

## Indonesia: Annual Working Statement and Local Working Obligations for Granted Patents

### In brief

- Since Law No. 65 of 2024 – which amends Law No. 13 of 2016 – came into effect in October 2024, patent holders must submit an Annual Working Statement (*Surat Pernyataan Pelaksanaan Paten di Indonesia*) to the Minister of Law by the end of each calendar year.
- This obligation applies to all granted patents, including those granted prior to the effectiveness of the Law No.65 of 2024. We recommend treating the Annual Working Statement requirement as applicable to the entire granted Indonesian patent portfolio.
- The Annual Working Statement is an administrative disclosure and does not replace the substantive local working or implementing obligation. A granted patent remains exposed to compulsory license risk if it is not implemented within 36 months from its grant date.
- Additional risk may arise from claims asserting that the patent is not being worked or implemented. However, the Patent Law limits standing to bring such actions—typically to a public prosecutor or a party representing the national interest. As a result, this risk tends to surface primarily in public-interest contexts rather than routine commercial disputes.

### The Annual Working Statement requirement

The Directorate General of Intellectual Property (DGIP) has issued a standard Annual Working Statement template, and submissions are currently being accepted through its e-filing system. However, procedural details continue to evolve through practice and further administrative guidance.

The template requires the patent holder to indicate the patent's implementation status and includes an express warning that, if the statement is later proven to be untrue, the statement will be deemed void, and the signatory may be subject to sanctions under prevailing laws and regulations.

At this stage, the Annual Working Statement should be treated as a compliance filing that must accurately reflect internal records and be capable of being substantiated should the patent later become contentious - for example, in licensing negotiations, enforcement matters, government scrutiny, or sector-specific pressure.

### What counts as "implementation" in Indonesia

A common question is what "implementation" means in practice. The current DGIP template recognizes implementation in the following forms: manufacturing (commercialized/not yet commercialized); use of the patented process (commercialized/not yet commercialized); importation and licensing.

**Why this matters:** the Annual Working Statement should not be completed on a "best-guess" basis. Although the implementation categories are broad, they require discipline and internal verification. Where "importation" or "licensing" is selected, the patent holder should be able to substantiate that position with reasonable supporting evidence if it is later questioned.

## Filing procedure – the current DGIP practice; implementing regulation still evolving

While Article 20A refers to submission by the end of each year, current practice discussions suggest that the filing timeline may instead align *with each patent's protection year – in which case, the Annual Working Statement would be submitted together with annuity payments*. Submissions are treated as confidential in practice and are not accessible to the public under current systems.

Until formal rules are issued, a conservative approach is to treat this as an annual compliance obligation and avoid last-minute filing. Notably, Article 20A does not require implementing regulations, meaning the obligation remains fully effective even if no further rules are introduced.

## Compulsory license exposure

As noted above, not submitting an Annual Working Statement does not, by itself, attract a sanction. The more significant commercial exposure arises from compulsory licensing, which may be imposed if a patent is not implemented within 36 months from its grant date. DGIP guidance continues to treat the 36-month period as the point at which third parties may apply for a compulsory license if the patent has not been implemented, subject to ministerial discretion in certain circumstances (including where 36 months is objectively insufficient and the patent holder can substantiate this with evidence).

**Practical implication:** patents granted more than 36 months ago and still classified internally as "not implemented" should be prioritized for implementation planning, licensing strategy, or reassessment of maintenance spend.

## Patent deletion risk exists, but who can file the claim matters

The amended deletion provisions expressly include breach of the implementation obligation as one of the grounds for court-ordered deletion. However, standing to bring such a deletion action is limited; the claim must be filed by a public prosecutor or another party representing the national interest and must be brought before the Commercial Court against the patent holder (or compulsory licensee).

This standing structure explains why deletion risk tends to escalate in public- or national-interest contexts (for example, politically sensitive products or healthcare-access issues), rather than in ordinary competitor disputes.

## How we can assist

We advise clients on patent implementation strategy, Annual Working Statement compliance, compulsory license exposure, and related regulatory risks in Indonesia. Our team can assist in mapping your Indonesian patent portfolio, preparing a defensible Annual Working Statement filing, and developing an implementation strategy for patents approaching or exceeding the 36-month threshold.

## Contact us



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