

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from Indonesia

Revision²

Civil and Administrative Procedures and Remedies

(a) *Civil judicial procedure and remedies*

1. Specify the courts which have jurisdiction over IPR infringement cases.

The Constitution of the Republic of Indonesia of 1945 confers legislative power on the Parliament and the Executive (Articles 5 and 20), and judicial power on the Supreme Court and "such other courts of law as are provided for by law" (Article 24.1). It also stipulates that "the composition and powers of these legal bodies shall be regulated by law".

The court of first instance for intellectual property infringement cases is the District Court, with a right of appeal to the High Court, and of cassation (appeal on points of law) to the Supreme Court.

2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?

The question of legal standing and representation by counsel in respect of civil matter is governed by Articles 115 to 245 and Articles 372 to 394 of the Civil Procedure Law (Het Herziene Indonesisch Reglement). A right holder has standing to assert his/her intellectual property rights in the District Court. In some cases, a civil action is followed by a criminal action. Based on the Civil Procedure Law, in some circumstances, interested third parties may also have standing. For instance, a public prosecutor may take an action on behalf of public interest against a registered trademark on the basis that it is morally offensive.

The parties having *locus standi* may be represented by legal counsels, or by themselves (representation by legal counsel is not mandatory). A power of attorney is required for a legal counsel to represent a party.

There are no requirements for mandatory personal appearances by the right holders, although the plaintiffs or defendants may be summoned by the presiding judge to appear by themselves. In practice, it would be exceptional for the right holders to be required to appear in person. Parties may

¹ Document IP/C/5.

² See document IP/N/1/IDN/2/Rev.1.

submit evidence by sworn affidavits (including affidavits from abroad, if necessary). (Article 81 of the Civil Procedure Law.)

3. What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence that lies within its control?

In practice, it is the obligation of a party to the case to produce all the evidence as complete as possible to convince the court of its claims. However, the court has wide authority to order the production of evidence that is necessary for the conduct of the trial, either upon the request of an opposing party or on its own initiative. A court may order both parties and non-parties to the dispute to produce evidence. This may include confidential documents necessary for the proceedings, such as patent documentation. The basis for judicial powers with respect to evidence is the Civil Code and the Civil Procedure Law as stipulated above. The court may also call witnesses, including plaintiffs or defendants, in order to establish necessary facts.

Refusal to comply with an order to produce evidence is a contempt of court. The consequences of such a contempt of court are set out in Article 316 of the Civil Code.

4. What means exist to identify and protect confidential information brought forward as evidence?

The Basic Judicial Law (Law N° 35 of 1999, Article 17) provides for *in camera* hearings at the discretion of the presiding judge, in order to protect confidential information which is brought forward as evidence in a dispute. Examples of such information include documents associated with patents, bank documents, trade secrets, and information with moral implications. Banking law also provides for confidentiality of banking information used in judicial proceedings. Breaching the confidentiality of *in camera* hearings amounts to a contempt of court.

Under the professional ethics of the legal profession, legal professional privilege attaches to confidential information obtained by a legal practitioner in the course of representing a client. This privilege extends to confidential information obtained during *in camera* proceedings.

Under Article 58.2 of the Customs Law (Law N° 10 of 1995), when considering a request from a trademark or copyright owner to examine alleged infringing goods, the court may take into account the need for protection of trade secrets or confidential technological information used in producing the goods and limit the license to examine accordingly.

5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use;

- **injunctions;**
- **damages, including recovery of profits, and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and materials/implements for their production;**
- **any other remedies.**

The relevant intellectual property right legislation provides for specific remedies that may be ordered by the judicial authorities. These are in accordance with the Civil Code. Generally, damages are limited by the scope of the claim by the plaintiff in a lawsuit, and would normally be limited to the actual damages. Recovery of lost-profits may also be claimed if a sound basis for such a claim is established in the lawsuit. In accordance with general practice, courts may also order the unsuccessful party to the civil action to pay the legal costs of the other party.

A complementary measure is provided under Article 1365 of the Civil Code which provides for remedies against any unfair commercial practices that cause damages, such as negligence or misconduct.

6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods of services found to be infringing and of their channels of distribution?

The court has the authority to order the infringing party to provide information on the identity of third parties involved in the production and distribution of infringing goods or services, and to provide information of the channels of distribution. This authority is derived from the general evidentiary powers of the courts as provided under Article 1866 of the Civil Code.

7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?

A party who has been wrongfully enjoined in an action to protect intellectual property rights may seek compensation for its losses in one of two ways. Firstly such a party may lodge a counterclaim in the course of the original proceedings, or alternatively initiate a separate claim for damages.

Public officials who initiate proceedings against an innocent party are not personally liable for their actions provided they are acting in the course of their official duties. Equally, judicial authorities are exempted from liability for their actions while exercising judicial functions in good faith. In practice, the public authorities are more likely to use criminal than civil measures against infringement.

Generally, public authorities or officials are personally liable for abuse of power, and there is no overall exemption from liability for actions taken in bad faith. There are several laws establishing disciplinary measures for public authorities (including Government Regulation N° 30 of 1980 on Public Servant Disciplinary Sanctions).

8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

The Indonesian judicial system is bound by the principle that procedures should be conducted in a manner that is expeditious, equitable, and inexpensive. This is in accordance with the Basic Judicial Law (Law N° 35 of 1999, Article 4). The actual duration of the case will depend on its nature and complexity. According to the Supreme Court Circular Letter of 21 October 1992, the case should be decided within 6 months. Normally, matters can be determined within two to three months at first instance. If the plaintiff can show that urgent circumstances apply, it is possible that proceedings be expedited.

(b) Administrative procedures and remedies

9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.

There are no applicable infringement procedures conducted as administrative measures.

More generally, according to Article 53 of the Law on the Administrative Judicial System (Law N° 5 of 1986), a person or a corporation whose interest is harmed by an administrative decision may file a lawsuit, seeking that the decision be declared void or illegal.

Provisional Measures

(a) *Judicial measures*

10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.

In civil infringement cases, the court generally has the power to order provisional measures, such as injunctions, in order to prevent continued infringement of intellectual property rights, further trade in infringing goods, and further losses to the right holder, and to ensure the preservation of any evidence of infringement.

For instance, in relation to patents, the court has the authority to immediately issue an injunction:

- to prevent the continuation of infringement of a patent and the rights pertaining to the patent, particularly to prevent the entry of products allegedly infringing the patent and the rights pertaining to the patent into trade, including importation;
- to keep the evidence relating to the infringement of a patent and the rights pertaining to the patent in order to prevent the elimination of evidence;
- to request the party who might have suffered to provide evidence that the party is truly entitled to the patent and the rights pertaining to the patent, and that such rights are being infringed.

Please note that "injunction" under the Indonesian legal system is a kind of provisional decision made after the court session has taken place.

11. In what circumstances may such measures be ordered *inaudita altera parte*?

There are no such provisions in the Indonesian intellectual property legislation, however, the Customs Law, Articles 54 and 58 (Law N° 10 of 1995) provides such kind of provisions.

12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.

If, after the trial, the defendant is found not guilty, the defendant may counter by filing a lawsuit at the same object or making separate litigation in order to obtain compensation for his or her loss and damages because of the seizure.

13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

See the answer to question 8 above. In general it applies *mutatis mutandis* to this question.

(b) *Administrative measures*

14. Reply to the above questions in relation to any administrative provisional measures.

There are no applicable infringement procedures conducted as administrative measures.

Under Article 53 of the Law on the Administrative Judicial System (Law N° 5 of 1986), a person or a corporation whose interest is harmed by an administrative decision may file a lawsuit seeking that the decision be declared void or illegal.

Special Requirements Related to Border Measures

15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis imports*). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?

The Customs Law (Law N° 10 of 1995) establishes specific border measures, including temporary suspension by customs authorities, in relation to intellectual property rights. These provisions apply to goods which infringe trademarks or copyright. Infringement is determined according to the Indonesian Trademark and Copyright Laws, as appropriate.

Article 64.1 of the Customs Law provides that "the control of imported or exported goods suspected as a result of violations of intellectual property rights, other than trademarks and copyright as stipulated in this law, shall be regulated by Government Regulation" with the notation that it should consider the provisions of Law N° 7 of 1994 on the Ratification of the Agreement Establishing the World Trade Organization. The implementation of the provisions of Articles 54 to 63 on intellectual property rights, other than those related to trademarks and copyright, is conducted gradually, taking into account the ability and readiness of the management of the system of intellectual property rights.

Under Article 63, goods which are brought by passengers, crews of means of transport or border-crossers, or consignments sent by mail or courier which have no commercial value are exempted from these provisions.

Under the Customs Law, both imports and exports of infringing goods are subject to these border controls. (Articles 54 and 58 of the Customs Law.)

16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?

Articles 54-58 of the Customs Law provide that, upon request, a District Court may issue a warrant for the suspension by customs officials of goods which infringe either copyright or trademark rights. The initial suspension is for 10 days. However, the court may extend this period for another 10 days upon application.

An application for a warrant for the suspension of allegedly infringing goods must include:

- sufficient evidence concerning the violation against trademarks or copyright of the party concerned;
- evidence of ownership of the trademarks or the copyright of the party concerned;
- a sufficiently detailed description of the relevant goods to make them easily recognizable by the customs officials.

An application for a warrant for the suspension of goods by customs officials must be accompanied by a security deposit, as a safeguard against abuse of these provisions by commercial competitors, to indemnify the customs authorities against claims for damages, and to protect the alleged infringer from losses in the event that infringement is not proven. Article 57 provides that any extension of the period of suspension must also be accompanied by the extension of securities.

Upon receipt of the warrant from the court, the customs authority:

- notifies the importer, exporter, or owner of the goods in writing about the order to suspend the release of the imported or exported goods; and
- suspends the release of the imported or exported goods of the party concerned as of the date of the warrant.

Article 61 provides that if the goods in question are not the result of infringements of trademarks or copyright, the owner of the goods has the right to obtain compensation from the party who requested the suspension. The security provided by the claimant under Article 55 (d) can be used as payment or partial payment for the compensation.

Article 58 provides that upon application the court may grant the intellectual property right holder the right to examine the suspended goods, subject to certain provisions including the protection of confidential information.

17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?

Extensive data are not available, since suspension of infringing goods to date has essentially been undertaken at the initiative of the competent authorities (see question 18). The suspension of goods would continue until the legal proceedings are concluded and a final judicial decision reached. However, the goods are to be released after ten days if the necessary legal action is not taken by the complainant. (This period can be extended up to a further ten days upon the order of the competent court.)

18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?

Under Article 62 of the Customs Law, customs officials may act on their own initiative to detain imported or exported goods where there is strong evidence that the goods violate trademarks or copyright.

Officials can act directly on suspicion of infringement, or upon complaint of right holders. When such action is taken, it is reported to the police as well as the public prosecutor as required.

19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.

Customs officials have the authority to detain goods suspected of being the result of violations of trademarks or copyright.

If the import or export of the detained goods also entails a specific customs offence (other than intellectual property infringement), i.e. false customs declaration or misdescription of goods (in violation of Article 103 of the Customs Law), the customs officials may confiscate the goods, detain the offender and refer the matter to the police. If no customs offence has been committed, they may refer the matter to the police and the public prosecutor for legal action to be initiated.

Criminal Procedures

20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.

Under the intellectual property right legislation, the court of first instance for criminal prosecution of intellectual property right infringements is the District court. As a general rule, the place of commission of the alleged infringement would determine which District Court has jurisdiction. Each District Court has the competence to deal with criminal violations of intellectual property right laws which take place in its jurisdiction.

21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?

Criminal procedures and penalties are specified for infringements of patent, marks and copyright. These are provided for in the specific legislation concerning such intellectual property rights.

In addition, there are criminal penalties for misleading and deceptive commercial practices and acts of unfair competition in accordance with the Penal Code (Wetboek van Strafrecht, Article 382*bis*), and in particular under the Consumer Protection Act (Law N° 8 of 1999) and the Law on the Prohibition of Monopolistic Practices and Unfair Competition (Law N° 5 of 1999).

22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?

The public prosecutor within the Attorney General's Office is responsible for initiating criminal proceedings. It may do so on its own initiative or in response to information from the State police, customs officials, public service investigators, or right holders. In accordance with Article 107 of the Criminal Procedure Law (Law N° 8 of 1981), special investigators who are the employees of the Directorate General of Intellectual Property Rights, Department (Ministry) of Law and Legislation ("DGIPR"), known as "PPNS", are charged with specific authority in respect of the investigation of

criminal infringements. They are empowered to undertake investigations and to secure evidence as the basis of criminal proceedings. However, the PPNS are required to report to the police on the commencement and outcome of an investigation. In practice the PPNS may investigate only together or at least with the cooperation of the police. Please note that PPNS are regular government employees at the DGIPR whose main duties are to serve the public in respect of intellectual property right application. They are not specially recruited as the PPNS.

The State police (Economic Crimes Division), the Directorate General of Customs and Excise, and the PPNS may initiate investigations and seize evidence. Within the State police, a specific Intellectual Property Rights Investigations Unit is responsible for intellectual property right investigations.

Once these agencies have concluded the relevant investigation, they then submit the summary of their investigation and any evidence to the public prosecutors. Customs officials and the PPNS must submit the summary of the investigation to the police in first instance, who then refer it to the prosecutors. In practice, there is a close co-ordination between the police and the DGIPR on infringement matters in the case such matters are reported to the DGIPR. In the past, a specific charge had to be lodged before the police could initiate inquiries, but the police is now able to initiate investigations without charges having been laid.

23. Do private persons have standing to initiate criminal proceedings and, if so, who?

No, but a right holder may inform the police, customs officials, or PPNS, and make a complaint. Criminal proceedings are conducted by the public prosecutors as stated above.

24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:

- **imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production;**
- **other.**

Criminal penalties for the infringement of the Patents, Trademarks and Copyright Laws, include imprisonment for a maximum period of 7 years, and/or a maximum fine of IDR. 100,000,000.00 and the destruction of infringing goods and materials.

The Penal Code and implementing regulations on criminal procedures provide more detailed rules for imprisonment, confiscation and disposal of goods.

There is also the possibility of the revocation of the trading or business licenses of infringing parties.

25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.

The answer to question 8 also applies *mutatis mutandis* to this question.
