

JURISPRUDENSI

Jurnal Ilmu Syari'ah, Perundang-undangan dan Ekonomi Islam
<https://doi.org/10.32505/jurisprudensi.v16i2.12531>
Vol. 17 No. 2 (Juli-Desember 2025): 382-397

Legal Protection for First Trademark Registrants: An Analysis of the Substantive Examination System of Trademarks in Indonesia

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Submission	Accepted	Published
Dec 6, 2025	Dec 13, 2025	Dec 14, 2025

Abstract

Ideally, Indonesia's substantive trademark examination system should provide full protection for the first applicant by ensuring that every application is thoroughly reviewed to prevent overlap, similarity, and potential conflicts with previously registered marks. However, in practice, several issues still arise, including the approval of marks with substantial similarity, inconsistent assessment standards, and the growing number of trademark disputes indicating weaknesses in the implementation of substantive examination. This study aims to analyze the extent to which the substantive examination system ensures legal protection for the first applicant and to identify factors contributing to legal uncertainty. The research employs a normative juridical method by examining statutory regulations, trademark dispute decisions, and academic literature related to trademark protection practices. The findings reveal that although Indonesia adopts the first-to-file principle which should theoretically ensure legal certainty the effectiveness of its implementation remains hindered by examination quality, limited institutional resources, and insufficient harmonization with international standards. This study highlights the need to strengthen the substantive examination system so that legal protection for first applicants can be achieved consistently and fairly.

Keywords: Substantive Examination, First-to-File, Trademark Protection

Abstrak

Idealnya, sistem pemeriksaan substantif merek di Indonesia mampu memberikan perlindungan penuh bagi pendaftar pertama dengan

memastikan setiap permohonan diuji secara cermat agar tidak terjadi tumpang tindih maupun potensi konflik dengan merek yang sudah terdaftar. Namun, realitasnya masih ditemukan berbagai permasalahan seperti kelolosan merek yang memiliki kemiripan, ketidakkonsistenan penilaian, serta meningkatnya sengketa yang menunjukkan adanya kelemahan dalam implementasi pemeriksaan substantif. Penelitian ini bertujuan untuk menganalisis sejauh mana sistem pemeriksaan substantif mampu menjamin perlindungan hukum bagi pendaftar pertama serta mengidentifikasi faktor-faktor penyebab terjadinya ketidakpastian hukum. Metodologi yang digunakan adalah pendekatan yuridis-normatif dengan analisis terhadap peraturan perundang-undangan, putusan sengketa merek, serta kajian literatur terkait praktik perlindungan merek. Hasil penelitian menunjukkan bahwa meskipun kerangka hukum Indonesia telah mengadopsi prinsip first-to-file yang seharusnya memberikan kepastian hukum, efektivitas pelaksanaannya masih terkendala oleh kualitas pemeriksaan, keterbatasan sumber daya, serta belum optimalnya harmonisasi dengan standar internasional. Penelitian ini menegaskan pentingnya penguatan sistem pemeriksaan substantif agar perlindungan hukum bagi pendaftar pertama dapat terwujud secara konsisten dan berkeadilan.

Kata kunci: Pemeriksaan Substantif, First-to-File, Perlindungan Merek

Introduction

Intellectual Property Rights (IPR) constitute a vital pillar of the modern legal system, as they function to protect human creations, works, and inventions from misuse while providing legal certainty for their owners (Nola Aristyani, 2024). The emergence of IPR is not an instantaneous concept but rather the result of a long historical development since the end of the Dark Age, gaining stronger recognition during the Industrial Revolution of the eighteenth and nineteenth centuries. During this period, advances in technology and international trade demanded cross-border protection of intellectual works, which led to the establishment of the Paris Convention and the Berne Convention as the principal international agreements. Another significant milestone emerged in 1995 through the TRIPs Agreement, which binds all members of the World Trade Organization (WTO), including Indonesia. As a member state, Indonesia is required to align its IPR protection standards with national law, causing the IPR regime to develop not merely as a domestic necessity but also as an international obligation that must be enforced. This condition has driven the modernization of Indonesia's IPR regulations, including those related to trademarks, which constitute an essential element in the dynamics of trade and business competition.

In the Indonesian context, trademark regulation has undergone various transformations from the colonial era to the modern period. Beginning with the *Reglement Industrieelle Eigendom Kolonien* of 1912, followed by Law Number 21 of 1961, Law Number 19 of 1992, Law Number 15 of 2001, and culminating in Law Number 20 of 2016 on Trademarks and Geographical Indications (the Trademark

and Geographical Indications Law), these regulatory developments demonstrate the state's commitment to strengthening trademark protection (Alamsyah & Oktober, 2022). Further amendments through the Job Creation Law of 2020, which was re-enacted through Law Number 6 of 2023, have also affected the trademark registration mechanism, including changes to several provisions concerning substantive examination. As a legal object, a trademark is defined in Article 1 of the Trademark and Geographical Indications Law and is protected under a constitutive system (*first-to-file*), whereby trademark rights are granted to the party who first files a registration application. Accordingly, the substantive examination conducted by the Directorate General of Intellectual Property (DJKI) constitutes a crucial stage, as it determines compliance with Articles 20 and 21 and ensures the absence of substantive similarity with other trademarks.

Ideally, the trademark substantive examination system in Indonesia should operate in accordance with statutory provisions, both in terms of examination quality and the prescribed time limits for completion. Following amendments under the Job Creation Law, the time frame for substantive examination is set at 30 days if no objection is filed and 90 days if objections exist. These provisions are intended to provide legal certainty for first registrants, enabling them to ascertain the status of their applications clearly and in a timely manner. However, in practice, many applications remain in the status of "under substantive examination" even after the stipulated time limits have elapsed. This situation creates legal uncertainty and has the potential to give rise to disputes, as evidenced in the case of BMW versus BYD concerning the "BYD M6" trademark, in which the lawsuit was declared premature because the substantive examination had not been completed despite exceeding the prescribed time limit. This gap between normative provisions and administrative practice constitutes a fundamental issue, as it directly affects legal protection for first registrants and the effectiveness of the trademark registration system in Indonesia.

Based on these circumstances, this study aims to analyze legal protection for first trademark registrants within the Indonesian legal system and to examine whether the regulation and implementation of substantive examination by the DJKI conform to normative provisions. In addition to providing an analysis of regulatory implementation, this research is also expected to offer both academic and practical contributions. Academically, its contribution lies in strengthening the literature on the effectiveness of the *first-to-file* system and the mechanism of substantive examination in Indonesian trademark law. Practically, the findings of this study may serve as input for policymakers, the DJKI, IPR practitioners, and business actors in improving the quality and legal certainty of the trademark registration process. Thus, this research not only examines normative issues but also provides direction for the development of a more effective and responsive IPR legal system that meets the needs of society and business actors.

Literature Review

Studies on legal protection for first trademark registrants through an analysis of the substantive examination system are not new. A number of scholars have examined this issue from various perspectives, ranging from analyses of court

decisions and evaluations of the effectiveness of the *first-to-file* principle to the need for formulating substantive examination standards in Indonesia. Joy Sinaga, through her work entitled; *"Perlindungan Hukum Terhadap Pendaftar Merek Pertama Berdasarkan Prinsip First-to-File terhadap Perkara Merek STRONG (Nomor 22PK/Pdt.Sus-HKI/2022)"*, has made an important contribution by explaining how the *first-to-file* principle was applied in the "STRONG" trademark dispute. The study discusses the chronology of registration, the progression of the dispute from the Commercial Court to Judicial Review, and judicial inconsistencies in applying the first-registrant principle. Its main finding shows that the application of *first-to-file* at the first-instance level was effective; however, at the Cassation and Judicial Review levels it was not applied consistently, thereby reducing legal protection for first registrants (Sinaga, 2022). This study shares similarities with the present research in highlighting the effectiveness of the *first-to-file* principle and linking it to the substantive examination process. The difference lies in the focus: Joy's research is oriented toward the analysis of a specific case decision, whereas the present study seeks to assess substantive examination systemically as a legal protection mechanism for first registrants.

In contrast to Joy's approach, Inge Dwisvimiari, in her work; *"Merancang Konsep Standar Pemeriksaan Substantif Merek: Belajar dari Kasus Merek M&G"*, emphasizes the structural weaknesses of substantive examination at the Directorate General of Intellectual Property (DJKI) (Dewisvimiari & Elfira, 2024). The author explains how weak substantive examination standards allowed two identical "M&G" trademarks to be approved, resulting in confusion and conflict. The findings underscore that although substantive examination is a critical element, Indonesia has not yet established uniform standards, leading examiners to perform their duties based on inconsistent parameters. This work shares a focus with the present research on evaluating substantive examination and its impact on potential trademark conflicts. The difference, however, lies in the breadth of analysis: Inge's research is directed toward formulating a conceptual standard for substantive examination, while the present study integrates the issue of substantive examination with the effectiveness of protection for first registrants based on the *first-to-file* principle.

Furthermore, Nadhila Cahya NurmalaSari, through her work; *"Analisis Penerapan Prinsip First to File terhadap Perlindungan Hukum Preventif (Studi Sengketa MS Glow vs PS Glow)"*, examines how the *first-to-file* principle operates as a form of preventive legal protection in practice (Nadhila Cahya NurmalaSari & Yudho Taruno Muryanto, 2024). By analyzing the dispute between two well-known cosmetic brands, the study finds that the *first-to-file* principle does not function effectively due to weaknesses in the substance of Law No. 20 of 2016, inaccuracies in substantive examination, and a lax public objection mechanism, allowing trademarks with the potential to cause confusion to be registered. The similarity with the present research lies in the critique of the ineffective application of *first-to-file* and the identification of substantive examination as a primary weakness. The difference is evident in the scope of discussion: this work is more case-oriented within the context of preventive protection, whereas the present study offers a structural discussion that connects two key instruments simultaneously—the *first-to-file* principle and the substantive examination system.

From these three works, several research gaps emerge that underpin the urgency of the present study. First, no research has simultaneously and comprehensively examined the relationship between the *first-to-file* principle and the effectiveness of the substantive examination system. The previous studies focus on only one aspect, whether judicial decisions, examination standards, or preventive analysis. Second, there is no study that positions substantive examination as the primary instrument for protecting first registrants, even though this function is decisive in determining the validity of trademark registration. Third, no research offers an evaluative analytical model that links errors in substantive examination to the emergence of trademark disputes within a public policy context. Accordingly, this study seeks to fill these gaps through an integrative analysis that combines normative, substantive, and policy aspects to strengthen legal protection for first trademark registrants in Indonesia.

Research Methodology

This research is a library-based study employing a qualitative normative juridical approach, as the analysis focuses on legal norms contained in statutory regulations, doctrines, and court decisions related to legal protection for first trademark registrants and the mechanism of substantive examination in Indonesia. The methodology applied is the normative juridical method with several approaches, namely the statute approach to examine provisions of positive law concerning the *first-to-file* system and trademark substantive examination; the case approach to analyze relevant court decisions; and the conceptual approach through the study of legal literature and theories. The primary sources of this research include Law Number 20 of 2016 on Trademarks and Geographical Indications, the Job Creation Law, and court decisions related to trademark disputes. Secondary sources consist of scientific journals, intellectual property law books, academic articles, and official publications of the Directorate General of Intellectual Property (DJKI) that support the substantive analysis of the research.

Data analysis is conducted qualitatively by interpreting and constructing legal norms and subsequently drawing systematic conclusions (Abdurrahman, 2024). Data validation and reliability testing are carried out through source triangulation techniques, namely by comparing the consistency of information derived from statutory regulations, academic literature, and court decisions to ensure the accuracy of legal interpretation. The drafting of the manuscript is carried out systematically through stages of legal data inventory, issue classification, comparative analysis among norms, and the formulation of conclusions, thereby producing a coherent and academically accountable scholarly argument.

Legal Protection for First Trademark Registrants in the Indonesian Legal System

The development of trademark law in the global context shows two main approaches in determining the lawful owner of a trademark, namely the declarative system (*first to use*) and the constitutive system (*first to file*). Both

systems emerged from the need to ensure that trademark rights can be acquired fairly and with legal certainty (Putri Lubis & Rahaditya, 2023). Countries subsequently chose one of these systems based on their legal philosophy and economic needs. The *first to use* system prioritizes actual use, whereas the *first to file* system prioritizes formal registration as objective and administrative evidence. This distinction has generated interesting dynamics in how states provide legal protection to trademark owners. The *first to use* system recognizes the party that first uses a trademark in fact, even if registration is carried out later. Countries such as the United States, Canada, and Australia adopt this system because they consider actual use to be the most authentic proof of ownership. However, this system has a significant weakness, namely the difficulty of proving the date of first use of a trademark. Such evidentiary uncertainty creates a high risk of disputes and prolonged evidentiary processes, making it less efficient in modern commerce.

On the other hand, the *first to file* system grants exclusive rights to the party that first registers a trademark with the official authority, regardless of who used the trademark earlier. Registration becomes the basis for the emergence of rights, thereby providing greater legal certainty. This system is widely adopted by European countries, China, Japan, South Korea, and almost all ASEAN countries, including Indonesia. Its main advantage lies in providing clear administrative evidence, thus reducing the potential for disputes. Nevertheless, this system also poses risks when the registrant is not the true owner and acts in bad faith. Historically, Indonesia initially adopted the *first to use* system through the *Reglement Industrieel Eigendom* (Stb. 545/1912). However, global developments and demands for the harmonization of international law prompted Indonesia to gradually reform its trademark law. After joining the WTO in 1995, Indonesia was required to align its national law with the minimum standards of the TRIPS Agreement. This led to the enactment of Law No. 19 of 1992, Law No. 15 of 2001, and ultimately Law No. 20 of 2016 on Trademarks and Geographical Indications (the Trademark and Geographical Indications Law/UU MIG), which explicitly adopts the *first to file* system.

The shift from *first to use* to *first to file* was undertaken because the former system was considered no longer capable of providing adequate legal certainty. Modern trade demands speed, efficiency, and definitive administrative proof. Moreover, the verification of first use is often difficult due to the lack of written evidence or official documentation. Therefore, the *first to file* system is deemed more compatible with the needs of international harmonization and the direction of national legal development, which prioritizes legal certainty and ease of doing business. Under the *first to file* system, trademark rights are constitutive in nature, meaning that such rights arise not from use but from registration, as expressly stipulated in Article 3 of the Trademark and Geographical Indications Law. Consequently, legal protection for first registrants is highly dependent on the effectiveness of the state's administrative mechanisms in receiving, examining, and deciding trademark applications. At this point, the theory of legal protection becomes important in analyzing the extent to which the state fulfills its obligation to provide guarantees of legal certainty.

Satjipto Rahardjo explains that legal protection is a form of state guardianship to ensure that the rights of legal subjects are not harmed and can be

exercised properly (Simaela et al., 2023). In the trademark context, legal protection ensures that applicants do not suffer losses due to arbitrary actions by other parties or negligence by state officials. Meanwhile, Philipus M. Hadjon divides legal protection into two forms: preventive and repressive. Both forms are highly relevant in the context of trademark registration, which relies on the state administrative system. Preventive legal protection functions to prevent disputes by providing objection mechanisms or controls before an administrative decision becomes final. In the Indonesian trademark registration process, preventive protection is implemented through the stages of formality examination, a two-month publication period, and substantive examination. The formality examination ensures that applications meet administrative requirements, while publication provides an opportunity for third parties to submit objections. These mechanisms constitute early protection to prevent violations of trademark rights.

The most crucial stage of preventive protection is substantive examination, which assesses compliance with Article 20 and ensures the absence of substantive similarity with other trademarks as regulated in Article 21 of the Trademark and Geographical Indications Law. Substantive examination has also been subject to time limits under the Job Creation Law, namely 30 to 90 working days if objections are raised. This time limit serves as a form of protection for applicants so that they are not disadvantaged by excessively lengthy processes. The accuracy and diligence of examiners are key to the effectiveness of preventive protection. Repressive legal protection, on the other hand, is provided after a violation or dispute has occurred. In Indonesian trademark law, repressive protection may take the form of trademark cancellation lawsuits, trademark infringement lawsuits, deletion lawsuits, and the filing of appeals with the Trademark Appeal Commission (Komisi Banding Merek/KBM). Cancellation lawsuits are important to annul trademarks registered in bad faith or in violation of the Trademark and Geographical Indications Law, while infringement lawsuits are used to claim damages and to stop violations of registered trademarks.

Deletion lawsuits may be filed when a trademark has not been used for several years or is not used in accordance with its registration. This mechanism ensures that the General Register of Trademarks is not filled with inactive marks (Saidin & Sihombing, 2024). Meanwhile, the objection mechanism before the KBM provides an administrative avenue for applicants whose trademarks have been rejected to seek justice. Without this mechanism, first registrants could lose their rights merely due to errors in examiners' assessments. A notable example illustrating the relevance of repressive protection can be seen in the BMW vs. BYD case, in which BMW's lawsuit was deemed premature because the BYD M6 trademark was still undergoing substantive examination.

Legal Regulation of Substantive Examination in Indonesia and Its Practical Implementation by the DJKI

Substantive examination constitutes a crucial stage in the overall trademark registration system in Indonesia, as it is at this stage that the state, through the Directorate General of Intellectual Property (DJKI), determines whether a trademark is eligible to obtain legal protection (Robby Hidayat et al., 2024). Unlike

formality examination, which merely assesses administrative completeness, substantive examination functions as the primary screening mechanism to ensure that only trademarks meeting substantive requirements are registered. This process ensures that the granting of exclusive rights to an applicant does not infringe upon the rights of other parties or conflict with the objectives of legal protection under the *first-to-file* system. Substantively, substantive examination is based on Articles 20 and 21 of the Trademark and Geographical Indications Law (UU MIG). Article 20 regulates the prohibition of registering trademarks that contravene statutory regulations, morality, or public order, are purely descriptive, or have the potential to mislead the public (Anshary et al., 2024).

Meanwhile, Article 21 stipulates that an application must be rejected if the trademark is substantially similar to a registered trademark owned by another party. These two provisions serve as the primary parameters for the DJKI in assessing the eligibility of a trademark, making substantive examination a strategic instrument to ensure fairness and protection for prior trademark owners. Within the normative framework, Article 23 of the Trademark and Geographical Indications Law provides that substantive examination is conducted after the expiration of the publication period. The law sets a maximum period of 150 days as the upper limit for completing substantive examination. This time limit is intended to provide examiners with sufficient opportunity to assess complex aspects, particularly issues of substantial similarity that require in-depth legal and linguistic analysis. However, in the context of modern business practices, a 150-day time frame is no longer considered consistent with the need for legal certainty and administrative efficiency.

In response to business dynamics and demands for accelerated public services, the government amended the regulatory framework through the Job Creation Law, which was reaffirmed by Law Number 6 of 2023. This amendment significantly shortened the substantive examination period to 30 working days in the absence of objections and to 90 working days when objections are filed by third parties. This reform represents a progressive step toward expediting the registration process and providing faster legal certainty for business actors. By shortening the time limit for substantive examination, the position of first registrants within the *first-to-file* system is further strengthened. Although the filing date determines priority, exclusive rights become effective only after the trademark is registered and recorded in the General Register of Trademarks. Therefore, the acceleration of substantive examination not only enhances administrative efficiency but also hastens the emergence of exclusive rights that serve as the legal basis for trademark owners to defend and enforce their rights. The faster substantive examination is completed, the stronger the protection afforded to first registrants.

Nevertheless, the effectiveness of these regulations is largely determined by their implementation by the DJKI in practice. Neither the Trademark and Geographical Indications Law nor the Job Creation Law stipulates sanctions or legal consequences if the DJKI fails to complete substantive examination within the prescribed 30- or 90-working-day period. The absence of sanctioning norms renders these time limits potentially declarative in nature. In other words, although the law sets strict deadlines, applicants lack specific legal instruments to

challenge or demand accountability when the DJKI exceeds these limits. From the perspective of legal protection, this condition raises concerns that cannot be overlooked. Delays in completing substantive examination mean that applicants have not yet been recorded as registered trademark owners and therefore cannot take repressive legal measures, such as filing trademark infringement lawsuits. This situation can weaken the applicant's legal position, delay business expansion efforts, and hinder the trademark owner's ability to restrain other parties from using similar marks. Thus, the absence of corrective mechanisms for DJKI delays has direct implications for the diminished effectiveness of legal protection.

Uncertainty resulting from delays also affects business and contractual relationships. Many business actors require proof of trademark registration for partnerships, licensing agreements, financing, or export processes. As long as a trademark has not been entered into the General Register of Trademarks, the applicant's legal position may be regarded as unstable. This creates significant commercial risks, particularly for first registrants seeking to build a brand from the outset. In other words, administrative obstacles have the potential to disrupt business strategies and weaken the economic value of the trademark. From the perspective of state administration, the substantive examination process should reflect the principles of good governance. The principle of legal certainty demands clarity regarding time limits and adherence to those limits; the principles of effectiveness and efficiency require swift and accurate administrative resolution; and the principle of accountability calls for mechanisms of responsibility in cases of procedural violations or delays. In the absence of control mechanisms and sanctions, these principles risk not being fully realized.

Ideally, the DJKI should be equipped with internal oversight instruments to ensure compliance with substantive examination deadlines. Minimum service standards, process monitoring systems, and examiner performance evaluation procedures may form part of efforts to ensure adherence to the Job Creation Law. In addition, transparency of information is necessary so that applicants can monitor the progress of their applications in real time, thereby fostering a more open and accountable administrative relationship. To strengthen regulatory effectiveness, implementing regulations should also be formulated to govern legal consequences when the DJKI exceeds substantive examination time limits. Such provisions may include internal administrative sanctions, mechanisms for filing administrative objections, or service compensation policies. With such arrangements in place, applicants can be assured that their rights as first registrants are genuinely protected and that administrative processes operate in accordance with the principles of a state governed by the rule of law.

Analysis of Trademark Dispute Problems Arising from Weaknesses in Substantive Examination

Trademark disputes have become one of the significant issues in the intellectual property protection system in Indonesia. Trademarks, which are intended to function as distinguishing identifiers, instead often give rise to conflicts among rights holders. This condition is influenced by various factors, one of which is weaknesses in the substantive examination process conducted by the

Direktorat Jenderal Kekayaan Intelektual (DJKI). Substantive examination is intended to ensure that only trademarks that meet legal requirements can be registered. However, in practice, a number of cases indicate that trademarks are still approved despite having similarities to previously registered marks. In Indonesia's intellectual property system, the first-to-file principle serves as the basis for determining the legitimate owner of a trademark. The party who first registers a trademark is entitled to legal protection (Wibowo, 2023).

On the one hand, this principle provides legal certainty, as the first registrant is recognized as the lawful owner. On the other hand, the system becomes vulnerable to conflict when substantive examination does not function optimally. If the examination is not conducted rigorously, an earlier registration may prevail over a party that is in fact more deserving of the right. A primary weakness in substantive examination lies in the scope of subjectivity involved in assessing similarity in essence. The assessment of trademark similarity is not limited to visual resemblance but also includes phonetic, conceptual, and associative similarities. Therefore, substantive examination requires deep expertise and consistency in legal reasoning. When these aspects are not comprehensively applied, trademarks that should have been rejected may pass the examination and obtain registration certificates.

In addition, the heavy examination workload also affects the quality of substantive assessments. The number of trademark registration applications increases each year, while the number of substantive examiners remains limited. This situation creates time pressure, which may lead to a decline in the quality of examination. Examiners are required to process a large volume of applications, ultimately increasing the risk of oversight or insufficiently thorough examination. One direct impact of weaknesses in substantive examination is the rise in the number of oppositions filed by third parties. When trademark owners believe that a newly accepted trademark is similar to their own, they have the right to file an opposition. Such oppositions often trigger new disputes that consume time and financial resources. If substantive examination were conducted optimally, many oppositions could be minimized at an early stage.

Beyond oppositions, weaknesses in substantive examination also contribute to an increase in trademark cancellation lawsuits before the courts. Parties who feel aggrieved may seek cancellation of trademarks that have already been registered, even though they bear similarities to earlier existing marks. This cancellation process is not only time-consuming but also increases the administrative burden on the state and litigation costs for business actors. Several trademark dispute cases in Indonesia demonstrate that substantive weaknesses can give rise to major conflicts, even involving well-known trademarks. Disputes between local and international brands often spark debates over who is entitled to use a particular trademark. Many of these conflicts originate from a lack of rigor in assessing trademark similarity at the substantive examination stage.

Another frequently highlighted weakness is the suboptimal use of information system technology in the examination process. In the digital era, searches for trademark similarity can be conducted using machine learning and robust comparative databases. However, if such technologies are not properly integrated or fully utilized, substantive examination will continue to rely heavily

on manual assessments that are prone to error. Inconsistencies in assessment among examiners also contribute to substantive problems. At times, highly similar trademarks may be rejected in one examination period but accepted in another. This inconsistency creates legal uncertainty for applicants and provides opportunities for parties attempting to register trademarks that are in fact less deserving. Ultimately, such uncertainty fuels tensions among business actors.

From the perspective of business actors, weaknesses in substantive examination harm both trademark owners and consumers. Trademark owners risk losing the exclusivity of their marks, while consumers may experience confusion in distinguishing between different products or services. In the commercial sphere, the loss of clarity in trademark identity also diminishes the value of the trademark itself, thereby disrupting the broader economic ecosystem. To address these problems, it is necessary to strengthen substantive examination mechanisms through improving examiner competence, refining examination guidelines, enhancing internal supervision, and making better use of technology. In addition, collaboration with international institutions can provide broader insights and introduce more modern standards in substantive assessment. Such reforms are expected to close the gaps that have long triggered trademark disputes.

Comparison of Indonesia's First-to-File System with That of Several Other Countries

Trademark protection has become an essential element in modern economic activities because trademarks not only function as product identifiers but also reflect reputation and serve as a guarantee of quality for consumers. Within the global intellectual property law system, countries adopt different approaches to determine the legitimate owner of a trademark. There are two main approaches: first-to-file and first-to-use. Indonesia, like many countries in Asia and Europe, adheres to the first-to-file system, which designates the first registrant as the lawful owner. This approach is considered to provide higher legal certainty because ownership is determined administratively based on the filing date of the application. The first-to-file system is viewed as simpler and more efficient, as the state does not need to examine evidence of prior use before granting protection.

Its primary focus is the order of registration rather than actual use in the marketplace. However, this simplicity also contains potential problems, namely opportunities for parties acting in bad faith to register trademarks that are in fact already being used by others. Therefore, although the basic principle is the same, the implementation of the first-to-file system in different countries varies in addressing these legal loopholes. Indonesia applies the first-to-file system comprehensively through the Trademark and Geographical Indications Law. Whoever first files an application is entitled to legal protection after passing substantive examination. Indonesia does not require prior use as a basis for ownership, meaning that trademarks that have never been used may still be registered. Nevertheless, Indonesia provides protection for well-known marks and offers mechanisms for opposition and cancellation if registration is carried out in bad faith. However, challenges remain in its implementation.

When compared with China, many similarities can be observed, as China also applies a very strict first-to-file system. China is often cited as an example of a country experiencing numerous cases of trademark squatting, where famous trademarks are registered by parties who are not the true owners. To address this issue, China has introduced strong anti-bad faith rules and imposes administrative sanctions on applicants who abuse the system. These regulatory developments demonstrate China's active efforts to improve its system in order to maintain a balance between legal certainty and fairness. In contrast to China and Indonesia, Japan implements a first-to-file system with stricter quality control in substantive examination. Japanese examiners conduct comprehensive assessments of trademark similarity, the potential for public confusion, and indications of bad faith registration. Moreover, Japan provides broader opportunities for opposition by prior trademark owners, including those who have not registered but have already used the mark commercially. In this way, Japan strikes a balance between administrative certainty and protection for prior users.

The countries of the European Union, through the European Union Intellectual Property Office (EUIPO), also adopt a first-to-file system. However, the European Union benefits from a high degree of legal harmonization and consistent examination standards across member states. EUIPO offers a highly transparent, data-driven opposition system that allows third parties to directly monitor potential infringements. In addition, EUIPO's trademark search technology is highly advanced, thereby minimizing registrations that could lead to disputes. The combination of technology and transparency makes the European system more accurate. By contrast, the United States follows a first-to-use system, which stands in sharp contrast to Indonesia's approach. Under this system, trademark protection is granted to the party that first uses the mark in commerce, rather than the first to register it. Registration still provides legal advantages, but it is not the primary basis of ownership. This approach emphasizes fairness based on actual use, thereby protecting genuine owners even if they have not registered their marks. However, it can also trigger disputes over proof of first use, which often require significant time and expense.

The comparison between Indonesia and the United States reveals a fundamental philosophical difference. Indonesia emphasizes administrative certainty, which is considered important for providing clarity to business actors. The United States emphasizes fairness based on prior use so that small businesses are not disadvantaged by parties that register trademarks more quickly without actually using them (Adeffian & Apriani, 2023). This difference reflects the characteristics of each country's legal system and the objectives they seek to achieve in trademark protection. Malaysia and Singapore, two Southeast Asian countries that also adhere to the first-to-file system, apply relatively stricter mechanisms compared to Indonesia. Singapore, for example, has a technology-based examination system that accelerates the rejection of trademarks with potential conflicts. Malaysia places strong emphasis on the protection of well-known marks, thereby providing greater protection for famous foreign trademarks. Indonesia has similar rules, but their implementation often depends on the strength of evidence and the effectiveness of substantive examination.

Comparisons across these countries highlight one important principle: the effectiveness of a first-to-file system is not determined solely by who files first, but by the quality of substantive examination, the transparency of the process, and the availability of adequate corrective mechanisms. Countries with stronger systems—such as Japan, the European Union, and Singapore—generally have stricter examinations, more advanced technology, and additional rules to address bad faith registrations. Indonesia has undertaken regulatory reforms, including shortening examination timeframes through the Job Creation Law, but it still faces challenges related to the consistency of substantive examination, human resource capacity, and trademark search technology. By learning from other countries, Indonesia can strengthen its anti-bad faith instruments, improve trademark search technology, and enhance transparency in opposition procedures. This is crucial to ensure that the first-to-file system provides not only legal certainty but also substantive justice.

Recommendations for Strengthening the Substantive Examination System to Ensure Legal Certainty and Justice

Substantive examination is one of the most crucial stages in the trademark registration system, as it is at this stage that the state determines whether an application deserves legal protection (Marlina et al., 2025). In the modern context, where trade flows are increasingly complex and trademarks play a vital role in business reputation, substantive examination must be capable of addressing the need for legal certainty and justice for all applicants. A weak system not only creates uncertainty but also opens the door to disputes, economic losses, and declining public trust in state institutions. As a country that adopts the first-to-file system, Indonesia places the first registrant in the position of holding exclusive trademark rights. However, without strong and consistent substantive examination, this system may instead produce injustice, for example when applicants acting in bad faith succeed in registering a mark before the genuine owner becomes aware of it or has the opportunity to file an application. Therefore, strengthening substantive examination is not merely an administrative necessity but also an instrument to safeguard the integrity of the intellectual property legal system.

One of the main recommendations is to clarify substantive examination guidelines so that examiners share uniform standards in assessing “similarity in essence,” good faith, and the potential for consumer confusion. Overly general guidelines may lead to differing interpretations among examiners, resulting in inconsistent decisions. By providing more technical and structured guidance, the quality of examination can be improved, and applicants can receive fairer and more predictable treatment. Another key recommendation is to strengthen the technological aspects of the examination process. The growing number of trademark applications requires the Directorate General of Intellectual Property (DJKI) to have a faster and more accurate trademark search system capable of automatically detecting visual, phonetic, and conceptual similarities. Countries such as the European Union and Japan have implemented artificial intelligence-based search technologies that reduce examiners’ workload and enhance

objectivity. Indonesia can adopt similar approaches to optimize examination quality.

In addition to technology, the capacity and competence of human resources are also critical factors. Substantive examiners need continuous training on market dynamics, branding trends, and linguistic analysis of trademarks so that they not only understand legal rules but also the characteristics of trademarks within market contexts. Specialized training in detecting bad faith, evaluating well-known marks, and harmonizing international standards will further strengthen examiner professionalism. Moreover, strengthening the opposition mechanism should be part of the reform agenda. Opposition serves as a means for the public to correct potential registration errors at an early stage. To be effective, however, the opposition process must be simpler, more transparent, and faster. Strengthening regulations on standards of proof in opposition proceedings is also important to prevent unfounded objections while providing genuine trademark owners with a more effective means of protecting their rights.

Efforts to strengthen substantive examination can also be undertaken by clarifying the legal consequences if DJKI exceeds examination time limits. To date, the absence of administrative sanctions has rendered these time limits largely declaratory rather than operational. Other countries have implemented internal audit systems and performance reviews to ensure that examiners comply with deadlines. Similar arrangements could promote discipline, enhance accountability, and accelerate services without compromising examination quality. From the perspective of legal certainty, transparency in the examination process is a critical aspect. Applicants need to be informed in detail about the progress of their applications, including when examiners require additional documents or identify conflicts with earlier trademarks. With a fast and detailed notification system, applicants can respond in a timely manner. Transparency also enhances examiner accountability and encourages more professional administrative practices.

Another recommendation is the establishment of a special unit to handle potential cases of bad faith registration or well-known marks. Many developed countries have dedicated task forces focused on preventing abuse of the first-to-file system. Such a unit could be responsible for verifying documents, reviewing suspicious filing patterns, and coordinating with international well-known trademark owners. This measure is important to protect business actors from piracy or opportunistic registrations. Strengthening substantive examination must also take into account the needs of small and medium-sized enterprises (SMEs). Many SMEs lack adequate legal knowledge, making them more vulnerable to losing their trademarks to registrations by other parties.

By providing pre-registration consultations, official guidelines, and basic legal assistance services, DJKI can ensure that system strengthening does not benefit only large corporations but also guarantees justice for all business actors. In the long term, Indonesia may consider harmonizing its system with international standards applied by institutions such as EUIPO or WIPO. Such harmonization includes the use of uniform terminology, consistent examination methods, and cross-border data exchange cooperation. This step would not only strengthen Indonesia's position in global trade but also enhance the credibility of

the national legal system. By keeping pace with global developments, Indonesia's substantive examination system can become more modern and responsive.

Conclusion

The substantive trademark examination system in Indonesia has essentially provided strong legal protection for first registrants (first to file). Through mechanisms that examine similarity in essence as well as overall similarity, the Directorate General of Intellectual Property seeks to ensure that only trademarks that are genuinely original and do not infringe upon the rights of other parties can be registered. This addresses the main issue raised in the introduction regarding how the state guarantees legal certainty for first trademark owners so that they are not disadvantaged by dishonest registrations or by marks that have the potential to cause public confusion.

Nevertheless, the effectiveness of this protection still faces several challenges, such as the lengthy substantive examination process, the limited number of examiners, and the increasing number of disputes arising from similar trademarks that pass the initial examination stage. These conditions indicate that although the legal framework is already adequate, its implementation still requires strengthening, particularly through improving examiner quality, digitizing trademark databases, and enhancing transparency in the examination process. In this way, the primary objective of the system—namely, providing maximum protection for first registrants—can be achieved optimally and remain responsive to the challenges of modern commercial dynamics.

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