of the defendant in the Trademark Register at the Office of the Directorate General of Intellectual Property was carried out incorrectly as stipulated in Article 21 paragraph (3). This is explained in consideration that this is because the defendant's Starbucks brand is proven to have similarities in essence with the plaintiff's brand. This is evident in the form of the arrangement and number of letters and the similarity of sounds and speech. Therefore, the judge considered that the Defendant in registering the mark had the intention to imitate, plagiarize, or follow the mark of another party for the benefit of his business. This can lead to unfair business competition conditions, and deceive or mislead consumers.

The applicant's intention in registering a trademark is something that must be considered and can be proven properly. It should be understood that the Plaintiff's Starbucks brand is one of the most popular coffee brands in the world, with a number of coffee outlets that have spread throughout the world. As explained in the Plaintiff's lawsuit letter the choice of the name "Starbucks" by the Defendant could not have happened by chance (Sakul, 2020).

The plaintiff's "Starbucks" brand is a coffee brand from the United States, which was established in 1971 in the city of Seattle. In 1992 the outlets had spread as many as 165, while in that year STTC only applied for trademark registration. When Starbucks

Corporation listed its shares on the United States Stock Exchange in the same year, STTC registered the brand "Starbucks" as a cigarette production brand for the first time. Therefore, the registration of a mark belonging to STTC is decided as a trademark registration in bad faith. Even before 1992, Plaintiff's "Starbucks" brand had registered its mark in various countries as below.

Table 1 Registration Dates

Country	Application Date	Registration Number
United States	16 July 1979	9631
Canada	22 August 1986	317613
Yunani	9 May 1994	102559

Furthermore, regarding the Defendant's exception which states that the lawsuit was filed prematurely because it has been more than 5 (five) years. Based on Article 21 paragraph (3) of the Trademark Law which explains that one of the trademark registration applications can be rejected if it is done in bad faith. Then Article 77 paragraph (2) of the Trademark Law also stipulates that a claim for trademark cancellation can be filed indefinitely if bad faith is found. Therefore, the element of good faith in this case is important to prove. So it needs to be reviewed about bad faith actions more deeply.

The explanation of the applicant in bad faith stipulated in the Trademark Law, especially in the explanation of Article 21 paragraph (3), namely that the applicant alleged when registering a mark there is an intention to imitate, plagiarize, or follow a Mark that does not belong to him. This is intended to benefit him in carrying out production activities of the brand's products. Intentional imitation and deception of consumers is one form of bad faith.

Starbucks Corporation opened its first branch in Indonesia on May 17, 2002, precisely in Plaza Indonesia, Jakarta. Therefore, it can be said that the Starbucks Corporation brand has only started its business expansion in Indonesia since 2002. The category of famous marks must be provable by the Plaintiff in proving the bad faith of the Defendant. The criteria for a famous brand are regulated in Article 18 of the Regulation of the Minister of Law and Human Rights of the Republic of Indonesia Number 67 of 2016 concerning Trademark Registration (Permenkumham). There are 9 category points to determine whether a brand is a well-known brand, namely:

1. The level of public knowledge of the brand.
2. The volume of product sales and the profits obtained from the sale of these products.
3. The dominance of the market share in relation to the circulation of the product in the heart of society.
4. The range of use of the brand of the product.
5. Period of use of the brand.
6. The intensity, promotion, and investment value of the brand used to carry out promotions.
7. Trademark registration in other countries.
8. The success rate of law enforcement in the field of branding, meaning that the

recognition of the mark is a well-known brand by the authorized institution.

9. The brand value is obtained due to the reputation and quality assurance of the products of the brand.

Brand criteria are included in international law and are also regulated in the Paris Convention and Trade Related Aspects of Intellectual Property Rights (TRIPs). It is stipulated in Article 16 paragraph (2) of TRIPS that the nature of the fame of a brand can be determined by taking into account the factors of brand knowledge in certain circles and the knowledge of participating countries about the condition of the brand from the results of its promotion (Alya Nuzurul Quirniasari et al, 2019). The regulation of the criteria for famous brands based on the Ministry of Law and Human Rights and TRIPS, and their connection to this dispute indicates that there must be proof of the reputation of the Plaintiff's Starbucks brand. Therefore, one of the trial evidence that shows the reputation and general knowledge of the public about the mark is shown in evidence P-25 to P-28. To prove these two things, Starbucks Corporation submitted evidence that the Starbucks brand was ranked 24th in The World's 50 Most Innovative Companies in 2012. Starbucks also ranked in the Top 10 China Best Employer Award 2014 from PR Newswire.

The decision of the Supreme Court stated that STTC was proven to have bad faith when registering a mark with number IDM000342818 in class 34 and decided to cancel the mark from the General Register of Marks. The determination of the Plaintiff's "Starbucks" brand as a well-known brand based on evidence that has been done has fulfilled the legal standing. Although the lawsuit was carried out more than 5 years after the issuance of the trademark certificate, Starbucks Corporation can prove the existence of good faith committed by STTC so that Article 77 paragraph (2) of the Trademark Law applies.

CONCLUSION

In general, violations or forgeries of a well-known mark are carried out against brands originating from abroad (Siti Marwiyah, 2010). Therefore, based on the discussion above, Supreme Court Decision Number 836 K / Pdt.Sus-HKI / 2022 which examines this dispute has realized legal protection against the famous "Starbucks" mek owned by Starbucks Corporation. Bad faith by PT Sumatra Tobacco Trading Company in terms of registering the mark "Starbucks" in class 34. An important point in this dispute is the proof of bad faith committed by STTC in applying for trademark registration. As stipulated in Article 77 paragraph (2) of the Trademark Law which states that a claim for cancellation of trademark registration can be made without a certain period of time if it is proven that there is bad faith.

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