



April 2007

To The Chief Justice of the Supreme Court of the Republic of Indonesia

Regarding: Prestone Products Corporation v Pt. Teguh Mulia Perdana and Drs. Nengrat Kwandou, Supreme Court of the Republic of Indonesia, Case No. 78/MEREK/2006/PN.NIAGA.JKT.PST:

The International Trademark Association (INTA) respectfully submits this brief to the Indonesia Supreme Court in order to address issues raised by the Indonesia Commercial Court's decision to refrain from addressing the similarity of trademarks in infringement proceedings, where similar issues are pending before the Indonesia Trademarks Office ("Office"). INTA respectfully requests that the Honorable Supreme Court consider the content of this brief when taking its position in the case.

1. Identity and Expertise of INTA

INTA is a not-for-profit organization dedicated to the support and advancement of trademark law and related intellectual property concepts as essential elements of global trade and commerce. INTA has over 5,000 members in more than 190 countries. The association is global and crosses all industry lines, including manufacturers and retailers in industries ranging from aerospace to consumer goods. INTA currently has forty five (45) member firms in the Republic of Indonesia.

Since 1916, INTA has acted in the capacity of advisor and has appeared as *amicus curiae* ["friend of the Court"] in several jurisdictions. INTA presents itself as a "friend of the Court" in this matter. Attached to this brief (as Appendix A) is a list of cases throughout the world in which INTA has submitted amicus briefs and similar types of submissions, including amicus briefs to the Indonesia Supreme Court on October 10, 2002 in the trademark case *Intel v. PT Panggung Electronics Industries* (590PK/PDT/2001), on April 11, 2004, in the trademark case *Davidoff & Cie S.A. v. N.V. Sumatra Tobacco Trading Company* (53/MEREK/2002/PN.NIAGA.JKT.PST), on August 15, 2005 in the trademark case *Tungsway Food & Beverage Holdings, Pte Ltd v. PT Istana Pualam Kristal* (12/Kas/HKI-Merek/2005/PN.Niaga.Jkt.Pst. Jo. No 68/HKI-Merek/PN.NIAGA/JKT.PST),

and on December 12, 2006 in the trademark case of *Intel v PT Panggung Electric Corporation* (Nos 43 & 44/MEREK/2006/PN.NIAGA.JKT.PST).

INTA members are interested in the development of clear and consistent principles of trademark and unfair competition laws around the world. INTA actively participates in all trademark-related proposals at the World Intellectual Property Organization (WIPO) and has been an official non-governmental observer to WIPO since 1979. INTA has influenced WIPO trademark initiatives such as the Trademark Law Treaty and is active in other international arenas including the Asia Pacific Economic Cooperation Forum (APEC), the Association of Southeast Asia Nations (ASEAN), the European Union (EU) and the World Trade Organization (WTO). INTA's membership is varied and extensive, and it is a balanced and reliable representative body. INTA's international membership enables it to bring a global approach to the issues at stake in trademark cases. INTA supports and encourages protection of legitimate trademark rights by prescribing minimum standards of use and has developed "**Model Law Guidelines – A Report on Consensus Points for Trademark Laws**".

INTA respectfully submits this brief in the hope that it may assist the Court by sharing the experience of this international group of trademark owners and practitioners. INTA believes that this case is significant to the development of international trademark law, with regard to the Court considering and deciding upon the infringement claim at issue. In particular, INTA believes that the question of whether it was appropriate for the court below to decline to address that infringement claim at this time because of other proceedings pending before the Office is one of broad importance to trademark owners generally within the Republic of Indonesia.

2. Summary of Procedure and General History of the Case

The Appellant, Prestone Products Corporation ("Prestone"), is a wholly owned subsidiary of Honeywell International Inc. Honeywell is an INTA member but has played no role in the drafting of this submission. The First Respondent, PT Teguh Mulia Perdana ("TMP") is incorporated in Indonesia. TMP is not an INTA member. The Second Respondent, Drs. Nengrat Kwandou ("NK") is an Indonesian citizen. NK is not an INTA member. We have not been informed of the relationship between TMP and NK, but NK is the owner of the trademark application that is in dispute in this case, and TMP is the alleged infringer.

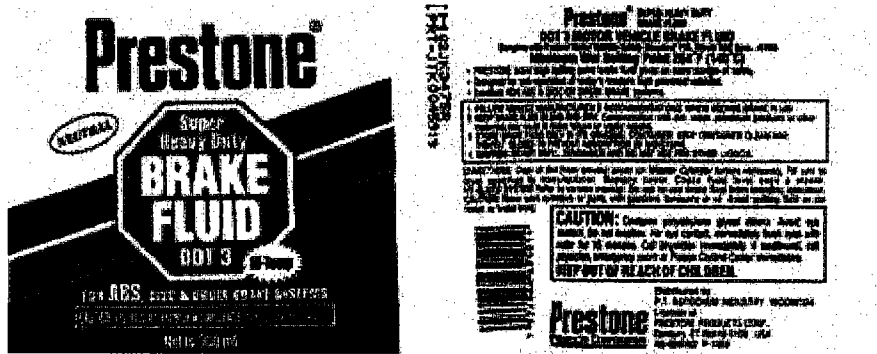
The case centers on the alleged infringement of Prestone's PRESTONE trademark in Indonesia by TMP as a result of use of the trademark PRESTOP in connection with the same goods, namely, brake fluid. The PRESTONE trademark was first used in 1927 and is in use all over the world. The PRESTONE trademark has been in use in Indonesia since at least 1986.

Prestone owns registrations for the mark in approximately 100 countries and asserts that the mark is well-known. It owns 7 registrations for the PRESTONE mark in Indonesia –

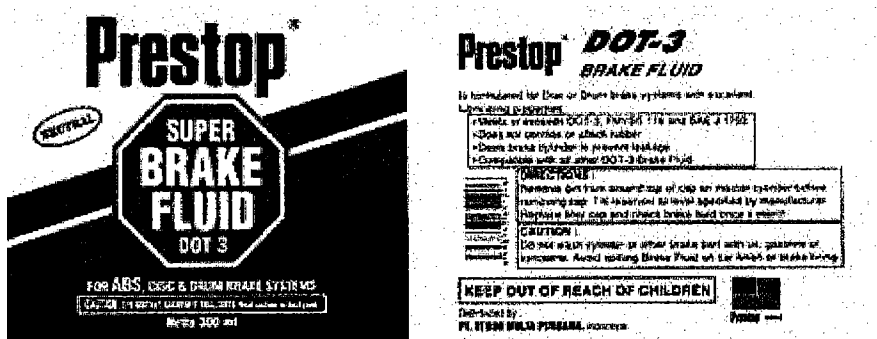
three in Class 1, one in Classes 2 and 3, and two in Class 4. There are also pending applications for labels incorporating the PRESTONE mark.

In 2006, Prestone's business and distributors in Indonesia notified it that TMP was selling PRESTOP brand brake fluid.

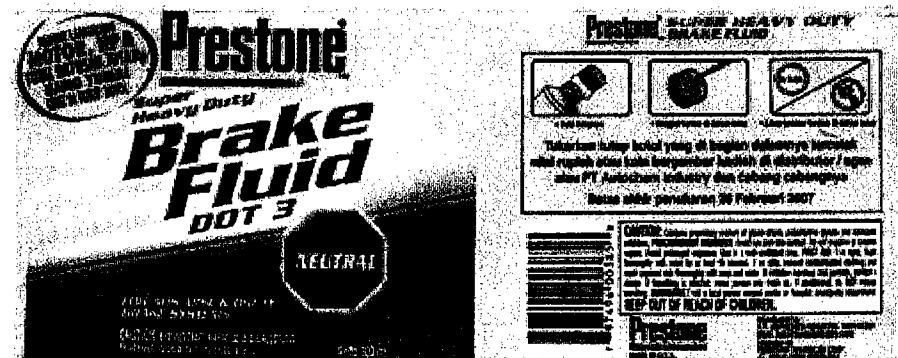
At the time that the TMP conduct came to their notice, Prestone's product label looked like this (illustrations supplied by Prestone, and correspond with evidence P 31-34):



TMP's label utilizing the mark PRESTOP was as follows:



Since the time of the original TMP conduct, Prestone changed the labeling of its product as follows:



Prestone has argued in the proceedings that the parties' marks are confusingly similar, that there has been obvious bad faith on the part of TMP based on the copied label designs, and it has relied on the well-known status of its trademark.

The defendants set forth only one major argument in opposition to Prestone's claims – that the Office published the PRESTOP application and, therefore, there could be no confusion between the two marks.

The Commercial Court issued its decision in the infringement proceedings on 7 February 2007, holding that Prestone's claim for infringement of its registration was premature because the Office had not yet issued a decision in the opposition to the application for the PRESTOP trade mark, and had therefore not determined whether the PRESTONE and PRESTOP trademarks were similar.

3. The Laws

The relevant provision of Law No. 15 of 2001 Relating to Trademarks ("the Law") pertaining to the infringement of a registered trademark is Article 76 and states as follows:

Article 76

(1) The owner of a registered Mark may file a lawsuit against any other party that unlawfully uses his Mark for goods and services which has similarity in its essential part or in its entirety with his mark, in the form of:

- a. a claim for compensation; and/or
- b. the termination of all acts that are related to the use of the relevant Mark.

(2) The lawsuit referred to in paragraph (1) shall be filed at the Commercial Court.

Significantly, Article 76 makes no mention of any requirement that pending opposition proceedings involving the parties' marks must be resolved before the lawsuit contemplated by this Article can be initiated. No other provision to this effect appears anywhere else in the Law.

4. The Decision

The Court held that Prestone's claim for infringement:

- (a) was premature, as the Office had not yet ruled on the issue of similarity of the trademarks PRESTONE and PRESTOP in the opposition proceedings brought by Prestone that were still pending.
- (b) cannot be accepted (*niet ontvankelijk verklaard*).

5. International Principles on Infringement and Unauthorized Use of a Trademark

The international principles and yardsticks governing the rights of the owner of a registered trademark to take action for the unauthorized use of the same or of a similar trademark for the same goods/services or similar goods/services are well settled and unanimous. As a member of the Paris Convention for the Protection of Industrial Property and a signatory to the World Trade Organization's TRIPS Agreement, Indonesia has an international obligation to rationally apply and give effect to these principles.

Article 16 of the TRIPS Agreement provides as follows:

"1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use".

Part 3 of the TRIPS agreement provides for injunctions, damages and other remedies for infringement. Article 41 of the TRIPS Agreement provides that member countries must ensure that their trademark enforcement procedures ensure effective action against infringement, including expeditious remedies. Article 41 reads:

"1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. ..."

A representative list of countries and a short statement of their relevant provisions on the requirements for establishing a successful infringement claim are included in Appendix B to this brief. The laws in each of those jurisdictions are that there is no requirement to delay or defer an infringement decision pending any decision of the national Trademarks Office, nor to refer the question of similarity between the alleged infringing trade mark and the registered trademark back to the national Trademarks Office.

6. Application of Article 76 in light of the International Principles

The International Amicus Committee is particularly concerned by the Commercial Court's apparent abdication to the Office of the Court's responsibility for deciding the question of similarity, when the Court itself has authority to decide that question, and when there is no support in the Law to refer this question back to the Office. The practical effect of the abdication of this responsibility is that third parties like TMP and NK can apply to the Office to register a mark that may be alleged to be similar to and/or

infringing another mark already in use in Indonesia, and any pending opposition to such application would then prevent an infringement action from being filed in the Court against them. The other effect of this approach is that legitimate trademark owners can be denied the enforcement required in Articles 16 and 41 of TRIPS and Article 76 of the Law. If the decision below is allowed to stand, the efforts by the owners of registered trademarks to prevent infringement and resulting consumer confusion will be seriously impaired, as there will be no practical ability to secure prompt relief from Indonesia's courts where the allegedly infringing party has filed a trademark application with the Office, and/or where an opposition remains pending. INTA understands that there is nothing in Article 76 or elsewhere in the Law that allows or requires trademark enforcement to be denied or delayed in this way.


This case is important for INTA because it departs from international norms and practices that:

- (a) valid registered trademarks are enforceable immediately and as of right;
- (b) the courts, being a higher authority relative to a national Trademark Office, do not defer to a national Trademark Office on the question of similarity of trademarks when they themselves have the authority to decide such a question; and
- (c) a trademark application by another party is without prejudice to and does not prevent a proprietor from instituting infringement proceedings in a court and obtaining remedies for infringement while the other party's trademark application is being considered by the Trademark Office.

8. CONCLUSION

INTA hopes that by submitting this brief in its capacity as *amicus curiae*, it will be able to assist the Supreme Court in developing consistent guidelines to reduce the number of similar cases and to ensure that the lower courts provide priority to and correctly implement Article 76 in a manner consistent with international standards.

Sincerely,



Alan C. Drewsen
Executive Director

APPENDIX A

The International Trademark Association filed the following *amicus curiae* briefs before the Supreme Court of the Republic of Indonesia:

- *Intel v PT Panggung Electric Corporation* (Nos 43 & 44/MEREK/2006/PN.NIAGA.JKT.PST), December 12, 2006.
- *Tungsway Food & Beverage Holdings, Pte Ltd v. PT Istana Pualam Kristal* (12/Kas/HKI-Merek/2005/PN.Niaga.Jkt.Pst Jo. No. 68/HKI-Merek/2004/PN.NIAGA/JKT.PST), August 15, 2005
- *French Connection Ltd v. DB Mirchandani* (No.26/Trademark/2004/PN.NIAGA.JKT.PST), November 30, 2004.
- *Davidoff & Cie S.A. v. N.V. Sumatra Tobacco Trading Company* (53/MEREK/2002/PN.NIAGA.JKT.PST), April 11, 2004.
- *Intel v. Hanitio Luwi* (3535K/PDT/2001), December 23, 2002.
- *Intel v. PT Panggung Electronics Industries* (590PK/PDT/2001), October 10, 2002.

The International Trademark Association has filed the following *amicus*-type submissions in cases before European courts:

- Submission as intervener to the English Court of Appeals on October 16, 2006 in the case *Special Effects v L'Oreal SA* (HC 05C012224, Court of Appeal 2006 0744).
- Letter of submission to Bovemij Verzekeringen N.V. on June 17, 2005 in the case *Bovemij Verzekeringen N. V. v. Benelux Merkenbureau* (ECJ - C-108/05).
- Letter of submission to Schering-Plough Ltd. on December 5, 2003 in the trademark case *Schering-Plough Ltd v. European Commission and EMEA* (CFI T-133/03).
- Letter of submission to Merck Inc. on April 4, 2003 in the trademark case *Paranova A/S v. Merck & Co., Inc, Merck, Sharp & Dohme B.V. and MSD (Norge) A/S* (EFTA Court E-3/02).
- Letter of submission to Praktiker Bau - und Heimwerkermärkte AG on March 20, 2003 in the trademark case *Praktiker Bau – und Heimwerkermärkte AG* (ECJ C-418/02).
- Letter of submission to Shield Mark on November 1, 2001 in the trademark case *Shield Mark v. J. Kist* (ECJ C-283/01).
- Letter of submission to Libertel Groep B.V. on July 6, 2001 in the trademark case *Libertel Groep B.V. v. Benelux Merkenbureau* (ECJ - C- 104/01)/

- Letter of submission to Glaxo Wellcome Limited on October 10, 2000 in the trademark case *Glaxo Wellcome Limited v. Dowelhurst Limited and Swingward Limited* (ECJ - C-143/00).

The International Trademark Association filed the following *amicus curiae* briefs before the United States Supreme Court and other United States Federal Courts:

- *Louis Vuitton Malletier v Haute Diggity Dog LLC*, No. 06-2267 (4th Cir. 2007).
- *Contessa Premium Foods, Inc. v. Berdex Seafood, Inc. et. al.*, 126 S. Ct. 472 (2005) (petition for certiorari).
- *Test Masters Educational Services, Inc. v. Singh and Singh v. Test Masters Educational Services*, 428 F.3d 559 (5th Cir. 2005).
- *KP Permanent Make-Up, Inc. v. Lasting Impression Inc. and MCN International Inc.*, 125 S. Ct. 542 (2004).
- *Dastar Corporation v. Twentieth Century Fox Film Corporation, SFM Entertainment LLC and New Line Home Video, Inc.*, 540 U.S. 806 (2003).
- *Mosely v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).
- *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).
- *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000)
- *College Sav, Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999).
- *Dickinson v. Zurko*, 527 U.S. 150 (1999).
- *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).
- *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).
- *KMart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).
- *WarnerVision Entertainment Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996).
- *Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996).
- *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994).

The International Trademark Association has filed the following *amicus-type* submissions and affidavits in jurisdictions outside Indonesia, Europe and the United States:

- Factum to the Supreme Court of Canada on July 4, 2005 in the case of *Veuve Clicquot Ponsardin, Maison Fondée en 1772 v. Les Boutiques Cliquot Ltee, Mademoiselle Charmante Inc. and 3017320 Canada Inc.*
- Letter of submission to the Supreme Court of Justice of Paraguay on March 26, 2003, in the trademark case *Tabacalera Boquerón SA. vs. Nobleza Piccardo SACI and/or BAT and/or BAT BRANDS Limited* (Report No. 47/97, Inter-Am. C.H.R., OEA/Ser.L.V/II95 Doc. 7 rev. at 225(1997)).
- Brief of *amicus curiae* in the Supreme Court of Korea on September 27, 2003 in the trademark case *Prefel v. Jae Ik Choi* (2001-HU-1358-10 December 2002).
- Letter of submission to the Beijing High Court, Intellectual Property Tribunal on October 11, 2000 in the trademark case *Ikea Inter-Systems Inc. v. Beijing Cinet co Ltd*, (2000) Gao Zhi Zhong Zi No. 76.
- Affidavit to the Moscow City Court (Russia) on April 9, 1998 in the trademark case *Heublein Inc. v. Appeals Chamber of Rospatent* (Civil case No. 3-7/98).
- Affidavit to the Supreme Court of South Africa (Durban and Coast Local Division) on November 8, 1995 in the trademark case *McDonald's Corporation v. DAX Properties CC and JoBurgers Drive Inn Restaurants (PTY) Limited* (1997 1 SA 1 (A)).

APPENDIX B

The requirements for a Plaintiff to successfully establish an infringement claim in the jurisdictions noted below are as set out below:

Australia

Section 191 Trade Marks Act 1995 (TMA 1995) provides that the Federal Court has jurisdiction to hear and determine appeals against decisions, directions or orders of the Registrar of Trade Marks.

Section 120 TMA 1995 - When is a registered trade mark infringed?

(1) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

(2) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:

(a) goods of the same description as that of goods (*registered goods*) in respect of which the trade mark is registered; or

(b) services that are closely related to registered goods; or

(c) services of the same description as that of services (*registered services*) in respect of which the trade mark is registered; or

(d) goods that are closely related to registered services.

However, the person is not taken to have infringed the trade mark if the person establishes that using the sign as the person did is not likely to deceive or cause confusion.

(3) A person infringes a registered trade mark if:

(a) the trade mark is well known in Australia; and

(b) the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:

(i) goods (*unrelated goods*) that are not of the same description as that of the goods in respect of which the trade mark is registered (*registered goods*) or are not closely related to services in respect of which the trade mark is registered (*registered services*); or

(ii) services (*unrelated services*) that are not of the same description as that of the registered services or are not closely related to registered goods; and

(c) because the trade mark is well known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and

(d) for that reason, the interests of the registered owner are likely to be adversely affected.

(4) In deciding, for the purposes of paragraph (3)(a), whether a trade mark is *well known in Australia* , one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason.

China

On registration of a trademark, the owner of the trademark obtains the exclusive right to use the trademark in relation to the goods or services for which it is registered. Use of a trademark that is identical with or similar to a registered trademark for the same or similar goods without the authorization of the owner of the registered trade mark constitutes an act of infringement. Remedies available to the owner of a trademark for infringement include an order to immediately cease the infringing act, payment of a fine or imprisonment in serious cases.

India

The owner of a registered trademark obtains the exclusive right on registration to use the trademark in connection with the goods or services for which it is registered. The remedies for infringement as a result of unauthorized use of a registered trademark include legal proceedings to recover damages or passing off for the owners of unregistered trademarks. Proceedings for infringement may be filed in a Civil Court not inferior to a District Court that has jurisdiction in the proceedings. Possible remedies for infringement include interim injunctions and seizure of goods.

Ireland

Rights in a registered trademark will be infringed by the use in the course of trade of a sign which is identical with or similar to the registered trademark in relation to goods or services that are the same as or similar to the goods or services for which the trademark is registered and such use is without the consent of the owner of the registered trademark. Confusion is assumed to follow where identical marks are used for identical goods or services. Where similar but not identical marks or similar but not identical goods or services are involved, infringement occurs if there is a likelihood of confusion or deception from the defendant's use.

New Zealand

Infringement is governed by s89 of the Trade Marks Act 2002, and occurs as follows:

- "1) A person infringes a registered trademark if the person does not have the right to use the registered trademark and uses in the course of trade a sign—
- (a) identical with the registered trademark in relation to any goods or services in respect of which the trademark is registered; or
 - (b) identical with the registered trademark in relation to any goods or services that are similar to any goods or services in respect of which the trademark is registered, if that use would be likely to deceive or confuse; or
 - (c) similar to the registered trademark in relation to any goods or services that are identical with or similar to any goods or services in respect of which the trademark is registered, if that use would be likely to deceive or confuse; or
 - (d) identical with or similar to the registered trademark in relation to any goods or services that are not similar to the goods or services in respect of which the trademark is registered where the trademark is well known in New Zealand and the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.
- (2) Subsection (1) applies only if the sign is used in such a manner as to render the use of the sign as likely to be taken as being use as a trademark.

Remedies include an order to immediately cease the infringing act, damages or an account of profits, and costs.

If the action occurs at the same time as an existing application to the trade mark registry to register a sign which is allegedly identical with or similar to the registered mark for identical or similar goods or services, the court does not await the outcome of the application but will proceed with the action. The registry will then generally follow the court ruling.

Peru

Trademark rights are acquired on registration which allows the owner of a registered trademark to use the trademark in commerce including affixing the trademark to goods and services and to use the trademark for advertising purposes. The owner of a registered trademark is entitled to take action against a third party for unauthorised use of in commerce of an identical or similar trademark to the registered trademark in connection with the same or similar goods and services so as to cause mistake.

Japan

Upon registration of a trademark, the owner of that trademark has the exclusive right to use the trademark with respect to the goods and services for which it may be registered. Unauthorized use by a third party of the same or similar trademark in respect of the same

or similar goods or services to those of the registered trademark constitutes an act of infringement of the registered trademark.

Malaysia

Registration of a trademark in Malaysia confers an exclusive right on the owner of the trademark to use the trademark in the course of trade in respect of the goods and services for which it is registered. Any unauthorized use of the same or similar trademark entitles the owner of the registered trademark to take action for infringement of the registered trademark.

Singapore

Registration of a trademark in Singapore confers an exclusive right on the owner of the trademark to use the trademark in the course of trade in respect of the goods and services for which it is registered as well as to allow him to prevent others from using in the course of trade a sign which is identical with or similar to the trademark in relation to identical or similar goods. An infringement action to prevent such use can be brought in the High Court of Singapore which has jurisdiction to grant such reliefs as an injunction, damages, account of profits and statutory damages. If the action occurs at the same time as an existing application to the trade mark registry to register a sign which is allegedly identical with or similar to the registered mark for identical or similar goods or services, the court does not await the outcome of the application but will proceed with the action. The registry will then generally follow the court ruling.

UK

The proprietor of a registered trademark has exclusive rights in the mark, which are infringed by the use of the same or similar mark in respect of the same or similar goods or services without consent. Confusion is assumed to follow where identical marks are used for identical goods or services. Where similar but not identical marks or similar but not identical goods or services are involved, infringement occurs if there is a likelihood of confusion or deception from the defendant's use

US

US courts do not generally defer action on claims of trademark infringement where there are also proceedings pending between the same parties involving the same marks before the US Patent and Trademark Office. To the contrary, the US Patent and Trademark Office generally suspends any proceedings pending before it when it is advised of the commencement of infringement litigation involving the same parties and marks in a US court.