

Indonesia: The Constitutional Court has issued a decision to amend provisions on the non-use invalidation action period in the Trademark Law

In brief

On 30 July 2024, the Constitutional Court issued decision No. 144/PUU-XXI/2023, which derives from a judicial review request brought by a local individual who contested the interpretation of Article 74 Paragraphs (1), (2) and (3) of Law No. 20 of 2016 on Trademarks and Geographical Indications ("**Trademark Law**").

The Constitutional Court is a judiciary body entitled to review the interpretation and enforceability of laws and regulations. It may revise provisions in existing laws based on a request if they find them to be unconstitutional. In this case, the Constitutional Court decided to revise the provisions of Article 74 Paragraphs (1) and (2) of the Trademark Law.

Amendment to non-use provisions

Article 74 Paragraph (1) of the Trademark Law stipulates that a trademark registration would become vulnerable to an invalidation action by any interested third parties based on non-use if the registrant has not been using the trademark for three consecutive years from the registration date or the date of its last commercial use. Article 74 Paragraph (2) of the Trademark Law provides exceptions to the non-use action.

Given the Constitutional Court's decision, both articles should now be read as follows:

Original provision of Article 74 Paragraph (1) of the Trademark Law	Amended provision of Article 74 Paragraph (1) of the Trademark Law following the Constitutional Court's decision
<p>"A request for deletion of a registered Trademark may also be filed by an interested third party by filing a lawsuit at the Commercial Court on the grounds that the Trademark is not used for 3 (three) consecutive years in the trade of goods and/or services from the date of registration or last use."</p>	<p>"A request for deletion of a registered Trademark may also be filed by an interested third party by filing a lawsuit to the Commercial Court on the grounds that the Trademark is not used for 5 (five) consecutive years in the trade of goods and/or services from the date of registration or last use."</p>
Original provision of Article 74 Paragraph (2) of the Trademark Law	Amended provision of Article 74 Paragraph (2) of the Trademark Law following the Constitutional Court's decision
<p>"The reason for non-use of a Trademark as referred to in paragraph (1) shall not apply in the case of the existence of:</p> <ul style="list-style-type: none"> a. ... b. ... c. <u>Other similar prohibitions stipulated by Government Regulation</u> 	<p>"The reason for non-use of a Trademark as referred to in paragraph (1) shall not apply in the case of the existence of:</p> <ul style="list-style-type: none"> a. ... b. ... c. Other similar prohibitions, <u>including under force majeure conditions</u> stipulated by Government Regulation

Now, with the issuance of the Constitutional Court decision, the three-year period of non-use has been extended to five years, following the amendment to Article 74 Paragraph (1) of the Trademark Law. Also, Article 74 Paragraph (2) of the Trademark Law now stipulates that non-use action is not applicable in cases of force majeure conditions, which are defined by the Constitutional Court decision to include "*economic and monetary crises, natural disasters or pandemics*".



In the decision, the panel of judges highlighted that provisions in the Trademark Law allowing invalidation based on non-use are still crucial, especially to ensure that registered trademarks will be used in commercial activities, which may support national economic growth.

However, the judges said that the non-use period needs to be adjusted to a maximum of five years under Article 74 Paragraph (1) of the Trademark Law to give sufficient time to trademark owners (including small and medium enterprises) to prepare for their use of trademarks in commercial activities.

The Constitutional Court judges also said that the extension to five years would be in line with the statutory deadline for carrying out a cancellation action against a trademark registration based on similarity to prior trademark registrations, which is five years from the registration date of the trademark subject to cancellation action.

Implementation at the court level

Following the amendment made by the Constitutional Court to Article 74 Paragraphs (1) and (2) of the Trademark Law, the previous provisions under this article theoretically are no longer legally binding, pursuant to Article 57 (1) of Law No. 24 of 2003 as lastly amended by Law No. 7 of 2020 on the Constitutional Court. Moreover, in practice the amendment imposed by the Court may be implemented without requiring legislative changes beforehand. Nevertheless, since the Constitutional Court's decision is quite recent, further monitoring on the court practice would be needed, especially on how the panel of judges at the Commercial Court will assess the non-use cases given the amendment to Article 74 Paragraphs (1) and (2) of the Trademark Law as outlined in the Constitutional Court decision.

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