
Problems of Substantive Justice in Criminal Enforcement of Trademark Ownership Disputes

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ABSTRACT

KATA KUNCI

Substantial Justice;
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Law as an instrument of justice is essentially created to bring certainty to society with the aim of achieving as much justice as possible. However, the existence of Article 1 number 5 of Law Number 20 of 2016 concerning Trademarks and Geographical Indications—which confirms the first to file principle in the protection of trademark rights holders—actually creates a very essential problem in law, namely justice. The first to file principle, which emphasizes the fulfillment of procedural administrative aspects in providing legal protection for trademark rights holders, actually prevents the application of the principle of substantial justice, which is actually the main element in the protection of intellectual property rights. Normative research—which also raises several case examples such as the DKI Jakarta High Court Decision Number 304/PID/2022/PT.DKI—shows that criminal law enforcement in trademark infringement cases often faces difficulties in proving the element of malicious intent, especially when there is evidence of prior use of the trademark by the defendant or when the validity of the registered trademark is disputed. The results of the study indicate that these conditions create legal uncertainty and demonstrate that the current legal system tends to prioritize procedural justice over substantive justice. This study concludes that the criminal enforcement of trademark infringement in Indonesia requires improvements in legal policy, particularly through clearer regulations regarding the elements of malicious intent and the recognition of prior use of trademarks, so that legal protection can be implemented more fairly and provide greater legal certainty for all parties involved.

INTRODUCTION

The economic sector is in essence an important element in the development process in a country. Through this economic sector, efforts to improve the standard of living and quality of life of all citizens can be realized in a directed manner (Nalyvaiko et al. 2023; Okrepilov et al. 2015). The provision of basic needs through trade businesses in a country is one of the important elements in supporting the country's economy. Due to the importance of trade business, especially in providing basic needs of the community, effective protection guarantees are needed so that trade activities in a country can run continuously (Djadjuli, 2018, p. 19). Furthermore, one of the important instruments in ensuring effective protection in the trade sector is the existence of laws that regulate and follow trade actors in a country (Abbott et al. 2021; Eyo-Udo et al. 2025; Gulotty 2020).

The state of Indonesia is none other than a country that recognizes the law as the highest power, so all state affairs held in the state of Indonesia must be based on the basis of law (Widyaningrum & Wijaya, 2023, p. 4382). Legal protection, especially in the trade sector, is an essential element for the creation of healthy trade relations between business actors. Through the existence of a useful, definite and fair law, it is hoped that it can maintain the relationship of rights and obligations between business actors in particular and society in

general (Baumann-Pauly et al. 2017; Dan-Cohen 2016). Legal protection is actually an implementation of the protection of people's economic rights.

One of the economic rights of the community in trade activities can be found in the form of property rights to a trademark which is part of the legal regime of intellectual property rights. Trademark itself is a form of intellectual work that has strategic economic value for the smooth running of the trade business because it is used as a marker of the existence of goods or services traded by business actors (Nugroho et al., 2016, p. 2). In addition to functioning as a marker of the products of the same business actors as the products of other business actors, trademarks also have a function as quality assurance for products that have a good reputation in the community (Fibrianti 2020; Medase et al. 2023; Nikodemska-Wolowik et al. 2021). Furthermore, trademarks as quality assurance make it easier for people to identify products that have a good reputation and those that do not.

Trademarks as a marker of trade business products have high economic value in business activities. This makes trademarks vulnerable to becoming the object of unfavorable trade competition such as piracy, imitation, and unlawful and unauthorized use of the original owner of the trademark in question (Adisumarto, 1990, p. 59). On this basis, the role of law as a protector and regulator of order in business is needed to prevent unfair competition between business actors and consumers (Irvan et al., 2022, p. 1231).

Legal arrangements related to trademarks have been known for a long time, even since 1883 through the existence of the *Paris Convention for the Protection of Industrial Property*, to which Indonesia has been a member since 1976. The development of legal regulations related to trademarks in Indonesia was marked by the beginning of the establishment of Law No. 21 of 1961 concerning Company Trademarks and Trademarks, Law No. 19 of 1992 concerning Trademarks, and Law No. 14 of 1997 concerning Amendments to Law No. 19 of 1992 concerning Trademarks. There was also a modernization of the regulation of trademark rights after the establishment of the *World Trade Organization* in 1995 which then gave birth to the provisions of the *Agreement on Trade Related Aspect of Intellectual Property Rights* (TRIPs) and was the background for the establishment of Law Number 15 of 2001 concerning Trademarks. Furthermore, the development of the times has also led to changes to the provisions of Law Number 15 of 2001 concerning Trademarks which has now been replaced by the enactment of Law Number 20 of 2016 concerning Trademarks and Geographical Indications as a positive law that applies in Indonesia.

The protection of trademark rights holders as regulated in Law Number 20 of 2016 (hereinafter referred to as the Trademark Law) recognizes the *first to file* system as stipulated in the provisions of Article 3 of the Trademark Law. The *first to file* system or often called the constitutive system implies that a trademark can only be obtained after the trademark is registered with the Government (Jened, 2015, p. 16). The first-to-file system according to the Trademark Law has implications for the form of legal protection for business actors who claim a trademark used (Jened, 2015, p. 16). In short, it can be concluded that only business actors who register a certain trademark get guaranteed recognition and legal protection for the trademark that they have registered.

The *first to file* system that protects the first trademark registrant in its regulation is also strengthened with a number of criminal sanctions for business actors who use registered trademarks without the permission of the registered trademark owner. The form of

criminalization in the use of registered trademarks without the permission of the owner has transformed the construction of trademark infringement as a person's civil right into an infringement of public rights. Furthermore, on the basis of the regulation of criminal sanctions in the violation of trademark rights, not a few business actors must face criminal charges for violation of registered trademark rights.

One example of a case of criminalization of the use of registered trademarks can be reviewed through the existence of the West Jakarta District Court Decision Number 597/Pid.B/2022/PN Jkt Brt which has nevertheless been canceled through the Jakarta High Court Decision Number 304/PID/2022/PT. DKI. In the facts of the case in the decision, it was found that the enforcement of criminal law against trademark rights infringement does not necessarily provide legal certainty for the parties to the case. Proof of malicious intent against the act of imitation of a registered trademark as an essential element in the criminal case finds its own complexity which leads to uncertainty about the status of the complainant and the reported party in a trademark infringement case. Furthermore, the uncertainty caused in the enforcement of trademark criminal provisions also results in the fulfillment of justice for the parties, where the fulfillment of substantial rights is part of the fulfillment of human rights for every community (Amir et al. 2025; Sharma et al. 2025; Weatherall 2016).

Several previous studies have discussed trademark protection and law enforcement in Indonesia. Irvan, Akywen, and Balik (2022) examined legal protection for unregistered trademark owners and found that the current system still prioritizes registration-based protection. Nugroho, Santoso, and Mahmudah (2016) analyzed legal protection for famous foreign trademark holders from passing off and highlighted the importance of stronger legal safeguards in trademark disputes. Rahmi Jened (2015) also emphasized that trademark law in the era of global economic integration must not only secure administrative order but also provide real and fair protection for rights holders. However, these studies generally focus on civil protection, registration, and doctrinal aspects of trademark rights. They do not specifically address the problem of **substantive justice in criminal enforcement**, especially where the element of malicious intent collides with the reality of prior use and disputed registration.

Based on this gap, this article offers a specific novelty by examining trademark disputes from the perspective of **substantive justice in criminal law enforcement**. This study does not merely discuss registration or formal trademark ownership, but critically questions whether the criminalization of trademark use under the current **first to file** regime is capable of protecting rights fairly. The novelty of this article lies in its effort to connect trademark law, criminal law principles, and the theory of substantive justice, while using judicial decisions as empirical illustrations of the legal problems arising in practice.

Accordingly, this article focuses on two legal questions: first, what are the problems of criminal law enforcement in handling trademark infringement cases under the Indonesian legal system; and second, what is the ideal legal policy concerning the protection system for trademark rights holders in relation to the fulfillment of substantive rights of the parties in trademark disputes. Through this analysis, the article seeks to demonstrate that criminal enforcement of trademark disputes should not be oriented solely toward procedural legality, but must also ensure substantive justice for all parties involved.

Based on the background described above, this study aims to analyze the problems of criminal law enforcement in handling trademark infringement cases within the Indonesian legal

system and to formulate an ideal legal policy for protecting trademark rights holders in order to achieve substantive justice in trademark disputes. This research is expected to provide both theoretical and practical contributions. Theoretically, it enriches legal studies in the fields of intellectual property and criminal law, particularly regarding the relationship between procedural justice and substantive justice in trademark enforcement. Practically, the findings of this study are expected to offer recommendations for legislators, law enforcement officials, and policy makers in improving the legal framework for trademark protection so that criminal law enforcement can better ensure fairness and legal certainty for all parties involved.

METHODS

The research method used by the author is normative juridical research. In normative law research that examines norms as the subject of the problem, it will depend heavily on approaches and data. The approach needed in normative law research is a qualitative approach because the focus of the problem is the norm, which means that the expected output of normative law research is recommendations related to norms. The recommendation can be in the form of replacing norms, establishing, improving, or repealing legal norms. The research specification used is descriptive analytical. The data collection method is carried out using secondary data through literature studies. The data analysis method used in this study is qualitative juridical analysis and case approach in the West Jakarta District Court Decision Number 597/Pid.B/2022/PN Jkt Brt and the Jakarta High Court Decision Number 304/PID/2022/PT. DKI.

RESULTS AND DISCUSSION

Problems of Criminal Law Enforcement in Handling Trademark Rights Infringement Cases According to the Legal System in Indonesia

In principle, the purpose of criminal law is to protect the interests of individuals or human rights, protecting the interests of society and the state with a harmonious balance of crimes on the one hand and from the arbitrary actions of the ruler on the other (Muladi, 1995, p. 33). In this regard, it can be seen that criminal law actually has two functions, namely the primary function as a means of crime control and the secondary function as a means of regulating social control (Muladi, 1985, p. 16).

Criminal law is considered the *ultimum remedium* or last resort in dispute resolution and is also a residue of other fields of law after those other fields of law are unable to resolve conflicts that arise in society. As for the fact that criminal sanctions are the application of suffering for violators, criminal sanctions can relatively be categorized as a form of human rights violation (Muladi, 1985, p. 16). Furthermore, the determination of an act as a criminal act (criminalization) must be done carefully.

In a simpler understanding, criminal law is the last alternative when the problem of violation of certain rights by members of society can no longer be solved in other ways. Since the sanctions imposed by the criminal law are very severe sanctions, the determination of an act as a criminal act must be proportionate to the crime committed by the person. According to Paul Mudigdo Moeliono, crime is a human act that is a violation of norms, which is perceived to be detrimental, annoying, so it should not be allowed to develop in society by pouring it into the norms of criminal law accompanied by threats of punishment (Widiyanti & Waskita, 1987,

p. 29). Acts that are detrimental and must be eradicated are in line with the definition of crime according to Sutherland, where crime has the meaning of prohibited behavior by the State because of the harm to which the State reacts with punishment as an effort to prevent and eradicate it (Adang, 2010, p. 179).

Sue Titus Reid classifies crime as an intentional act or omission that violates written criminal law or a judge's decision committed by a person who is not a defense or justification and threatened with sanctions by the State as a crime or offense (Zaidan, 2016, p. 11). Evil has several characteristics that can be explained as follows (Zaidan, 2016, p. 11):

- a) Is a violation of criminal law
- b) Crime is an act done deliberately, in this sense a person cannot be punished just because of his thoughts, but there must be an act or omission in acting. Failure to act can also be a crime, if there is a legal obligation to act in certain circumstances, besides that there must also be malicious intent.
- c) Done without any legally recognized defense or justification.
- d) Sanctioned by the State as a crime or offense.

When we associate the existence of trademark imitation as a form of criminal act that violates the provisions of the Trademark Law, it becomes relevant to study more deeply regarding the existence of criminal acts that are referred to as criminal characteristics in theory. Normatively, the existence of trademark imitation is indeed an act of violation of criminal law as regulated in the provisions of Article 100 paragraph (2) of the Trademark Law. This actually does meet the characteristics of crime according to Sue Titus Reid, but in proving that in some cases not all forms of actions that meet the provisions of trademark impersonation become relevant to the characteristics of crime according to Sue Titus Reid's theory.

The element of malicious intent that must exist in a criminal act becomes blurred when the proof against a person who is charged with violating the provisions of Article 100 paragraph (2) of the Trademark Law has a background of an incident that despite the action fulfilling the provisions of Article *a quo*, no malicious intent was found as an accompaniment to his actions. There are also several examples of cases such as the case in the West Jakarta District Court Decision Number 597/Pid.B/2022/PN Jkt Brt which was later canceled through the Jakarta High Court Decision Number 304/PID/2022/PT. A person who directly sells his trademark business products with a brand that resembles a registered trademark belonging to someone else must finally be declared not to have malicious intent in the appeal decision even though he previously had to face a 10-month prison sentence in the court of first instance.

In the facts of the case in the Jakarta High Court Decision Number 304/PID/2022/PT. DKI, the Public Prosecutor's indictment stating that the defendant had violated the provisions of Article 100 paragraph (2) of the Trademark Law because the existence of the defendant's trademark that resembled the complainant's trademark that had previously been registered became irrelevant when it was found that there was a decision to cancel the complainant's trademark which was decided through a Commercial Court Decision at the Central Jakarta District Court with Decision Number 82/Pdt.Sus-Memerk/2021/PN Niaga Jkt Pst. The trademark belongs to the complainant, the judge at the Court of Appeal also considered the factual conditions related to the use for the first time of the trademark design that is the object of the case. Furthermore, although the trademark design had been registered as a trademark of

the complainant, the design of the trademark had been used for the first time by the defendant before the registration by the complainant.

The element of malicious intent as an essential element in a criminal act may not be proven if the conditions accompanying the act classified as a criminal act of trademark impersonation present the fact that there was a first user of a trademark design before the registration of a registered trademark. This condition will empirically lead the enforcement of trademark criminal provisions in an uncertain direction.

The problem of trademark criminal enforcement is none other than related to proving malicious intent that must be investigated against a person with an uncertain status over the ownership rights of a trademark, directly also has implications for uncertainty in handling cases. The characteristics of trademark infringement disputes that are different from other criminal acts such as letter forgery need to be the subject of in-depth review, especially for law enforcement officials.

According to Ronald Coase, law enforcement officials have an obligation to understand the nature of each industry in order to realize legal certainty in law enforcement (Christiawan, 2020, p. 92). A comprehensive introduction to the nature of each industry can prevent civil issues from shifting to the criminal realm where civil law enforcement can be considered more appropriate and effective to resolve trademark impersonation cases.

Ideal legal policy regarding the protection system of trademark rights owners in relation to the fulfillment of substantive rights for the parties to trademark disputes

The problem of criminal law enforcement related to trademark impersonation is a record related to the ineffectiveness of criminal law as a medium for resolving trademark impersonation cases. In fact, the uncertainty that can arise from the enforcement of criminal law, especially the one that has occurred against the defendant in the Jakarta High Court Decision Number 304/PID/2022/PT. DKI also directly illustrates that the legal system for the protection of trademark rights in Indonesia is only oriented towards the fulfillment of mere procedural justice. The fulfillment of substantive justice in the protection of trademark rights is often neglected and even biased when dealing with criminal provisions in the Trademark Law.

In the case in the West Jakarta District Court Decision Number 597/Pid.B/2022/PN Jkt Brt before it was canceled through the Decision of the DKI Jakarta High Court Number 304/PID/2022/PT. It seems clear that Law Enforcement only enforces the provisions of the Trademark Law without delving deeper into the conditions that are actually relevant to invalidate the criminal provisions charged against the defendant. This clearly illustrates that the fulfillment of procedural justice in the enforcement of trademark law is a priority in the enforcement of the Trademark Law compared to the fulfillment of substantive justice.

The criminal provisions of trademark impersonation as regulated in Article 100 paragraph (2) of the Trademark Law grammatically refract the obligation to search for the element of malicious intent which is actually mandatory for every act classified as a criminal act. The absence of additional provisions regarding the exact conditions that can be classified as the fulfillment of malicious intent in trademark impersonation or the conditions that exclude an action from being considered as trademark impersonation in the Trademark Law is a lack of the legal substance of the protection of trademark rights in the Trademark Law.

Like a legal system that is intertwined between the substance, structure, and culture of the law, deficiencies in the substance of the law can result in disturbances and deficiencies in the existing legal structure and culture (Friedman, 2011, p. 33). Legal idealism that places the fulfillment of justice as the ultimate goal of the creation of law can be realized through the existence of legal substances, structures, and cultures that support each other (Friedman, 2011, p. 33).

The ideal legal policy in enforcing the protection of trademark rights holders can be implemented through the improvement of criminal provisions for trademark infringement, especially in acts of imitation of registered trademark rights. The addition of additional provisions related to conditions that exclude acts of trademark imitation such as the existence of proof of the first user of the trademark right (*first to use*) and/or the condition of the existence of a court decision that revokes the trademark rights that have been registered as the object of the case are one of the provisions that can be considered by the lawmakers in order to maintain the creation of legal protection for trademark rights owners from criminal prosecutions that are not based on the general provisions of the penalty.

CONCLUSION

Criminal enforcement of trademark infringement in trademark impersonation cases faces fundamental problems related to proving the element of malicious intent, which is essential for criminalization. The uncertainty arising from the conditions behind the registration of the trademark in question often obscures this element, which must be present for a criminal act. When criminal provisions confront proof that the trademark imitation defendant was the first user of the trademark, uncertainty arises in enforcing registered trademark impersonation cases. Empirically, this illustrates that legal protection for trademark rights holders is oriented only toward procedural justice. In this case, it is necessary to update the substance of regulations on the criminal act of trademark impersonation—related to conditions that exclude imitation acts, such as proof of the first user of the trademark right (*first to use*) and/or a court decision revoking the registered trademark rights in question. These reforms aim solely to fulfill substantive justice in rights protection.

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