

Approaches to Trademark Infringement in ASEAN Countries: Analysis of How the Case is Likely to be Decided in Indonesia

Dr. Cita Citrawinda Noerhadi¹

The purpose of the establishment of the Commercial Court is to resolve civil disputes in the field of Intellectual Property Rights (IPR). Settlement of civil disputes to the Commercial Court by special judges are expected to resolve disputes in a timely manner with high fixed honor law enforcement and to be fair and can meet the expectations of society. This paper would describe the Indonesia trademark law and discuss how the courts in Indonesia is likely to decide on the facts of three landmark cases, namely Whirlpool vs Kenwood; L'Oreal SA vs Bellure NV; and Och Ziff Management Europe Limited vs OCH Capital LIP which will focus on trademark owners perception of IPR infringement in Indonesia.

Keywords: Indonesian trademark law, commercial court, intellectual property rights,

I. Introduction

The background development of the legal system in Indonesia cannot be separated from the legal system of civil law or the Continental European system. Because Indonesia has been colonized by the Dutch who implements the European legal system with the principle of concordance in the Dutch East Indies colonies. Even after more than half a century Indonesia became independent, there are many legal provisions Dutch heritage that is still used as positive law. For example, the Criminal Code (Book of the Criminal Justice Act) and HIR (*Het Herziene Inlands Reglement or the Civil Procedure Code*) is heavily influenced by the civil law legal system, namely priority to law and codification of Act or written law as the primary source of law to guarantee the principle of legality and legal certainty. Civil law countries are also used in Vietnam and Thailand.

When Indonesia, Vietnam, and Thailand used civil law legal system, in contrast to Singapore and Malaysia, which used the common law legal system. Singapore and Malaysia inherited the English common law tradi-

¹ IP Consultant at Cita Citrawinda Noerhadi & Associates.

tion. Common law system is characterized from the doctrine of judicial precedent. Under this doctrine, the law continues to be built and developed by judges through the application of legal principles to the facts of particular cases. In this case, the judges are only required to apply the ratio or the reasons that affect the decision of the court took a higher level in the same hierarchy. This is different from civil law systems that do not rely too much on court decisions that have been there before. Common law courts generally take the opposite approach (adversarial approach) in the process of litigation between the parties to the dispute, while the judges from civil law systems tend to take a more active role in the discovery of evidence in deciding the case at hand. Furthermore, in the common law, many legal principles that have been developed by the judges while the judges in civil law systems rely more on the book of laws governing general and complete various fields of law.

All courts in the entire territory of Indonesia are a country of justice and determined under the legislation. Indonesian judicial system can be interpreted as a regular arrangement and interconnected, relating to inspection activities and the termination of the case made by the court, be it courts located within the public courts, religious courts, military courts, and state administrative courts, which based on the views, theories, and principles applicable in the field of justice in Indonesia. Therefore, it can be seen that the judiciary be held in Indonesia is a system that has to do with one another, justice/other court does not stand alone, but rather interconnected and culminated in the Supreme Court.

After the reform, which are very important changes in the justice system in Indonesia, namely the establishment of the Commercial Court to resolve civil disputes in the field of Intellectual Property Rights (IPR). Settlement of civil disputes to the Commercial Court by special judges are expected to resolve disputes in a timely manner with high fixed honor law enforcement and to be fair and can meet the expectations of society. Through the Commercial Court, there is a more definite time frame in settling IPR disputes. It shows that the IPR dispute resolution process in the Commercial Court has reflected an effective judicial system.

In 2010 alone, there had been several landmark decisions from the European Court of Justice which has resulted in confusion as to what the European approach to trademark infringement. In this paper, I would like to give a presentation on what Indonesia trademark law is and discuss how the courts in Indonesia is likely to decide on the facts of three landmark

cases, namely *Whirlpool vs Kenwood*; *L'Oreal SA vs Bellure NV*; and *Och Ziff Management Europe Limited vs OCH Capital LP* which will focus on trademark owners perception of IPR infringement in Indonesia.

II. Background of Cases of “*Whirlpool Vs Kenwood*”, “*L’oreal SA Vs Bellure NV*”; And “*Och Ziff Management Europe Ltd vs OCH Capital LP*”

A. Whirlpool Corp. versus Kenwood Ltd.

In the case of *Whirlpool v. Kenwood*,² *Whirlpool Corporation*, *Whirlpool Properties Inc.*, and *KitchenAid Europa Inc.* (the Claimants) produce and sell kitchen equipment, including a stand mixer called the *KitchenAid Artisan*. This item has been made and sold in the United States since the 1930's, with very little change in the design. It has been introduced to the European market, including the UK, over the past 15 years or so. The *KitchenAid Artisan* is sold for £300 or more. Whirlpool owns a community trade mark registration in class 7 (electric beating and mixing machines) in respect of the shape of the machine, which bears the word ‘KitchenAid’ (the “CTM”). The *KitchenAid Artisan* has the benefit of a Community Trade Mark (CTM), number 2, 174, 761, in class 7: electric beating and mixing machines and attachments for such machines. The registered description on the mark is that “the mark consists of a fanciful electric beating and mixing machine configuration upon which the word KitchenAid appears.” The *KitchenAid Artisan* has also Design Patent in the US.³

In July 2007 Kenwood Ltd. (the Defendant) started selling a stand mixer called the *kMix* but the *KitchenAid Artisan* held a monopoly in the market for stylish, premium priced mixers.⁴ Kenwood, seeking to enter the same market, launched their own *kMix* mixer, which looked similar to the *Artisan*; although there were small differences and the word Kenwood appeared beneath the dial.

Whirlpool has marketed a premium priced stand mixer, the *KitchenAid Artisan*, since the 1930s and in Europe for the past 15 years. Whirlpool's

² <http://www.bailii.org/ew/cases/EWCA/Civ/2009/753.html>.

³ <http://www.lexology.com/library/detail.aspx?g=100054ce-9a53-4dde-aa03-c49d8ac46b26> accessed on November 23, 2011.

⁴ http://www.twobirds.com/English/News/Articles/Pages/Kenwood_escapes_Whirlpool.aspx, accessed on February 20, 2011.

promotion of the Artisan has resulted in “good levels of public awareness among consumers in the UK.”⁵

1. The Facts

The *KitchenAid Artisan* as now sold is substantially similar in its design to a product originally introduced in the US in 1937 and then protected by a US design patent. Whirlpool acquired the KitchenAid business in 1985. The mixer has been called the Artisan since about 2004. It is part of a range of kitchen appliance products. (There may therefore be other items which are known as *KitchenAid Artisan*, but in the judgment only referred to the stand mixer). There may have been sales of the *KitchenAid Artisan* in the UK before 1994, but hard evidence of sales is only available from that date, with sales since then also in France and Germany, and to a lesser extent in Italy, the Netherlands, Austria and Belgium. Promotion of the *KitchenAid Artisan* has been through in-store, point of sale, online and public relations promotions rather than by paid-for press or television advertising.

Kenwood is known as a major manufacturer of kitchen appliances sold in the UK and elsewhere. Until the introduction of the *kMix*, however, Kenwood did not sell a mixer characterized by a high standard of design and a correspondingly high retail price, as the *KitchenAid Artisan* is. Whirlpool had alleged that the *kMix* was intended to compete directly with the *KitchenAid Artisan* in terms of price and target market, but not that it was actually designed to deceive or mislead people. Nor did Whirlpool make any other relevant allegation as regards Kenwood’s intentions in respect of the design of the *kMix*.

2. Court Decided

- a. Although there was enough similarity between the two shape marks to remind people of the other, Kenwood did not infringe Whirlpool’s shape mark because:
- b. There was no likelihood of confusion, at any stage, on the part of a relevant average consumer.
- c. The average consumer would not make assumptions about the origin of the product based on looking at the shape of the product alone. The consumers would make the effort to determine the

⁵ http://www.twobirds.com/English/News/Articles/Pages/Kenwood_escapes_Whirlpool.aspx, accessed on February 20, 2011.

promotion of the Artisan has resulted in “good levels of public awareness among consumers in the UK.”⁵

1. The Facts

The *KitchenAid Artisan* as now sold is substantially similar in its design to a product originally introduced in the US in 1937 and then protected by a US design patent. Whirlpool acquired the KitchenAid business in 1985. The mixer has been called the Artisan since about 2004. It is part of a range of kitchen appliance products. (There may therefore be other items which are known as *KitchenAid Artisan*, but in the judgment only referred to the stand mixer). There may have been sales of the *KitchenAid Artisan* in the UK before 1994, but hard evidence of sales is only available from that date, with sales since then also in France and Germany, and to a lesser extent in Italy, the Netherlands, Austria and Belgium. Promotion of the *KitchenAid Artisan* has been through in-store, point of sale, online and public relations promotions rather than by paid-for press or television advertising.

Kenwood is known as a major manufacturer of kitchen appliances sold in the UK and elsewhere. Until the introduction of the *kMix*, however, Kenwood did not sell a mixer characterized by a high standard of design and a correspondingly high retail price, as the *KitchenAid Artisan* is. Whirlpool had alleged that the *kMix* was intended to compete directly with the *KitchenAid Artisan* in terms of price and target market, but not that it was actually designed to deceive or mislead people. Nor did Whirlpool make any other relevant allegation as regards Kenwood’s intentions in respect of the design of the *kMix*.

2. Court Decided

- a. Although there was enough similarity between the two shape marks to remind people of the other, Kenwood did not infringe Whirlpool’s shape mark because:
- b. There was no likelihood of confusion, at any stage, on the part of a relevant average consumer.
- c. The average consumer would not make assumptions about the origin of the product based on looking at the shape of the product alone. The consumers would make the effort to determine the

⁵ http://www.twobirds.com/English/News/Articles/Pages/Kenwood_escapes_Whirlpool.aspx, accessed on February 20, 2011.

brand of the product (e.g. Kenwood label on the product).

3. Unfair Advantage

- a. Kenwood did not infringe Whirlpool's marks because Whirlpool failed to show that Kenwood had taken unfair advantage of Whirlpool's shape marks.

The claim for 'unfair advantage' was not made out because:

- 1) Kenwood did not intend to take unfair advantage of the reputation/distinctive character of Whirlpool's shape marks:
 - a) Kenwood had established its own goodwill in small domestic appliances;
 - b) Kenwood had intended to develop its own established goodwill and reputation for the *kMix* kitchen mixer; and
 - c) Even if Kenwood entered into the market to compete against Whirlpool, that was not in itself sinister.
- 2) Whirlpool failed to show that Kenwood had taken any advantage - the relevant consumers would be able to differentiate the *KitchenAid Artisan* with the *kMix* kitchen mixer.
- 3) Even if Kenwood had taken advantage of the reputation of Whirlpool's shape marks, the advantage taken was not 'unfair'.
- b. Therefore, Whirlpool could not prevent Kenwood from adopting the *kMix* shape mark.
- c. The Court will undertake a global assessment approach in determining whether the use of a sign takes unfair advantage of the distinctive character of the mark.
- d. The relevant factors to be considered in the global assessment approach include: (a) the strength of the mark's reputation and (b) the degree of similarity between the marks.
- e. Since Whirlpool's mark consists of the shape of the product itself, it was not strongly distinctive, and the Court was reluctant to allow the claim for unfair advantage.

4. The Issues

The issues of fact were, first, whether the shape of the *KitchenAid Artisan* was sufficiently distinctive to function as an indication of trade of origin in relation to the average consumer,⁶ secondly, if so, whether

6 http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid

the shape of the *kMix* was sufficiently similar to that of the *KitchenAid Artisan* for the necessary link to be established between the CTM and the sign consisting of the shape of the *kMix*, in the mind of the average consumer, and thirdly, whether, if so, the sale of the *kMix* with that shape, and without further differentiation from the *KitchenAid Artisan*, amounted to either or both of taking unfair advantage of the distinctive character or repute of the CTM, or causing detriment to that distinctive character or repute.

B. L'Oreal SA versus Bellure NV

L'Oreal SA, Lancome parfums et beaute & Cie SNC and Laboratoire Garnier & Cie (together 'L'Oreal and Others' as the Claimants)⁷ are members of the L'Oreal group, which produces and markets fine fragrances. In the United Kingdom, they are proprietors of the following well-known trade marks, which are registered for perfumes and other fragrance products, namely: the *Tresor* perfume marks; the word mark *Tresor* ('the *Tresor* word mark'); the word and figurative mark consisting of a representation of the *Tresor* perfume bottle, viewed from the front and the side, showing, in particular, the word '*Tresor*' ('the *Tresor* bottle mark'); the word and figurative consisting of a representation of the packaging in which that bottle is marketed, viewed from the front, showing, in particular, the name *Tresor* ('the *Tresor* packaging mark'), the *Miracle* perfume marks; the word mark *Miracle* ('the *Miracle* word mark'); the word and figurative mark consisting of a representation of the *Miracle* perfume bottle, viewed from the front, showing, in particular, the word '*Miracle*' ('the *Miracle* bottle mark'); the word and figurative mark consisting of a representation of the *Miracle* perfume bottle, viewed from the front, showing, in particular, the word '*Miracle*' ('the *Miracle* bottle mark'); the word and figurative mark consisting of a representation of the packaging in which the *Miracle* perfume bottle is marketed, viewed from the front, showing, in particular, the word '*Miracle*' ('the *Miracle* packaging mark'); the word mark *Anais-Anais*; the *Noa* perfume marks; the word mark *Noa Noa*; and the word and figurative marks consisting of the word '*Noa*' in a stylized form.⁸

pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.

⁷ <http://www.bailii.org/eu/cases/EUECJ/2009/C48707.html>, accessed on February 18, 2011

⁸ <http://www.bailii.org/ew/cases/EWCA/Civ/2010/535.html>, accessed on Febru-

In the United Kingdom, Malaika and Starion market imitations of fine fragrances as the 'Creation Lamis' range. Starion also markets imitations of fine fragrances as the "Dorall" and 'Stitch' ranges. The 'Creation Lamis' and 'Dorall' ranges are produced by Bellure. The "Creation Lamis" range comprises, in particular, the *La Valeur* perfume, which is an imitation of the *Tresor* perfume, with the bottle and packaging in which it is sold being generally similar in appearance to those of the *Tresor* brand. It is also comprises the *Pink Wonder* perfume, which is an imitation of the *Miracle* perfume, with the bottle and packaging in which it is sold being generally similar in appearance to those of the *Miracle* brand. The 'Dorall' range comprises, in particular, the *Coffret d'Or* perfume, which is an imitation of the *Tresor* perfume, with the bottle and packaging in which it is sold being slightly similar in appearance to those of the *Tresor* brand. The packaging in which the 'Stitch' range is sold is basic in appearance and bears no resemblance to the bottles and packaging of the fragrance marketed by L'Oreal and Others.

1. The Facts

Bellure NV, Malaika Investments Ltd, and Starion International Ltd (the Defendants) have three ranges of products called *Stitch*, *Creation Lamis* and *Dorall*. Each member of the range smells like a famous, luxury branded perfume known by a well-known registered trade mark. L'Oreal alleges that the defendants' use of comparison lists for each of the defendants' ranges of product, showing which products correspond to which L'Oreal perfume, infringed its registered trade marks for those perfumes. Originally it also contended that some of the packaging used for the *Creation Lamis* and *Dorall* ranges also infringed other registered trade marks. No complaint was made about the packaging of the *Stitch* range.

1st Claim: L'Oreal claimed that Defendant had infringed their trade mark rights by selling the imitation fragrances in bottles and packaging similar to theirs.

2nd Claim:

- a. The Defendants used "comparison lists" provided to retailers, which compared the imitation fragrance with the original fragrance.
- b. The Plaintiffs claimed that the use of such 'comparison lists' con-

stituted an infringement of their rights pertaining to some of their words marks (e.g. Miracle).

2. Comparison Lists

The court held, *inter alia*, that the use of the 'comparison lists' was an infringement of the proprietor's trade mark rights because:

- a. The use of the comparison lists was for advertising which goes beyond 'purely descriptive' use; and
- b. Such use affected the communication, advertising and investment functions of L'Oreal's marks.

3. L'Oreal's Bottles and Packaging

The court held, *inter alia*, that Bellure had taken unfair advantage of L'Oreal's figurative and word marks because:

- a. Bellure had obtained an advantage arising from the use of an identical or similar sign as the L'Oreal's marks; and
- b. Bellure had intended to take advantage of the reputation/distinctive character of the L'Oreal's marks by using similar packaging and bottles as those of the L'Oreal's fragrances.

4. The Issues

The issues of fact were, first, does the use of the registered marks on and in relation to the comparison lists fall within Article 5 (1)(a)? Secondly, if so, does that use comply with the Comparative Advertising Directive?, and thirdly, if so, does that use infringe those Arts?

C. Och Ziff Management Europe Ltd. versus OCH Capital LIP

Och-Ziff succeeded in its claims against OCH Capital for passing off and trade mark infringement under Art. 9(1)(b). Its claims under Art. 9(1)(a) and Art. 9(1)(c) failed, as did OCH Capital's counterclaim that the marks were invalid. Och-Ziff, an asset management group, was the proprietor of the Community trademarks, OCH-ZIF and OCH registered in Classes 9, 16 and 36, *inter alia* for financial services.⁹ Och-Ziff contended that OCH Capital, an investment management business established by Mr Ochocki, had infringed its marks by using six different signs featuring the letters "OCH" and also that this constituted passing off. OCH Capital contended

⁹ <http://www.bloomberg.com/news/2010-10-20/och-ziff-wins-u-k-lawsuit-against-london-firm-och-capital-over-name-use.html>

that the name OCH Capital was intended to be, and was, vocalized as “Oh-See-Aitch Capital” whereas Och-Ziff was pronounced “Ock-Ziff”.¹⁰

1. The Facts

Och-Ziff (a leading global asset management group) alleged that “OCH Capital” had infringed two community registrations for the trade marks “OCH-ZIFF” (classes 9, 16 and 36, applied January 18, 2008, registered on February 13, 2009) and “OCH” (classes 9, 16 and 36, applied on October 28, 2010, registered on June 8, 2010) by use of the sign ‘OCH Capital’, and variants thereof, and has committed passing off. Och-Ziff further alleges that the Second and Third Defendants (“Union” and “Mr. Ochocki”) are jointly liable with OCH Capital. The Defendants deny infringement and passing off. OCH Capital counterclaims for a declaration that the “OCH” Trade Mark (not the OCH-ZIFF Trade Mark) is invalid.

OCH Capital counterclaimed that the “OCH” mark was invalid on the basis that Och-Ziff had acted in bad faith for the purposes of Art. 52(1)(b). The application had been made after Och-Ziff became aware of OCH Capital and to assist in its planned action against OCH Capital; but the defendant accepted that this did not in itself constitute bad faith. The allegation of bad faith arose from the fact that Och-Ziff would have appreciated that the registration would cover both the name “Och” and the three letters “OCH” when used as an acronym. The Court held that the fact that OCH has a potential dual significance did not make it illegitimate for Och-Ziff to seek to register it as a trade mark. Och-Ziff had a perfectly legitimate interest in seeking to monopolize the use of OCH in relation to financial services.¹¹

2. The Issues

The issues of fact were, first, whether OCH Capital has infringed two community registrations for the trade marks ‘OCH-ZIFF’ and ‘OCH’ belonging to Och-Ziff by use of the sign ‘OCH Capital’, and variants thereof, and has committed passing off. secondly, whether the mark “OCH” can be categorized as an invalid registered mark.

¹⁰ http://www.twobirds.com/English/News/Articles/Pages/TM_Infringement_IIC_Aspx

¹¹ http://www.twobirds.com/English/News/Articles/Pages/TM_Infringement_IIC_Aspx,validity

III. Analysis of Cases Based on Indonesian Intellectual Property Law

A. Whirlpool vs Kenwood

In the case of *Whirlpool vs Kenwood*,¹² the issue is whether the shape of the *KitchenAid Artisan* is sufficiently distinctive to function as an indication of trade origin in relation to the average consumer.¹³ The shape of the *KitchenAid Artisan* is sufficiently distinctive to function as an indication of trade origin in relation to the average consumers.

Trade Mark Law No. 15 of 2001 cannot be applied based on there is no similarity in its essential part or in its entirety between the marks “*kMix*” and “the *Kitchen Aid Artisan*” for mixer product. Therefore, no likelihood of confusion, no trademarks infringement. Trademark Law No. 15 of 2001 does not govern any protection to the product shape of the goods. Since the issue in this case is the shape of the stand mixer having similarity in appearance, essential form, the same color of red, and its almond and white.

The second issue is whether the shape of the “*kMix*” is sufficiently similar to that of the “*KitchenAid Artisan*” for the necessary link to be established between the CTM and the sign consisting of the shape of the “*kMix*”, in the mind of the average consumer.¹⁴ The shapes of the mixer of “*kMix*” is sufficiently similar to the mixer of the “*KitchenAid Artisan*”; therefore, there is an infringement of industrial design based on Art. 54 par (1) of Industrial Design Law No. 31 of 2001. Art.54 states that any person who deliberately and without rights commits any acts as referred to in Art. 9 shall be sentenced to imprisonment of at most 4 (four) years and/or a fine of at most Rp300,000,000.00 (three hundred million rupiahs).

Art. 3 of Industrial Designs Law No. 31 of 2000 states that as the Right Holder to Industrial Design, Whirlpool Corporation shall have the exclusive right to exploit its Industrial Design and to prohibit Kenwood who without the consent of Whirlpool Corporation make, use, sell, import,

¹² <http://www.bailii.org/ew/cases/EWCA/Civ/2009/753.html>, accessed on February 21, 2011.

¹³ http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.

¹⁴ http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.

Art. 3 of Industrial Designs Law No. 31 of 2000 states that as the Right Holder to Industrial Design, Whirlpool Corporation shall have the exclusive right to exploit its Industrial Design and to prohibit Kenwood who without the consent of Whirlpool Corporation make, use, sell, import, export and/or distribute the products that have been granted the Right to the Industrial Design.

The third issue is whether the sale of the “*kMix*” with that shape, and without further differentiation from the “*KitchenAid Artisan*”, amounted to either or both of taking unfair advantage of the distinctive character or repute of the CTM, or causing detriment to that distinctive character or repute.¹⁵

As the right holder of the product shape of the design for the stand mixer, Whirlpool can take civil lawsuit to obtain legal damages based on Art. 46 of Design Law 2000 which stipulates that the right holder to industrial design or the licensee may bring a lawsuit against any person who deliberately without rights commits acts (make, use, sell, import, export, and/or distribute), in the form of claim for damages and the ceasing of all acts (make, use, sell, import, export, and/or distribute) and criminal lawsuit based on Art.54 of Design Law which stipulates that any person who deliberately and without rights commits any acts as referred to in Art. 9 shall be sentenced to imprisonment of at most 4 (four) years and/or a fine of at most Rp300,000,000.00 (three hundred million rupiahs).

The issue in this case deals with the similarity of a shape of the product having similarity of appearance between two mixer products; therefore, the Industrial Design Law is applied.

Art. 1 (1) of Industrial Designs Law No. 31 of 2000 states that Industrial Design shall mean a creation on the shape, configuration, or the composition of lines or colors, or lines and colors, or the combination thereof in a three or two dimensional form which gives aesthetics impression and can be realized in a three or two dimensional pattern and used to produce a product, goods, or in industrial commodity and a handy craft, therefore, since there is similarity in the shape of the stand mixer of *kMix* and *KitchenAid Artisan*. The use of the same shape for stand mixer belonging to

¹⁵ http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.

Whirlpool Corporation by Kenwood constitutes unfair competition; therefore, violates of Art. 54 of Design Law.

B. The case of L'Oreal SA vs Bellure NV

The issues in this case are whether Bellure's use of the names (which were registered as word marks) of L'oreals perfumes in its comparison lists provided to their retailers constituted an infringement.; and whether the imitation of the bottles and packaging of Bellure products and the sale of perfumes in that packaging constitute an infringement of the rights pertaining to "Tresor" and "Miracle" word marks, the Miracle bottle mark and the Miracle packaging mark.

Bellure's use of the names (registered as word marks) of L'Oreal perfumes in its comparison lists provided to their retailers constituted an infringement. The similarity between those marks in the comparison lists and the products marketed by Bellure were created intentionally in order to create an association in the mind of the public between fine fragrances and their imitations, with the aim of facilitating the marketing of those imitations. The use of the comparison lists is regarded as unfair competition based on Art. 382bis of the Criminal Code and violate of Art. 1365 of Civil Code.

Art. 91 of Law No. 15 of 2001 concerning Trademarks stipulates as follows:

"Any person who deliberately and without right uses a Mark which is similar in its essential part to a registered Mark of another party for the same kind of goods and/or services produced and/or traded shall be sentenced to imprisonment for a maximum period of 4 (four) years and a fine of a maximum amount of Rp. 800,000,000.00 (eight hundred million rupiahs)."

Whether the imitation of the bottles and packaging of Bellure products and the sale of perfumes in that packaging constituted an infringement of the rights pertaining to L'Oreal marks. The imitation of the bottles of Bellure products violates Industrial Design Law. The imitation of packaging of Bellure products and the sale of perfumes in that packaging do not constitute an infringement on trade marks as it does not present perfumes as imitations or replicas of perfumes bearing the protected trade mark be-

longing to L'Oreal. However, it is unfair competition based on Art. 382*bis* of Criminal Code.¹⁶

Whether the use of the comparison lists by Malaika and Starion which provided to their retailers constituted an infringement of the rights pertaining to trade marks *Tresor*, *Miracle*, *Anais-Anais* and *Noa*, *Noa* word and figurative marks. The use of the comparison lists does not constitute an infringement of trade mark rights belonging to L'oreal; however, it is regarded as unfair competition due to Malaika and Starion obtain a commercial advantage from the use of the comparison list based on Art. 382*bis* Criminal Code and Art. 1365 of Civil Code.

The similarity between those marks in the comparison lists and the products marketed by Malaika and Starion were created intentionally in order to create an association in the mind of the public between fine fragrances and their imitations, with the aim of facilitating the marketing of those imitations. There is a likelihood of confusion of consumers about the source of the perfumes products.

C. Och Ziff Management Europe Ltd vs OCH Capital LIP

OCH Capital has infringed two community registrations for the trade marks "OCH-ZIFF" and "OCH" belonging to Och-Ziff by the word of OCH Capital belonging to Och Capital since there is basic similarity between the both marks as stipulates under Article 6 *jo* Art 91 of Trademark Law, OCH Capital has infringed two community registrations for trade-marks "OCH-ZIF" and "OCH" belonging to Och-Ziff Management by use of the sign OCH;

There is a basic similarity between registered trademarks OCH & Och-Ziff belonging to Och-Ziff Management and OCH CAPITAL belonging to OCH Capital. The use of "OCH" trade mark by Och-Ziff Management is in the context of commercial activity with as view to economic advantage. Therefore, OCH Capital has infringed the registered mark "OCH-ZIFF" and "OCH" belonging to Och-Ziff Management, based on Art. 91 of Trademark Law which states that:

¹⁶ Article 382*bis* of Penal Code stipulates that "Anyone who obtains, depends, or develops the result of trade or the result of one's or other's factory, makes fraudulent acts to mislead public or certain individual, if such acts result in damages to one's or other's competitors, taken into criminal charge due to his fault making improper competition, and being criminal charged for not more than one year four months imprisonment or fine of not more than thirteen thousand five hundred rupiah."

"Any persons who deliberately and without right uses a Mark which is similar in its essential part to a registered Mark of another party for the same kind of goods and/ or services produced and/ or traded shall be sentenced to imprisonment for a maximum period of 4 (four) years and/ or a fine of a maximum amount of Rp 800,000,000.00 (eight hundred million rupiahs)."

Och-Ziff Management has an exclusive right on "OCH" trade mark. Art. 3 stipulates that "the right to a Mark is the exclusive right granted by the State to the owner of a Mark which is registered in the General Register of Marks for a certain period of time, to himself use said Mark or to grant permission to another party to use it."

There will be a likelihood of confusion on the consumers, includes the likelihood of the association of the sign of the mark which is in relation to the financial services and cause unfair advantage of the "OCH-ZIFF" mark. Based on Art. 76. of Trademark Law, Och-Ziff may file a lawsuit against Och Capital that unlawfully uses "OCH CAPITAL" trade mark for services which has similarity in its essential part with "OCH" trade mark in the form of claim for compensation, and/or the termination of all acts that are related to the use of the relevant Mark.

OCH Capital has infringed two community registrations for the trade marks OCH-ZIFF and OCH belonging to Och-Ziff by the word of OCH Capital belonging to Och Capital since there is basic similarity between the both marks as stipulates under Art. 6 *jo* Art. 91 of Trademark Law OCH Capital has infringed two community registrations for trademarks OCH-ZIFF and OCH belonging to Och-Ziff Management by use of the sign OCH;

Och-Ziff Management has an exclusive right on "OCH" trade mark. Art. 3 states that "the right to a Mark is the exclusive right granted by the State to the owner of a Mark which is registered in the General Register of Marks for a certain period of time, to himself use said Mark or to grant permission to another party to use it."

The Defendants' attack on the validity of the OCH Trade Mark based on the ground that Och-Ziff Management had acted in bad faith. Art. 68 of Trade Mark Law No. 15 of 2001 states that 'a lawsuit for a cancellation of a registered Mark may be filed by any interested party based on the grounds as referred to Art. 4, Art.5 or Art. 6. Art. 4 of Trade Mark Law No. 15 of 2001 states that 'a Mark shall not be registered on the basis of an application by an applicant having bad faith'. Och-Ziff Management did

not constitute bad faith by registering the OCH trade mark in relation to financial services as they had a legitimate to the OCH trademark right to protect the name OCH; therefore, Art. 4 claim is not enough to constitute bad faith. Therefore, the registered mark of OCH belonging to Och-Ziff Management cannot be considered invalid

IV. Conclusion

A. Whirlpool versus Kenwood

The two shapes have enough in common for the one to remind relevant average consumers of the other, while not causing even confusion as to trade origin. Trade Mark Law No. 15 of 2001 cannot be applied based on; there is no similarity in its essential part or in its entirety between the marks "*kMix*" and "*the Kitchen Aid Artisan*" for mixer product. Therefore, no likelihood of confusion, no trademarks infringement.

Trademark Law No. 15 of 2001 does not govern any protection to the product shape of the goods. Since the issue in this case is the shape of the stand mixer having similarity in appearance, essential form, the same color of red, and its almond and white.

The shapes of the mixer of *kMix* is sufficiently similar to the mixer of the *KitchenAid Artisan*; therefore, there is an infringement of industrial design based on Art. 54 par (1) of Industrial Design Law No. 31 of 2001, which stipulates that any person who deliberately and without rights commits any acts as referred to in Article 9 shall be sentenced to imprisonment of at most 4 (four) years and/or a fine of at most Rp300,000,000.00 (three hundred million rupiahs).

Art. 3 of Industrial Designs Law No. 31 of 2000 states that as the right holder to Industrial Design, Whirlpool Corporation shall have the exclusive right to exploit its industrial design and to prohibit Kenwood who without the consent of Whirlpool Corporation make, use, sell, import, export and/or distribute the products that have been granted the right to the industrial design.

As the right holder of the product shape of the design for the stand mixer, Whirlpool can take civil lawsuit to obtain legal damages based on Art.46 of Design Law 2000, which stipulates that the right holder to industrial design or the licensee may bring a lawsuit against any person who deliberately without rights commits acts (make, use, sell, import, export,

and/or distribute), in the form of claim for damages and the ceasing of all acts (make, use, sell, import, export, and/or distribute) and criminal lawsuit, based on Art.54 of Design Law. Art. 54 of 2000 states that any person who deliberately and without rights commits any acts as referred to in Art. 9 shall be sentenced to imprisonment of at most 4 (four) years and/or a fine of at most Rp300,000,000.00 (three hundred million rupiahs). (The use of the same shape for stand mixer constitutes unfair competition).

The issue in this case deals with the similarity of a shape of the product having similarity of appearance between two mixer products; therefore, the Industrial Design Law is applied since there is a similarity in the shape of the stand mixer of *kMix* and *KitchenAid Artisan*. The use of the same shape for stand mixer belonging to Whirlpool Corporation by Kenwood constitutes unfair competition; therefore violates Art. 54 of Design Law.

B. L'Oreal case and others versus Bellure NV

Trade Mark Law No. 15 of 2001 does not widely govern unfair competition offences. Provisions regarding unfair competition are stated in Art. 90 and Art. 91 in terms of using a sign in the form of a picture, name, word, letters, numerals, composition of colors, or a combination of said elements, having distinguishing features and used in the activities of trade in goods as stipulated in Art.1 par (1).

Since there is no trademark infringement, the issue of the use of the names of the L'Oreal brands in comparison lists issued by Bellure is considered as unfair competition based on Criminal Code Art. 382*bis* and tort based on Indonesia Civil Code Art. 1365.

Malaika and Starion are not alleging infringement of L'Oreal SA trade mark rights based on Trade Mark Law No. 15 of 2001, considering the mark is not similar in its entirety nor in its essential part with those trademark belonging to L'Oreal SA and others although the competing products are similar, namely perfumes.

The perfumes marketed by Malaika and Starion are not in competition with L'Oreal SA (do not bear the same marks), not counterfeits of fine fragrance brands and trade their perfumes on their image; sold at retail prices below those perfumes marketed by L'Oreal. No connection between perfumes products marketed by Malaika and Starion and L'Oreal SA, therefore, Art. 90 & Art. 91 cannot be applied to this case.

The imitation of the bottles and packaging of Bellure products and the sale of perfumes in that packaging do not constitute an infringement

The imitation of the bottles and packaging of Bellure products and the sale of perfumes in that packaging do not constitute an infringement on trade mark as it does not present perfumes as imitations or replicas of perfumes bearing the protected trade mark belonging to L'Oreal. There is a link between certain packaging used by Malaika and Starion and certain marks relating to packaging and bottles belonging to L'Oreal, and the link confers a commercial advantage on the Bellure.

Unlawfully act (tort) are based on Indonesia Civil Code Art. 1365 that each act that is unlawful and causes loss to other parties shall obligate the person causing such loss by their fault to compensate for such loss.

C. Och Ziff Management Europe Ltd versus OCH Capital LLP

There is a basic similarity between the two marks "OCH-ZIFF" and "OCH" belonging to Och-Ziff Management and OCH Capital belonging to Och Capital, therefore there is a trademark infringement based on Art. 1, Art. 3, Art. 6, Art. 76, and Art. 91 of Trade Mark Law No. 15 of 2001. Och-Ziff Management did not constitute bad faith by registering the "OCH" trade mark in relation to financial services as they had a legitimate right to protect the name Och (own the legitimate trademark of Och-Ziff); therefore, it should be considered that the registered mark of "OCH-ZIFF" is valid. There is no provisions regarding passing-off in Indonesia Trademark Law.

Bibliography

1. Law No. 31 of 2000 Regarding Industrial Design.
2. Law No. 15 of 2001 Regarding Trademark Law.
3. <http://www.lexology.com/library/detail.aspx?l=100054ce-9a53-4dde-aa03c49d8ac46b26> accessed dated November 23, 2011.
4. http://www.twobirds.com/English/News/Articles/Pages/Kenwood_escapes_Whirlpool.aspx accessed dated November 24, 2011.
5. http://www.twobirds.com/English/News/Articles/Pages/Kenwood_escapes_Whirlpool.aspx accessed dated November 23, 2011
6. http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.
7. http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.
8. http://oami.europa.eu/ows/rw/resource/documents/ctm/case-law/kitchen_aid.pdf, in the supreme court of judicature court of appeal (civil division) on appeal from the high court of justice chancery division community trade mark court intellectual property mr geoffrey hobbs q.c. [2008] ewhc 1930 (ch), Point 22, July 28, 2009.
9. http://www.octrooibureau.nl/documenten/artikelen/nk/case_law_on_trademarks.pdf accessed dated November 23, 2011.