

Implementation of the Passing Off Doctrine as a Legal Discovery by Judges in Indonesia

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ABSTRACT

This research aims to provide an overview of the implementation of the passing off doctrine as a legal discovery by judges in Indonesia's trademark dispute litigation process. One of the problems related to brands in Indonesia is piggybacking on the reputation (good name) of a well-known brand, thereby causing deception or misdirection among consumers who want to buy goods or services. This problem is further studied using normative juridical research methods with a conceptual approach. This research concludes that the passing off doctrine has not been accommodated in regulations regarding brands in Indonesia. Even though the doctrine of passing off in Indonesia is unknown, passing off that occurs in Indonesia is usually carried out in the form of business actors imitating well-known registered marks of other parties so that they have similarities in whole or, in essence, to similar goods or services. This confuses or is misleading so that consumers will be mistaken in choosing goods or services that are well known and whose quality is guaranteed (public misleading). Judges can use the passing off doctrine in resolving trademark disputes based on related provisions such as Article 21, paragraph (1) of the Trademark and Geographical Indications Law, Article 15, paragraph (1) of TRIPs, and the Law on Consumer Protection.

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1. INTRODUCTION

A country that can achieve high economic growth is partly supported by large investment flows to the country concerned (Mahadiansar *et al.*, 2021). One form of investment flow is foreign direct investment (FDI), which is an important form of financing (capital) for a country, especially for developing countries and poor countries (Adiastuti, 2011). In 2019, as many as 33 companies from China preferred to invest their capital abroad rather than in Indonesia (Harefa & Alhusain, 2020). Of the 33 companies, 23 preferred to invest in Vietnam, and 10 others chose to invest in Malaysia, Thailand, and Cambodia (Ihsanuddin, 2019). This phenomenon shows the low interest of foreign investors in investing their capital in Indonesia compared to other countries in the ASEAN region. The rate of foreign investment entering Indonesia is still in the lowest position after the Philippines, compared to other ASEAN member countries such as Thailand, Malaysia, Vietnam, and Singapore (Putri *et al.*, 2018).

There are several reasons for investors' low interest in investing in Indonesia, including licensing regulatory issues. One of the efforts taken to create an investment-friendly climate is streamlining regulations. Indonesia's efforts include the ratification of Law Number 11 of 2020 concerning Job Creation (from now on referred to as Law No. 11 of 2020) on November 2, 2020. However, the law was subsequently declared by the Constitutional Court of the Republic of Indonesia to be conditionally unconstitutional. Law No. 11 of 2020 has accommodated regulations supporting ease of doing business, including protecting intellectual property rights. Regulatory factors related to protecting intellectual property rights, especially brands, are considerations for investors when investing capital in Indonesia. Brands are one of the intangible assets foreign investors bring to Indonesia, especially multinational companies that hold the rights to well-known brands spread across several countries.



Well-known brands usually owned by multinational companies closely related to foreign direct investment (FDI) activities cause concern. This concern is the possibility that the brand they own will be adopted by local entrepreneurs in the country receiving the investment (the host country). This will, of course, be detrimental to the original brand holders. These foreign investors will reconsider the security guarantee of this action, commonly known as the passing off action. Therefore, instruments in the field of brand law are an important point in fostering an investment-friendly climate.

Brand protection in Indonesia has been specifically regulated through a legal instrument, Law Number 20 of 2016, concerning Trademarks and Geographical Indications (from now on referred to as Law No. 20 of 2016). However, the implementation of the passing off doctrine is not yet known in the trademark legal regime in Indonesia. This is, of course, a small pebble for Indonesian judges when faced with trademark cases related to copying well-known brands. In fact, based on the principle of *ius curia novit*, judges are considered to know the law. This principle has the consequence that a judge, in carrying out his office, may not reject a case submitted to him because the law does not exist or is unclear. In order to overcome the possibility of a legal vacuum, Law Number 48 of 2009 concerning Judicial Power (from now on referred to as Law No. 48 of 2009) requires judges to explore the values that exist in society in making decisions. In short, this is termed making legal discoveries (*rechtvindings*). Departing from this background, it sparked the author's question regarding how passing off actions are regulated in the trademark legal regime in Indonesia and how the passing off doctrine is implemented as a form of legal discovery by Indonesian judges.

2. METHODOLOGY

The research method used is the normative juridical research method, with the research specifications used in this research being analytical descriptive, where the research results obtained from this research are described in detail, systematically, and comprehensively in relation to the applicable laws and regulations and legal theories to support the resolution of problems, which will then carry out a critical analysis of these problems (Juliani, 2021). These materials are then analyzed qualitatively, and then conclusions are drawn. This research aims to provide an overview of the construction of the passing off doctrine as a legal discovery by judges in the trademark dispute litigation process in Indonesia.

3. RESULTS AND DISCUSSION

3.1. Passing Off Regulations in the Trademark Legal Regime in Indonesia

Discussions regarding brand law in Indonesia are closely related to the smooth increase in trade and investment activities in Indonesian society. Brands are one of the intangible assets for investors who want to invest capital in a host country; in fact, it is not uncommon for these brands to become well-known and spread across several countries. In trade practice, brands are used as a medium to introduce their products to potential buyers so that they have economic value. Trademarks have the function of distinguishing between similar goods and services, as regulated in Article 1, paragraph 1 of Law No. 20 of 2016. However, if a brand has become well known, then this function becomes widespread. Besides functioning as a differentiator for similar goods and services, well-known brands also function as capital (goodwill) in winning increasingly competitive markets. Based on this, it can be concluded that, in principle, the function of a brand is to serve as a distinguishing power between one good or service and another and as a sign to identify the origin of goods and services (an indication of origin). The brand of a good or service can be linked to the producer who produces it so that the responsibility of the producer arises in maintaining and providing guarantees to consumers regarding the quality of the goods and services they produce (a quality assurance) from a brand (Hanak, 1974).

A brand also has a promotional function. If a brand is encouraged with good advertising, it will gain a good image or reputation in the eyes of the public, thereby fostering consumer loyalty for the goods and services produced by the producer. This will certainly make it easier for producers to introduce other new goods or services and also provide a competitive advantage in the market so that the brand is an economic asset for its owner that can generate large profits (Chandra et al., 2020). Brand marketing efforts that are quite extensive and well-known by the public have given rise to many well-known brands.

The level of brand recognition consists of well-known and famous brands. A well-known brand is a type of brand that has a high reputation in the market. This type of brand has a dazzling and attractive radiant power and a higher degree than ordinary brands. Meanwhile, a famous brand (famous mark) is a brand that is so famous throughout the world that it has resulted in its reputation being classified as a "world aristocratic brand". This has the effect that goods under this brand will immediately

create a touch of familiarity and mythical context for all levels of consumers (Nugroho et al., 2016). International Trademark Association (INTA) defines a well-known brand as “a famous or well-known mark is a trademark that, in view of its widespread reputation or recognition, may enjoy broader protection than an ordinary mark” (INTA, n.d., para 1). A brand can be said to be a well-known brand, namely by referring to the limitations regulated in the Elucidation to Article 21, paragraph (1) letter b of Law no. 20 of 2016, namely: general knowledge of the public regarding the brand in the relevant business field; a well-known brand reputation obtained due to intensive and massive promotion; investments in several countries in the world carried out by the owner; and well-known marks can be proven by proof of mark registration in several countries.

This well-known brand has a very good reputation, which increases sales value; therefore, the famous brand becomes a high-value wealth asset that can bring large profits to the brand owner at any time. This causes well-known brands to have a big potential risk of becoming targets for dishonest profit-seeking exploitation by entrepreneurs or traders by counterfeiting or imitating the famous brand (Roisah & Setiyono, 2019). Trademarks, which are basically used to preserve the uniqueness or distinctive character of a sign, are actually misused by competitors by reducing the privileges of a well-known trademark.

Facing this phenomenon, the intellectual property legal regime recognizes the concept of “dilution trademark”. This doctrine provides protection for the distinctive character of well-known brands from unauthorized commercial use, which can reduce their uniqueness and damage their reputation (Fajar et al., 2018). However, it is still unfortunate that the trademark legal regime in Indonesia has not yet accommodated the concept of trademark dilution. The Black Law Dictionary defines the concept of trademark dilution as a decrease in the value of a brand (differentiating power or uniqueness) in the form of blurring or tarnishing. A well-known brand that has delivered success and a high reputation for a company (goodwill) in an increasingly competitive market. Often, these well-known brands become targets that tempt other parties with bad intentions to ride on their fame in ways that violate business ethics, legal norms, and decency. This practice, which is intended to gain instant profits, thereby causing deception and misdirection among consumers, is known as the passing off doctrine. Trademark dilution is defined as the unauthorized use of a brand by reducing the uniqueness or distinctive character of a well-known brand (either in the form of obfuscation or contamination) for commercial purposes. So, passing off is the act of piggybacking on the reputation of a well-known brand by misleading or deceiving consumers. Etymologically, passing off comes from the word pass off, which means to use, disappear, or deceive, so passing off means to do it by using some method, omission, or deception. In relation to brands, the passing off doctrine is actually a known institution in the Common Law legal system. Passing off is often interpreted as an act of trying to make a quick profit by riding on a reputation (good name), thereby causing deception or misdirection to consumers who want to buy a good or service.

According to Black's Law Dictionary, passing off is essential (Garner, 2004). The author concludes that passing off is an effort or action by a person or several people who seek to profit from a product that has a well-known brand through shortcuts (piggybacking) and based on bad faith in carrying out their business so as to harm other entrepreneurs and deceive consumers about a real famous brand. Passing off is also seen as an unlawful act under unfair competition laws. This can be called a trademark rights violation (Garner, 2004).

In principle, the passing off doctrine is an institution known by the common law legal system, so its implementation has not been regulated firmly and explicitly in Indonesia, which, in fact, adheres to the civil law legal system. Countries that adhere to the common law legal system include England, the United States, Australia, and New Zealand. Brand violations in the form of passing off that occur in the UK continue to increase. This violation is caused by the brand used by the infringer having a color, shape, or packaging that is similar to the original brand, which makes consumers confused in choosing the product they buy. If the business owner of the original, well-known brand feels aggrieved, they can file a lawsuit. This lawsuit was filed by proving that he was the owner of the infringed brand rights and sold goods or services using similar packaging and colors, thereby confusing and leading consumers astray. In this case, the consumer assumes that the product or service they purchased is the product of the plaintiff, but in fact, the brand is fake.

Meanwhile, the term passing off in Indonesia is still entirely foreign. This is because the Indonesian legal literature does not yet recognize this term. In fact, the implementation of the passing off doctrine is not specifically regulated in Law No. 20 of 2016. Although the passing off doctrine is not well known in Indonesia, it is generally only known as trademark infringement committed against well-known brands, both registered and unregistered. Passing off that occurs in Indonesia is usually carried out in the form of business actors imitating well-known registered brands of other parties so that they have similarities in whole or, in essence, to similar goods or services. This creates confusion or misguidance so that people will be mistaken in choosing goods or services that are well known and whose quality is guaranteed (public misleading).

3.2. Implementation of the Passing Off Doctrine as a Legal Discovery by Judges in Indonesia

The practice of passing off in Indonesia is inevitable. This is proven by the many brands circulating on the market that are indicated as passing off, for example, in the case of the AION and AEON brands. Even though the two marks are essentially the same and are in the same class of goods, both marks still pass mark registration and have rights to the mark. This will risk causing mistakes on the part of consumers in choosing the goods or services they buy and reduce public trust, especially among consumers, in the reputation of the brand because consumers find that the quality of the goods or services they buy is considered not to be the same as usual. The consequences that can arise are that the public, especially consumers, will believe that a product or service is relevant to a product or service originating from the same company or economically deemed to originate from a related company. This will be detrimental to the original brand owner as the owner of the underlying rights. This is because it cannot be guaranteed that the quality of a product or service produced by a third party will pass. The impact will be to reduce the image and decrease the income of the original business owner (brand rights holder).

The problem is that legal formalities in Indonesia do not yet accommodate the rules regarding the passing off doctrine. If a trademark dispute based on passing off is submitted for resolution through litigation, the judge cannot reject the case on the pretext that the law is unclear or does not even exist. This is closely related to the term judges are considered to know the law, better known as the adage “*Ius Curia Novit*,” which in English terminology is also called “court knows the law”. In essence, it gives the judge the authority to interpret the law in making a decision on a legal case that is being examined and will be decided (Iswantoro, 2018). Therefore, judges, as the embodiment of the judicial pillar, are equipped with special authority to be able to create legal norms (judge-made law) through a legal discovery mechanism (*rechtsvinding*). The basis for carrying out this legal discovery is implied in Article 5, paragraph 1 of Law Number 48 of 2009 concerning Judicial Power (hereinafter referred to as Law No. 48 of 2009). Article 5(1) of Law No. 48 of 2009 explains that judges and constitutional justices are obliged to explore, follow, and understand the legal values and sense of justice that exist in society.

In this article, the word ‘explore’ usually means that the law already exists in statutory regulations but is still vague and difficult to apply in concrete cases, so to find the law, you have to try to find it by exploring the legal values that live in society (Manan, 2013). If the law has been found in the excavation, the judge must follow it, understand it, and use it as a basis for his decision so that it is in accordance with the sense of justice that lives in society. The judge’s authority to be able to explore, follow, and understand legal values and a sense of justice in society must, of course, be accompanied by a progressive thinking pattern, spiritual intelligence, and the judge’s intuition in resolving every case he judges. Article 5, paragraph (1) of Law No. 48 of 2009 is the legality of judges making legal discoveries to deal with the possibility of a legal vacuum. Paul Scholten defines “law discovery” as something other than simply the application of rules to events. Sometimes, and even very often, it happens that the rules have to be discovered, either by means of interpretation or by analogy or reflection (Ali, 1996).

Meanwhile, the definition of legal discovery quotes from the opinion of Gadjahmada University Professor Sudikno Mertokusumo, who stated: “*Because the law is incomplete or unclear, the judge must look for the law. He must find the law. He must make discoveries (rechtsvinding)*”. Law enforcement and implementation are the discovery of the law and not just the application of the law. Legal discovery is usually defined as the process of forming a law by judges or other legal officers who are given the task of implementing the law regarding concrete legal events. This is a process of concretization and individualization of general legal regulations (*das sollen*) by remembering certain concrete events (*das sein*; Mertokusumo & Pitlo, 1993).

Based on this, an understanding is obtained that, first, carrying out legal discovery is an effort to find an answer to the question, “*What is the law for a particular event or concrete case in the event that the law does not regulate or does not clearly regulate that matter?*” (Sujono, 2021). Second, legal discovery by judges is actually more accurately understood as a legal need for judges, especially judges in countries that adhere to the civil law legal tradition (Merryman, 1985), as occurred and developed in Continental European countries and countries influenced by this tradition, including Indonesia. This need arises because, on the one hand, it is a remnant of the “legacy” of legislation (Ebenstein, 1960). Judges in civil law countries, in general, have become accustomed to or more familiar with reasoning based on rules (rule-based reasoning) in dealing with concrete cases being tried. Meanwhile, because it turned out that the law was never complete or perfect, the maxim (which was later accepted as a principle) *ius curia novit* developed.

Judges making legal discoveries must really consider various aspects because legal discoveries in court decisions do not rule out the possibility of becoming jurisprudence that is used as a precedent by subsequent judges. Legal findings by judges must be based on the reality that there is truly a legal vacuum and that society needs justice by entrusting the resolution of its problems to the courts and

judges, in line with the opinion of Soejono Koesoemo Sisworo, who stated that the essence of legal discovery is that it is always related to the situation and conditions of society and remains within the legal system environment, (Salman, 2012). The discovery of law as a human work is always preceded by a subjective selection of relevant events and regulations so that the judge must know clearly and definitely about the legal facts of the case he is examining. A judge must consolidate and qualify these events and facts so that concrete events and facts are found. After the judge finds the events and facts objectively, the judge tries to find the law precisely and accurately regarding the events that occurred. If the legal basis proposed by the parties in the case is not complete, then the Panel of Judges, because of their position, can add or complete the legal basis as long as it does not harm the parties in the case as regulated in Article 178 paragraph (1) HIR and Article 189 paragraph (1) R.Bg. Indirectly, legal discovery means reformulating an abstract rule to be applied in a concrete event.

In making legal discoveries, judges can explore legal sources. The source of law is the origin of the law, including regulations that have binding and coercive power, namely regulations which, if violated, will result in firm and real sanctions for the violators (Soeroso, 2009). What is meant by anything (something) are the factors that influence the emergence of law—factors that are the source of the strength for the formal enactment of law, from which the law can be found. Meanwhile, C.S.T. Kansil defines a source of law as anything that gives rise to rules that have coercive power, namely rules that, if violated, result in strict and real sanctions (Kansil, 1982). Even though there are various understandings regarding the definition of legal sources, in general, legal sources are divided into two meanings. The first meaning is to answer the question, “*Why is the law binding?*”. This question can also be formulated as “What is the source (force) of law so that it is binding and obeyed by humans”. The definition of source in this sense is called legal source in the material sense. The word source is also used in another sense, namely to answer the question, “Where do we get or find the legal rules that regulate our lives?”. Sources in this sense of the word are called sources of law in the formal sense. In simple terms, a source of law is anything that can give rise to legal rules and the place where legal rules are found.

According to Van Apeldoorn, sources of law are divided into four types:

- 1) Historical legal sources (*rechtsbron in historisch zin*) are places where we can find law from a historical or historical perspective. Historical legal sources consist of (a) legal sources, which are places where law can be found or known historically, for example, ancient documents or palm leaves, and (b) the source of law from which the legislator takes his law.
- 2) Sources of sociological law (*rechtsbron in sociologisch zin*): These sources are factors that determine the content of positive law, for example, the state of religion, religious views, and culture.
- 3) Sources of philosophical law (*rechtsbron in filosofisch zin*) consist of a source of legal content, namely where the legal content comes from. There are three views that try to answer this question:
 - a. Theocratic view: According to this view, the law comes from God.
 - b. The natural law view: According to this view, the content of law comes from human reason.
 - c. The view of the Historical school: According to this view, the content of law comes from legal awareness. The source of the binding power of the law is why the law has binding power and why we obey the law.
- 4) Formal legal sources: These are legal sources with a certain form that are the basis for the formal enactment of law. So, the source of formal law is the basis for the binding force of regulations so that they are obeyed by the community and by law enforcers. Various sources of formal law include laws, customs, jurisprudence, treaties, agreements, and doctrines (opinions of legal scholars).

Legal sources are used as a reference in making legal discoveries, so judges need certain methods to explore them. Methods in legal discovery include the interpretation method and the legal construction or reasoning method (*redeneerwijzen*). First, the method of legal interpretation occurs when there are statutory provisions that can be directly determined by the concrete events at hand. This method is used in cases where regulations already exist but are not clear enough to be applied to concrete events because there are vague norms (*vague norms*), conflicts between legal norms (antinomy norms), and the uncertainty of statutory regulations (Sutiyoso, 2006).

3.3. Types of Interpretation Methods Known in Legal Discovery Activities

3.3.1. Grammatical (Objective) Interpretation Method

This method consists of interpreting words or terms in legislation in accordance with applicable legal language rules. This grammatical interpretation tries to understand the text of applicable statutory regulations. In general, this grammatical interpretation is used by judges in conjunction with logical

interpretation, namely giving meaning to a legal rule through legal reasoning to apply to text that is vague or unclear (Ibrahim, 2011).

3.3.2. *Authentic Interpretation Method*

This method uses interpretation according to the limitations stated in the regulations themselves, which are usually placed in the explanation section (*memorie van toelichting*), the formulation of general provisions, or in one of the other article formulations.

Teleological (Sociological) Interpretation Method

This method uses the interpretation of laws in accordance with the purpose of their formation. Judges, in using this teleological interpretation, must see that statutory regulation is adapted to a new social situation so that the statutory provisions are not only seen textually but are also seen contextually. Systematic (logical) Interpretation Method, namely, a method of interpreting statutory regulations by connecting them with other regulations in the entire legal system. This systematic interpretation applies the principle that a country's laws and regulations constitute a complete system so that one and the other must be interrelated and consistent. Thus, when interpreting laws and regulations, it must not depart from or deviate from a country's legal system (Rifa'i, 2010).

3.3.3. *Historical (Subjective) Interpretation Method*

This is a method of interpreting the meaning of laws according to their occurrence by researching history, both the history of the law and the history of the occurrence of laws, or, in other words, historical interpretation includes the interpretation of the history of laws (*wet historic*) and its legal history (*recht hishistoricht*). Interpretation according to the history of the law (*wethistorich*), namely looking for the meaning of the legislation as seen by the legislator when the law was formed. Legal historical interpretation (historical research) is an interpretation method that understands laws in their legal historical context. The comparative interpretation method involves interpreting regulations in another legal system. The other legal system referred to here could be the legal regulations of another country.

3.3.4. *The Featureistic (Anticipatory) Interpretation Method*

This is a method of anticipatory legal discovery that is an explanation of statutory provisions that do not yet have legal force. In other words, futuristic interpretation is a method of anticipatory legal discovery, namely explaining the current legal regulations (*ius constitutum*) based on future or envisioned legislative provisions (*ius constituendum*).

3.3.5. *Restrictive Interpretation Method*

This is an interpretation method that limits or narrows the meaning of a rule. Restrictive interpretation is used to explain a statutory provision where the scope of the provision is limited by starting from its meaning according to the language. Extensive Interpretation Method, namely, an interpretation method that makes an interpretation exceed the usual limits carried out through grammatical interpretation. Extensive interpretation is used to explain a statutory provision by going beyond the limits provided by grammatical interpretation.

3.3.6. *Interdisciplinary Interpretation Method*

This interpretation method is used by judges when they face cases involving various legal disciplines. The multidisciplinary interpretation method, namely the interpretation method used by judges in handling a case by considering various scientific studies outside of legal science. In this case, judges need the help of various fields of knowledge to verify a case and make a fair decision. In practice, when carrying out this multidisciplinary interpretation, judges will bring in experts or expert witnesses from various disciplines related to the case being handled.

Second, the legal construction method occurs if there are no statutory provisions that can be directly applied to the legal problem being faced or if the regulations do not exist, so there is a legal vacuum (*recht vacuum*) or a legal vacuum (*wet vacuum*). To fill the gaps in the law, the judge used his logical reasoning to further develop the text of the law. Judges no longer adhere to the sound of the text, but judges do not ignore the principles of law as a system. The legal construction method aims to ensure that the judge's decisions in the concrete events they handle can fulfill the community's sense of justice and provide benefits (Hamidi, 2011).

3.4. *Types of Construction Methods Known in Legal Discovery Activities*

3.4.1. *Analogy Method (Argumentum per Analogium)*

The analogy method is a method of legal discovery by which the judge looks for the more general essence of a legal event or legal act, whether regulated by law or not yet regulated. Using the analogy

method, similar or similar events regulated in the law are treated the same. The method of discovering law by analogy occurs by abstracting the principle of a provision and then applying this principle “as if,” extending its applicability to a concrete event for which there is no regulation. Thus, an analogy provides an interpretation of a legal regulation by allusion to the words in the regulation in accordance with its legal principles so that an event that cannot actually be included is then considered to be in accordance with the sound of the regulation.

3.4.2. *Argumentum: Contrario Method*

This method uses construction by abstracting the principle of a provision and then applying that principle with the opposite meaning or purpose to a concrete event for which there is no regulation (Mawar, 2016).

3.4.3. *Method of Legal Narrowing/Refining the Law/Concreting the Law (Rechtsverwijning)*

It is not uncommon for the norms contained in statutory regulations to be too broad and too general in scope, so judges need to narrow the meaning contained in the provisions of the law. The method of narrowing or concretizing the law aims to concretize or narrow down a legal rule that is too abstract, passive, and general so that it can be applied to a particular event (Muwahid, 2017).

On the issue of which method is used by a judge in handling a concrete case, the legislators do not give priority to one method in legal discovery. This means that judges are given the freedom to choose what method is most suitable to handle the case at hand. The judge's authority determines the method of legal discovery. The judge's choice of one method is based on which method is the most convincing and has satisfactory results in handling a case.

This legal discovery could be the answer to the legal vacuum regarding the practice of passing off that occurs in Indonesia. Remember, the practice of passing off carried out by several business actors causes losses for the original brand owner. However, brand legal instruments in Indonesia do not yet accommodate the practice of passing off. This certainly has an impact on the enthusiasm of well-known foreign brand owners to invest in Indonesia. Therefore, if there is a trademark dispute between the person passing it off and the original trademark owner, the judge does not just rely on the text of the law. The law is not perfect and detailed but only provides *algemeene richtlijnen* (general guidelines). Sometimes, the law uses vague terms, and judges have to provide further meaning by providing interpretation. The imperfection of the law gives rise to a *leemten* (legal vacuum), so the judge must formulate it by conducting legal discovery.

Legal discovery as an effort to enforce the law has three basic values, which, according to Gustav Radbruch, must be taken into account. The three basic legal values are legal certainty (*rechtssicherheit*), justice (*gerechtigkeid*), and expediency (*zweckmassigkeit*). In law enforcement efforts, it is hoped that there will be a proportional compromise between these three basic values. However, in practice, this is not as easy as imagined. It is acknowledged that without legal certainty, people do not know what to do, which, in the end, can cause unrest. However, too much emphasis on legal certainty and too much compliance with legal regulations will result in stiffness and do not rule out the possibility of giving rise to a sense of injustice. Whatever happens, the rules are this: they must be obeyed and implemented. Therefore, sometimes laws feel cruel if they are implemented strictly (*lex dura sed tamen scripta*).

3.5. *Passing Off*

Looking back at the main issue of this article, the practice of passing off is actually more familiar in the common law legal system, whereas Indonesia, as a civil law legal system adherent, is not familiar with this term. This can also be seen in Indonesian trademark legal instruments, which do not accommodate the passing off doctrine. This doctrine can be a source of legal discovery for judges in deciding trademark dispute cases related to passing off. Passing off in the common law legal system is known as unfair competition, although it is handled as trademark infringement. The following sections discuss the forms of passing off.

1. Forms of the practice of imitating other trademarks: The bad intention of an entrepreneur in facing market competition is dishonestly using a well-known brand that already exists in his business activities, namely by imitating the famous brand's products. As a result, the brand of the product or service that imitates it will give the impression that it is essentially the same as the original brand that was previously well known. This impression makes consumers assume that the imitation product or service is a product of the original brand that has been guaranteed. His reputation is good.
2. Forms of practice for counterfeiting trademarks: Tight market competition encourages entrepreneurs who have bad intentions to produce goods or services using well-known brands that are widely circulated among the public. This action was carried out without legal rights in the form of permission from the original owner of the famous brand.

3. Other forms of actions that can disrupt the public: This is closely related to the aspect of the nature of the origin of a brand, namely that the place or region of a country can be a strengthening factor to have a good influence on a product or service because that place is known as a producer of quality goods or services.

Based on the explanation above, it can be concluded that passing off can be divided into two types: classical reputational passing off, which occurs when someone gives the impression that their product is someone else's product, and reputation piggybacking in a broad sense (extended passing off), which occurs when someone uses a false description of a product or service that is related to or appears to be related to another person or source from a brand that is already known in Indonesia (Quintina et al., 2009). So, a form of passing off violation involving bad faith in brand rights ownership is an act to gain profit by piggybacking on the reputation of a well-known brand, either classically passing off or extended passing off. This can cause deception or misdirection to consumers regarding the quality of goods or services and be detrimental to producers, resulting in a decrease in sales turnover and income. The aim of the passing off doctrine is, in principle, to protect consumers and business actors (producers) from business practices carried out by other parties in order to gain quick profits by harming or endangering the reputation of the business actor holding the original brand.

The implementation of the passing off doctrine is not specifically regulated in Law No. 20 of 2016, but judges can interpret it implicitly through the provisions of Article 21 paragraph (1), which regulates the rejection of trademark registration applications for marks that are substantially or completely similar to already registered or well-known marks for similar products. Explicitly, this article does not actually explain what equality, in essence or as a whole, is like. It also does not regulate or provide clear boundaries regarding the passing of doctrine.

In principle, the equality terminology as a whole can refer to the provisions of Article 15, paragraph (1) TRIPs, which are intended to protect brands from passing off. This protection is a consequence of participation in international instruments, as in Article 15 paragraph (1) and Article 16 paragraph (1) of TRIPs. Although, in essence, in the TRIPs Agreement, there is no specific explanation regarding the passing off doctrine. The owner of a registered trademark has exclusive rights to such rights. This is to prevent third parties who do not have legal rights from using the trademark in trading activities in the form of dishonest commercial practices, as regulated in Article 39, paragraph (2) TRIPs. This dishonest commercial practice is defined as an act that at least includes acts of breaking promises and the potential for passing off another brand that originates from the fraudulent business competition.

The legal regime for the protection of a well-known brand that experiences passing off can be seen through the provisions of Law No. 8 of 1999 concerning Consumer Protection (hereinafter referred to as Law No. 8 of 1999). Law No. 8 of 1999 is only limited to accommodating protection for consumers who are victims of passing off practices, while protection for business actors (original well-known brand holders) who are victims of this passing off practice has not been fully accommodated (Julianti & Septiovita, 2017). The legal regime for the protection of these business actors in Indonesia analogizes passing them off as an act of fraudulent competition for well-known trademark rights. This is because Indonesian literature does not yet recognize the term passing off, so the rules are still generally regulated in Article 1365 of the Civil Code and Article 378 of the Criminal Code as an unlawful act in business.

4. CONCLUSION

Based on the results of the discussion in this research, the following conclusions can be drawn: The passing off doctrine is, in principle, an institution known by the common law legal system, so its implementation has not been regulated firmly and explicitly in Indonesia, which in fact adheres to the civil law legal system. The implementation of the passing off doctrine is not specifically regulated in Law No. 20 of 2016. Although the passing off doctrine is not well known in Indonesia, it is generally only known as trademark infringement committed against well-known brands, both registered and unregistered. Passing off that occurs in Indonesia is usually carried out in the form of classic reputational passing off, which occurs when someone gives the impression that their product is someone else's product, and reputation piggybacking in a broad sense (extended passing off), which occurs when someone uses a false description of a product or service that is related to or appears to be related to another person or source from a brand that is already known in Indonesia.

The implementation of the passing off doctrine is not specifically regulated in Law No. 20 of 2016, but judges can interpret it implicitly through the provisions of Article 21, paragraph (1), which regulates the rejection of trademark registration applications for marks that are substantially or completely similar to already registered or well-known marks for similar products. Apart from that, to find out the meaning of the phrase "*similarity in essence or in its entirety*". You can use the provisions of

Article 15, paragraph (1) of TRIPs, which basically determine that the mark created must be able to directly differentiate other goods or services of the same type. Trademark registrants must be able to register their marks in accordance with the criteria for trademark registration, namely that the registered mark has clearly visible signs that have distinctive power. In this regard, Law No. 8 of 1999 concerning consumer protection has explicitly regulated the protection of consumers who are victims of the practice of passing off, while the protection of business actors (holders of original, well-known brands) who are victims of the practice of passing off has not been fully accommodated. The legal regime for the protection of these business actors in Indonesia uses the analogy of passing off as an act of fraudulent competition for well-known trademark rights. This is because Indonesian literature does not yet recognize the term passing off, so the rules are still generally regulated in Article 1365 of the Civil Code and Article 378 of the Criminal Code as an unlawful act in business.

CONFLICT OF INTEREST

The authors declare that they do not have any conflict of interest.

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