Jurnal Kajian Ilmu Hukum & Hukum Islam
mahkamah
Institut Agama Islam Ma'arif NU (IAIMNU)
Jl. RA Kartini No.28, Kec. Metro Utara, Kota Metro, Lampung, Indonesia
P-ISSN: 2527-4422
E-ISSN: 2548-5679

Trademark Dispute Between Starbucks Corporation and Sumatera Tobacco Trading Company: An Analysis of the Supreme Court Decision No. 836 K/PDT.SUS-HKI/2022

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Received: 02-06-2025 | Revised: 13-06-2025 | Accepted: 15-06-2025

Abstract

This research analyzes the application of good faith principle in trademark registration, particularly in the trademark dispute between Starbucks Corporation and PT. Sumatera Tobacco Trading Company decided by Supreme Court Decision No. 836 K/PDT.SUS-HKI/2022. The research aims to analyze the implementation of good faith principle in well-known trademark registration under Law No. 20 of 2016 and evaluate the Supreme Court's legal considerations in protecting well-known trademarks. This normative legal research uses statutory and case analysis approaches, with primary legal sources (laws and court decisions) and secondary sources (books, journals, legal articles). Data analysis is conducted descriptively with inductive conclusions. Results show that the Supreme Court successfully applied the good faith principle by canceling the "Starbucks" trademark registration owned by PT. Sumatera Tobacco Trading Company, proven to be conducted in bad faith to exploit the fame of a well-known trademark. This decision strengthens cross-class protection for well-known trademarks and provides legal certainty that trademark registration must be conducted in good faith to prevent unfair business competition.

Keywords: Good Faith, Trademark, Well-Known Mark, Intellectual Property Rights.

INTRODUCTION

Economic globalization and international trade have created new dynamics in the intellectual property rights (IPR) protection system, particularly in the domain of trademarks (Rizkia & Fardiansyah, 2022). This phenomenon is marked by the increasing mobility of well-known brands that transcend geographical boundaries and national legal jurisdictions, thereby generating new complexities in trademark law enforcement at the domestic level (Dwi Suryahartati, 2022). In the global context, trademarks no longer serve merely as product identifiers; they have evolved into high-value business assets that signify a company's reputation, quality, and competitiveness in the international market. Consequently, legal protection of trademarks especially well-known marks has become increasingly critical as a foundation for legal certainty within the climate of global investment and trade (Dwi Suryahartati, 2022).

The complexity of trademark protection intensifies in the face of phenomena such as reputation free riding and the imitation of well-known marks by unauthorized parties (Hidayah,

DOI: 10.25217/jm v10i1.6174 E-ISSN: 2527-4422

2017). These practices not only cause economic harm to the legitimate trademark owners but also mislead consumers and create market distortions that hinder fair business competition (Manusia et al., 2020). In many cases, free riders exploit weaknesses in constitutive registration systems that adopt the first-to-file principle, by registering unregistered well-known trademarks within a certain jurisdiction and subsequently claiming exclusive rights over them (Ismail et al., 2021).

s a developing country whose economy is increasingly integrated into the global trading system, Indonesia faces unique challenges in implementing protections for well-known trademarks (Manusia et al., 2020). Indonesia's trademark legal framework, governed by Law No. 20 of 2016 on Trademarks and Geographical Indications, adheres to a constitutive or first-to-file principle, which grants trademark ownership to the party that first files the application. However, this system is complemented by a balancing mechanism through the principle of good faith, which aims to prevent abuse of the registration process by unauthorized parties (Undang-Undang (UU) Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis, 2016).

Kasus sengketa merek antara Starbucks Corporation dan PT. Sumatera Tobacco Trading Company yang diputus melalui Putusan Mahkamah Agung Nomor 836 K/PDT.SUS-HKI/2022 merepresentasikan fenomena kompleks dalam implementasi perlindungan merek terkenal di Indonesia (Mahkamah Agung, 2022a). Kasus ini menggambarkan bagaimana merek global yang telah memiliki reputasi dan pengakuan internasional dapat menjadi objek pemboncengan oleh pihak lokal yang mendaftarkan merek serupa untuk produk yang berbeda kelas. PT. Sumatera Tobacco Trading Company mendaftarkan merek "Starbucks" untuk produk rokok (kelas 34) pada tahun 2011, sementara Starbucks Corporation sebagai pemilik merek asli telah menggunakan dan mendaftarkan mereknya untuk produk kopi dan layanan restoran (kelas 43) sejak tahun 1971 secara global dan 1996 di Indonesia.

The legal issues arising in this case reflect a gap between das sein (legal reality) and das sollen (legal idealism) in the implementation of well-known trademark protection. Formally, the registration of the "Starbucks" trademark by PT. Sumatera Tobacco Trading Company complied with existing administrative procedures and was granted a legitimate trademark certificate by the Directorate General of Intellectual Property. However, from a substantive perspective, this registration raises concerns regarding the application of the principle of good faith within the trademark registration system, particularly given Starbucks' global reputation, which had been widely recognized long before the registration took place.

The critical impact of this issue is not only economic for the original trademark owner but also legal, as it contributes to uncertainty that may undermine the investment climate and the confidence of foreign investors in Indonesia's intellectual property protection system (Wala, 2024). In the long term, weak enforcement against infringements of well-known trademarks could damage Indonesia's credibility as an investment destination and hinder the transfer of technology and know-how from multinational corporations.

The urgency of this research lies in the importance of understanding how the Indonesian legal system responds to the challenges of well-known trademark protection in the era of globalization. The Supreme Court's decision in the Starbucks vs. PT. Sumatera Tobacco Trading Company case sets a significant precedent that may serve as a reference for similar cases in the future. A thorough analysis of this decision is necessary to evaluate the effectiveness of the good faith principle as a legal instrument for protecting well-known trademarks, and to identify both theoretical and practical implications for the development of trademark law in Indonesia.

The literature review indicates that research on the protection of well-known trademarks in Indonesia remains limited, particularly studies that analyze the implementation of the good faith principle within the context of concrete legal cases. Previous research by Fitria & Masnun (2024) focused on the disparity in judicial decisions regarding the concept of well-known trademarks, but did not thoroughly examine the legal aspects of the good faith principle. Meanwhile, the study by Al'Uzma et al. (2023) reviewed court decisions and judicial considerations but placed greater emphasis on procedural rather than substantive aspects. This study differs from previous research by specifically analyzing the implementation of the good faith principle as a legal instrument for protecting well-known trademarks through a comprehensive normative juridical approach.

Based on the aforementioned background, the research questions of this study are as follows: (1) How is the principle of good faith applied in the registration of well-known trademarks under Law No. 20 of 2016 concerning Trademarks and Geographical Indications, particularly in the trademark dispute case between Starbucks Corporation and PT. Sumatera Tobacco Trading Company?. (2) Do the legal considerations used by the Supreme Court in Decision No. 836 K/PDT.SUS-HKI/2022 align with the principles of well-known trademark protection as stipulated in Law No. 20 of 2016?

RESEARCH METHODS

This study employs a normative juridical method aimed at analyzing the implementation of the good faith principle in the protection of well-known trademarks through a case study of Supreme Court Decision No. 836 K/PDT.SUS-HKI/2022. The normative juridical method focuses on the inventory of positive law, legal principles and doctrines, legal reasoning in casuistic cases (in concreto), and legal systematization (Efendi & Rijadi, 2022). The choice of this method is based on the nature of the research problem, which requires an analysis of legal norms, their implementation in court decisions, and an evaluation of the consistency between statutory provisions and the practice of law enforcement.

The research utilizes two approaches: the statute approach and the case approach. The statute approach is applied to examine the provisions of Law No. 20 of 2016 concerning Trademarks and Geographical Indications, particularly those related to the good faith principle and the protection of well-known trademarks. The case approach is employed to analyze the ratio decidendi, legal considerations, and juridical implications of Supreme Court Decision No. 836 K/PDT.SUS-HKI/2022.

This study utilizes secondary data sources consisting of both primary and secondary legal materials. Primary legal materials include Law No. 20 of 2016 on Trademarks and Geographical Indications, Minister of Law and Human Rights Regulation No. 67 of 2016 on Trademark Registration, Supreme Court Decision No. 836 K/PDT.SUS-HKI/2022, and other relevant court rulings. Secondary legal materials comprise textbooks on intellectual property law, scholarly journals, legal articles, and previous research studies relevant to the subject matter of this research.

The data collection technique was conducted through library research by analyzing legal documents, court decisions, and academic literature related to the principle of good faith in trademark law. The data collection process also involved tracing relevant jurisprudence from similar cases to gain a comprehensive understanding of the development of trademark law in Indonesia.

The data analysis technique employed a descriptive-analytical method with an inductive reasoning pattern. The analysis process began with the inventory and systematization of legal materials, followed by legal interpretation using grammatical, systematic, and teleological interpretation methods. The analysis then focused on evaluating the implementation of the good faith principle in the concrete case and assessing whether the Supreme Court's legal reasoning aligns with the applicable statutory provisions.

RESULTS AND DISCUSSION

Application of the Good Faith Principle in the Registration of Well-Known Trademarks

Legal Framework Governing the Principle of Good Faith

The principle of good faith is one of the fundamental doctrines in intellectual property law, particularly within the trademark registration system. In the context of Indonesian law, this principle functions not only as an ethical norm but also holds juridical authority that influences the validity of trademark registration. Article 21 paragraph (3) of Law No. 20 of 2016 concerning Trademarks and Geographical Indications explicitly stipulates that a trademark application may be rejected if it is filed by an applicant who lacks good faith. This indicates that the Indonesian legal system does not solely adhere to the first-to-file principle, but also considers the intent and motivation behind the trademark registration.

The trademark registration system in Indonesia adopts a constitutive principle, meaning that legal rights to a trademark are granted only upon registration with the Directorate General of Intellectual Property (DGIP). However, this principle is not without exceptions. The law imposes restrictions on registrations filed by parties with dishonest intentions or those seeking to exploit the fame of others. This principle aims to uphold the integrity of the legal system and to prevent acts of reputation free riding, plagiarism, and unfair business competition that may mislead consumers.

The principle of good faith serves as a crucial counterbalance within the trademark registration system. Without this principle, an individual or legal entity could easily register a name or sign that is already well-known elsewhere and then claim exclusive rights over it. Such actions would lead to injustice, both for the original trademark owner and for consumers, who may be misled by counterfeit products bearing a famous name. Therefore, the existence of this principle constitutes a form of legal protection that prioritizes not only legalistic aspects but also moral and ethical standards in business practices.

From a juridical standpoint, this principle is grounded not only in national law but also in international agreements. Indonesia has ratified several international treaties, such as the 1883 Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which govern the protection of well-known trademarks and emphasize the importance of good faith in trademark registration. For instance, the Paris Convention requires member states to provide protection to well-known trademarks, even if they have not been registered in the country concerned, as long as there is evidence of bad faith or an attempt by a local applicant to exploit the established reputation of a foreign mark.

Furthermore, the concept of good faith in trademark law encompasses various indicators. First, it involves the registrant's awareness or acknowledgment of the existence and reputation of a pre-existing trademark. If it can be demonstrated that the registrant was aware of the well-known mark and proceeded with the registration without authorization from the original owner, such conduct may be interpreted as evidence of bad faith. Second, there must be an intention to imitate the essential elements of the trademark, such as its name, logo, visual style, or even similar sound. Third, the motive behind the registration is purely to gain economic advantage by exploiting the reputation of another brand, without offering any innovation or legitimate contribution to trademark development.

In practice, this principle serves as a critical benchmark in assessing trademark cancellation claims filed by the original trademark owners. Such claims are typically based on allegations that the other party acted in bad faith, intentionally copying a well-known mark for personal or corporate gain. The Supreme Court of Indonesia has consistently emphasized the importance of this principle in its rulings. One notable example is Decision No. 836 K/PDT.SUS-HKI/2022 between Starbucks Corporation and PT. Sumatera Tobacco Trading Company. In this case, the Court found that the defendant's registration of the "Starbucks" mark for cigarette products strongly indicated an attempt to ride on the global popularity and reputation of the Starbucks brand.

The role of the good faith principle becomes increasingly vital in the era of globalization, where brand identity and information rapidly transcend national borders through digital media and international trade. Trademarks are no longer perceived merely as product identifiers but have evolved into highly valuable business assets. As such, disregard for this principle may damage the broader business and legal ecosystem affecting not only trademark owners but also consumer trust in the prevailing legal protection system.

One of the greatest challenges in implementing the principle of good faith lies in its evidentiary requirements in court. Good faith is a subjective element that must be substantiated through a series of factual indications pointing to a specific intent or motivation. Judges are required to consider historical context, the relationship between the parties, and the commercial impact of the trademark registration. Consequently, the evidentiary process demands the support of documentation, witness testimony, and even market data to establish whether the applicant has acted dishonestly (Fauza, 2021).

To enhance the effectiveness of this principle, the Directorate General of Intellectual Property (DGIP) must take a more active role in conducting substantive examinations of trademark applications. Registration officers should not solely focus on visual or phonetic similarities, but must also evaluate the potential presence of bad faith on the part of the applicant. This authority can be strengthened through capacity-building programs and the development of technical guidelines outlining indicators of good faith in trademark registration.

Public legal awareness also plays a crucial role in the implementation of this principle. Many business actors, particularly small and medium-sized enterprises (SMEs), are still unaware that imitating well-known trademarks can result in serious legal consequences. Therefore, legal education regarding the importance of originality and integrity in brand development must be continuously promoted both through formal channels such as government-led training programs, and informal channels such as media campaigns.

In conclusion, the regulation of the good faith principle within Indonesia's trademark registration system is firmly grounded in law and aligned with international standards. However, future challenges lie in ensuring consistent implementation, rigorous administrative oversight, and fair legal enforcement. Reinforcing this principle is not solely about protecting the interests of well-known trademark owners, but also about preserving the integrity of the national legal system and fostering a healthy and competitive business environment (Arifin, 2020).

The Concept of Well-Known Trademarks in Indonesian Law

The concept of a "well-known trademark" constitutes a fundamental pillar in the protection of intellectual property rights, particularly in the era of globalization and free trade, which blur national jurisdictional boundaries. A well-known trademark not only serves as the identity of a product or service, but also represents the reputation, quality, and consumer loyalty associated with a business entity. In Indonesian law, the recognition and protection of well-known trademarks have been an integral component since Indonesia ratified the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Both international legal instruments require member states to provide protection for well-known trademarks, even in cases where such trademarks have not been formally registered in a given jurisdiction.

Normatively, provisions regarding well-known trademarks in Indonesia are codified in several legal instruments, most notably Law No. 20 of 2016 on Trademarks and Geographical Indications (the Trademark Law), as well as the Regulation of the Minister of Law and Human Rights No. 67 of 2016 on Trademark Registration. Article 21(1)(b) and (c) of the Trademark Law stipulates that a trademark application shall be refused if it bears substantial or overall similarity to a well-known mark owned by another party, whether for identical or dissimilar goods or services, provided certain criteria are met. This provision reflects an expanded scope of protection for well-known trademarks, extending beyond conventional classifications of goods and services.

Although the definition of a well-known trademark is not explicitly provided in the Trademark Law, it is further elaborated in Article 18 of the Ministerial Regulation No. 67 of 2016. This provision outlines several indicators used to determine whether a mark qualifies as well-known, including: the degree of recognition or awareness of the mark within the relevant sector of the public, the duration of the mark's use, sales volume and profit figures, the geographical scope of use and promotion, and the extent of successful enforcement efforts. These indicators demonstrate that recognition of a mark as well-known is not based on subjective perception alone, but must be substantiated through empirical evidence such as market data and factual findings (Mulyati, 2023).

One of the key aspects of the well-known trademark concept is that a trademark's reputation may transcend national boundaries. This means that even if the trademark has not been officially registered in a particular country, it can still be recognized as well-known and be afforded legal protection, provided that its notoriety beyond the relevant jurisdiction can be proven. In this context, the recognition of a well-known trademark serves not only to safeguard the rights of the trademark owner but also to protect consumers from confusion that may arise due to the existence of visually or phonetically similar trademarks.

In practice, establishing the status of a well-known trademark in court presents several challenges. It is not uncommon for defendants to downplay the reputation of the plaintiff's trademark by claiming that the mark is not sufficiently known among the Indonesian public. Therefore, pieces of evidence such as financial reports, market surveys, promotional materials, foreign trademark registrations, and records of previous enforcement actions become critical in persuading the court. In the case of Starbucks Corporation vs PT. Sumatera Tobacco Trading Company, Starbucks successfully presented extensive evidence demonstrating its global recognition and popularity, including in Indonesia, well before the defendant filed the trademark application in question.

The flexibility of Indonesian law in accommodating cross-class protection for well-known trademarks represents a significant advancement. Previously, trademark protection was limited strictly to identical classes of goods or services. However, with the emergence of more adaptive regulations such as the Trademark and Geographical Indications Law (UU MIG) and Ministerial Regulation No. 67 of 2016, owners of well-known trademarks may now seek protection even when imitation occurs in different product classes. For example, Starbucks, a well-known coffee brand, may oppose the registration of the "Starbucks" mark by a tobacco company, even though the two products fall under distinct classes (Class 42 for beverages and Class 34 for tobacco).

Furthermore, protection of well-known trademarks is not only repressive (through cancellation of registration) but also preventive in nature. One preventive mechanism is the authority of the Directorate General of Intellectual Property (DGIP) to reject trademark applications that bear resemblance to well-known trademarks. However, this requires a high level of sensitivity and competence from trademark examiners. Unfortunately, in some cases, such applications are still approved due to weaknesses in the substantive examination phase. Therefore, effective implementation of the well-known trademark concept necessitates synergy among regulations, institutional frameworks, and awareness among business actors.

In addition, the socio-cultural context and level of legal literacy among the public significantly influence the success of protecting well-known trademarks. In many cases, local business actors exploit legal loopholes or delays by foreign brand owners in registering their marks, and subsequently claim those marks unilaterally. This highlights the importance of outreach and education for MSMEs and the general public to understand that using well-known trademarks without authorization may lead to legal sanctions, including cancellation of the registration and liability for damages.

In international precedent, recognition of well-known trademarks also plays a crucial role in combating practices such as trademark squatting, particularly in developing countries. In global trade practices, multinational corporations place great emphasis on maintaining their brand reputation. Therefore, regulations and court decisions that safeguard well-known trademarks reflect a country's commitment to fostering a fair and credible business climate.

In conclusion, the concept of a well-known trademark represents recognition of the economic value, reputation, and integrity of a brand within the legal framework. Protection of well-known trademarks not only ensures legal certainty for trademark owners but also strengthens the confidence of investors, business actors, and consumers in a country's legal system. Moving forward, Indonesia must continue to improve its protection system for well-known trademarks by enhancing evidentiary mechanisms, increasing institutional capacity, and expanding international cooperation in intellectual property information exchange. Only through such efforts can Indonesia's trademark protection system remain competitive and relevant within the increasingly complex global trade ecosystem.

Case Analysis: Starbucks vs PT. Sumatera Tobacco Trading Company

Chronology and Case Background

The plaintiff in this case is Starbucks Corporation, the owner of the Starbucks trademark, which is one of the most popular coffee brands in the world (Saputra, 2023). The Starbucks coffee chain began operations in the United States in 1971 and, by 1992, had expanded to 165 outlets with its shares publicly traded on Nasdaq.

The plaintiff began its business and registered its trademark in Indonesia in 1996 under application number D001995004288 in class 42. The defendant, PT. Sumatera Tobacco Trading Company, is an Indonesian tobacco company that registered the Starbucks trademark on December 20, 2011, under registration number IDM000342818 in class 34 (Fitria & Masnun, 2024a).

According to the plaintiff, the defendant's choice of the name "Starbucks" could not have occurred by coincidence, as the Starbucks brand owned by the plaintiff had already achieved popularity in North America by 1992. Therefore, the defendant’s trademark registration should be canceled on the grounds of bad faith, pursuant to Article 21 paragraph (3) in conjunction with Article 76 of Law No. 20 of 2016 on Trademarks and Geographical Indications.

First Instance Court Decision

The Panel of Judges at the Central Jakarta Commercial Court rendered its decision on December 23, 2021, rejecting the plaintiff’s claim in its entirety (Akbar, 2025). The judges considered that the Co-Defendant, as the institution that issued the certificate of trademark rights for “Starbucks,” had processed the defendant’s trademark registration in accordance with the prevailing laws and regulations.

The court opined that, at the time the defendant filed the application for the “Starbucks” trademark, no other trademark had been previously registered for goods or services that were identical or similar to the one filed by the defendant. Furthermore, the court found no sufficient evidence to prove that the defendant acted in bad faith when filing the registration.

Supreme Court Cassation Decision

Starbucks Corporation was unable to accept the first instance decision and subsequently filed a cassation appeal to the Supreme Court on February 22, 2022. The Supreme Court, through Decision Number 836 K/Pdt.Sus-HKI/2022, granted the cassation request with several key considerations (Mahkamah Agung, 2022b).

Supreme Court’s Considerations

Analysis of Well-Known Trademark Status

In reviewing the cassation appeal submitted by Starbucks Corporation, the Supreme Court emphasized the necessity of first determining whether the trademark claimed by the plaintiff qualifies as a well-known trademark. This assessment is fundamental, as only trademarks recognized as well-known are entitled to cross-class protection under the applicable legal provisions. In this case, the Supreme Court concluded that the "Starbucks" trademark fulfilled all the necessary criteria to be categorized as a well-known trademark in accordance with Indonesian legislation.

The Supreme Court's assessment was grounded in Article 18 of the Minister of Law and Human Rights Regulation Number 67 of 2016 concerning Trademark Registration. This article outlines eight primary indicators for determining the status of a well-known trademark. First, the volume of sales and profits generated. Starbucks has demonstrated global market dominance with annual revenues reaching billions of dollars, including its business expansion in Indonesia since 1996. Second, the market share of the trademark, both locally and internationally, reflects Starbucks' strong presence in numerous countries, including over 100 outlets across major cities in Indonesia.

The third indicator is the geographical reach of trademark usage, with Starbucks having a physical and digital presence worldwide through stores, mobile applications, and distribution channels. Fourth, the duration of trademark usage. The Starbucks brand has been in use since 1971, demonstrating over five decades of consistent and continuous use.

Next, the intensity of brand promotion is also a significant factor. Starbucks actively engages in global promotion through social media, advertising campaigns, and strategic partnerships with various companies. The sixth and seventh indicators involve trademark applications and registrations in other countries and the success rate of trademark enforcement. Starbucks holds exclusive rights to its trademark in many jurisdictions and has consistently defended it through legal action, including lawsuits against intellectual property infringements.

Finally, the intrinsic value of the trademark reflects consumer perception of the brand's quality and status. This brand value is evidenced by strong customer loyalty and high brand equity. Based on all these indicators, the Supreme Court concluded that Starbucks qualifies as a well-known trademark and is entitled to enhanced protection under Indonesian trademark law (Peraturan Menteri Hukum Dan HAM Nomor 67 Tahun 2016 Tentang Pendaftaran Merek, 2016).

Substantial Similarity

The Supreme Court also gave considerable attention to the existence of substantial similarity between the Starbucks trademark owned by Starbucks Corporation and the trademark registered by PT. Sumatera Tobacco Trading Company. In the context of trademark law, the phrase "substantial similarity" refers to the resemblance that may cause confusion among consumers regarding the origin or affiliation of two products or services bearing similar marks.

The justices found that the name "Starbucks" used by the Respondent is identical in form, pronunciation, and spelling to that of the Petitioner. The sequence of letters, the number of letters, and the phonetic and visual articulation of the mark showed no significant difference. Consequently, when the public encounters the name "Starbucks" on a tobacco product, they may reasonably assume an association with the globally recognized coffee brand owned by Starbucks Corporation.

Although the goods offered by each party fall under different classes Starbucks under Class 43 for food and beverages, and the Respondent under Class 34 for tobacco products the Supreme Court emphasized that well-known trademarks are entitled to protection across different classes. This is expressly regulated under Article 21(1)(c) of the Indonesian Trademark and Geographical Indication Law (UU MIG), which stipulates that famous trademarks may still be protected even when used for dissimilar goods or services, provided that there is evidence of imitation aimed at riding on the mark's established reputation.

Furthermore, the Court considered that substantial similarity involves not only spelling and phonetics but also the potential exploitation of the goodwill and business reputation of the imitated mark. The Respondent's use of the name "Starbucks" for cigarettes could not only create consumer confusion but also harm Starbucks Corporation's reputation, particularly as tobacco products are generally viewed as incompatible with the health-conscious and lifestyle values promoted by Starbucks (Septiani, 2023).

Accordingly, the Supreme Court affirmed that the trademark filed by the Respondent violates a fundamental principle of trademark registration, namely the prohibition against substantial similarity with a well-known mark owned by another party. This finding formed one of the key legal bases for the annulment of the previously granted trademark right.

Bad Faith in Trademark Registration

One of the most crucial aspects of the Supreme Court's ruling in this case is the acknowledgment of bad faith on the part of the Respondent, PT. Sumatera Tobacco Trading Company, in registering the "Starbucks" trademark. The Supreme Court presented a convincing legal argument that the Respondent's actions were not merely coincidental or based on ignorance, but rather a deliberate strategy aimed at deriving commercial benefit from the fame of another party's brand.

The Court outlined three principal grounds to conclude the existence of bad faith. First, the trademark registration history clearly shows that Starbucks Corporation had been using and registering its trademark long before the Respondent since 1971 whereas the Respondent only filed for registration in 2011. This demonstrates that Starbucks had an extensive and long-standing presence, easily accessible through numerous international publications and media, including in Indonesia.

Second, the notoriety of the Starbucks brand is not limited to a local context but has become global, reaching various societal segments, including Indonesian consumers. Even before Starbucks formally entered the Indonesian market, consumers in the country were already familiar with the brand through international references. Under such circumstances, it is implausible that the Respondent was unaware of the brand's existence and prominence at the time of filing for registration in a different class.

Third, the Supreme Court identified a clear intent to ride on the goodwill of the established brand. By adopting an identical trademark, the Respondent stood to benefit from the brand's association without investing in product development, marketing, or brand building. This constitutes an unfair competitive practice, which is strictly prohibited under intellectual property law. Such actions can harm the legitimate trademark owner and create confusion in the marketplace.

The absence of any effort by the Respondent to demonstrate a historical basis, originality, or genuine intent behind its trademark application further reinforces the inference that the Respondent acted opportunistically. This led the Court to conclude that the Respondent's conduct violated both moral and legal principles (Hussy & Tjempaka, 2024).

Consequently, the Supreme Court not only annulled the Respondent's trademark registration but also established an important legal precedent: that trademark registrations filed with dishonest intent shall be rejected or cancelled through proper legal mechanisms. This underscores that the principle of good faith is not merely an abstract norm, but a legal standard that must be enforced in the protection of trademarks in Indonesia.

Legal Implications of the Supreme Court Decision

The Supreme Court Decision No. 836 K/Pdt.Sus-HKI/2022 marks a pivotal moment in the legal protection of well-known trademarks in Indonesia. Once it obtained permanent legal force, this decision not only established jurisprudential precedent in intellectual property disputes but also produced concrete legal consequences for all parties involved in the case: the Plaintiff (Starbucks Corporation), the Defendant (PT. Sumatera Tobacco Trading Company), and the Co-Defendant (the Ministry of Law and Human Rights of the Republic of Indonesia).

For the Plaintiff (Starbucks Corporation): The Supreme Court's ruling to cancel the "Starbucks" trademark registered by PT. Sumatera Tobacco Trading Company represents a highly positive legal outcome for Starbucks Corporation. First, it reaffirms Starbucks' exclusive rights as the recognized owner of a well-known trademark within the jurisdiction of Indonesia. The decision ensures legal certainty and eliminates potential future conflicts regarding the use of the Starbucks trademark across various product and service classes.

Furthermore, the annulment of the Defendant's trademark from the general trademark registry acts as a restorative measure, reestablishing the legal position of Starbucks Corporation, which had previously been compromised by the registration of a similar mark by another party. With this cancellation, the potential for consumer confusion, reputational free-riding, and commercial losses is significantly reduced. Starbucks now has a stronger legal foundation to oppose or challenge future third-party attempts to register similar trademarks.

Moreover, the ruling reinforces Starbucks' standing before Indonesian law as a brand that abides by legal principles and is entitled to the protection afforded to well-known trademarks, including cross-class protection. As such, Starbucks can maintain its brand equity and reputation without the necessity of registering its mark across every product class.

For the Defendant (PT. Sumatera Tobacco Trading Company): For the Defendant, the ruling carries significant legal consequences. The right to the "Starbucks" trademark, previously held and used for tobacco products under Registration No. IDM000342818 in Class 34, has been officially revoked and removed from the general trademark registry by the Directorate General of Intellectual Property (DGIP). As a result, PT. Sumatera Tobacco Trading Company no longer has any legal right to use, exploit, or distribute products under the "Starbucks" name.

In addition to losing trademark rights, the Defendant is also required to pay litigation fees at all judicial levels amounting to IDR 5,000,000. This financial obligation underscores legal accountability for conduct deemed to be in bad faith by the Supreme Court during the trademark registration process. The ruling sends a strong message that violations of fundamental trademark registration principles can result in not only administrative penalties but also financial and reputational burdens for business entities.

This decision also serves as a warning to other business actors that using the names or elements of well-known trademarks without legal basis or good faith entails real legal risks, including trademark cancellation and potential damages. In the long term, the Defendant's company reputation may also suffer due to its actions being deemed inconsistent with the integrity of trademark law (DOODOH, n.d.).

For the Co-Defendant (Ministry of Law and Human Rights): As the agency responsible for the registration and administration of intellectual property rights in Indonesia, the Ministry of Law and Human Rights specifically the Directorate General of Intellectual Property (DGIP) also bears legal responsibility in enforcing this decision. In accordance with Article 91 of Law No. 20 of 2016 on Trademarks and Geographical Indications, the cancellation of a registered trademark must be carried out upon receipt of a final and binding court decision by the Minister.

Accordingly, the DGIP is obligated to strike the "Starbucks" trademark belonging to PT. Sumatera Tobacco Trading Company from the General Trademark Registry. This administrative action is essential to align the country's legal records with the judicial reality established by the court's decision. Failure to carry out this removal would result in a discrepancy between administrative records and prevailing legal rulings (SIMAMORA, 2023).

Moreover, the ruling serves as a critical evaluation point for the DGIP to strengthen its substantive examination procedures in trademark applications, especially those involving potentially unauthorized attempts to register well-known trademarks. The validation and verification process must be enhanced to prevent the DGIP from inadvertently legitimizing violations of well-known trademark rights in the future (Mahkamah Agung, 2022b).

Theoretical and Practical Implications

The Supreme Court Decision No. 836 K/Pdt.Sus-HKI/2022, which ruled in favor of Starbucks Corporation against PT. Sumatera Tobacco Trading Company, offers significant contributions both theoretically and practically in the development of trademark law in Indonesia. This ruling not only delivers justice in the specific legal dispute but also strengthens the juridical interpretation of the principle of protection for well-known trademarks and the application of the good faith doctrine within the national trademark registration system (Andri, 2024).

Theoretical Implications

Theoretically, this ruling affirms that the protection of well-known trademarks in Indonesia has reached a stage of legal maturity. This is evident from the Supreme Court's recognition of well-known trademarks across different classes of goods. In many jurisdictions, including Indonesia which adopts a constitutive or first-to-file system trademark protection is typically limited to the same class of goods or services. However, with the advancement of the principle of protection for well-known marks, trademark owners are now legally protected even when imitation occurs in unrelated product classes.

This decision also reinforces the principle of good faith as a fundamental requirement in the trademark registration process. From a legal theoretical perspective, good faith is a universal principle serving as a safeguard against abuse of rights. The Supreme Court explicitly stated that trademark rights should not be granted to individuals who register marks with fraudulent intent or with the aim of capitalizing on the fame of another brand. Thus, the doctrine of good faith in trademark law is not merely a moral guideline but holds juridical power to revoke exclusive rights.

Moreover, the ruling contributes to the development of jurisprudence in Indonesian intellectual property law. Given the limited precedents on trademark cancellation due to bad faith or conflicts with well-known marks, this case provides a more structured legal framework for lower courts in adjudicating similar disputes in the future.

Finally, this decision expands the theoretical dimension of justice within intellectual property protection. Justice in trademark law is no longer solely determined by who files first but by who holds legitimate claims grounded in substantive contributions to brand identity. This reflects a paradigm shift from a procedural approach toward a more substantive one, ensuring the protection of legitimate and ethical legal interests.

Practical Implications

From a practical standpoint, this ruling has wide-ranging impacts on the implementation and enforcement of trademark law in Indonesia. For legal practitioners, the decision serves as a critical reference point in handling similar cases, particularly those involving conflicts between well-known trademarks and parties attempting to register marks with malicious intent (Agatha & Nasution, 2024). The ruling demonstrates that proving the elements of a well-known mark and bad faith in registration has a strong likelihood of success when supported by solid arguments and evidence.

The decision also urges the Directorate General of Intellectual Property (DGIP) to tighten the substantive examination mechanisms for trademark applications. A key takeaway from this case is the need for enhanced capacity and vigilance among trademark examiners to prevent the approval of applications that imitate famous marks, even across different product classes. Assessing good faith must be integrated into the administrative procedures of trademark registration, not limited to evaluating visual or phonetic similarities.

For business actors, this ruling sends a clear message that trademark registration is not merely a procedural formality, but also entails ethical and legal responsibility. Entrepreneurs are reminded that using the name or elements of a well-known trademark for commercial purposes without authorization can constitute an infringement that carries legal risks, including cancellation of registration and the obligation to cover legal costs. These implications are especially important for micro, small, and medium enterprises (MSMEs), who often lack a comprehensive understanding of the complexities of trademark law.

Moreover, the ruling reinforces confidence among foreign trademark owners to register and operate their businesses in Indonesia. The firm protection of well-known trademarks signals that Indonesia's legal system is adaptive and responsive to global developments. This serves as a positive incentive for foreign investment, as it shows that their intellectual property rights are safeguarded against unauthorized exploitation or imitation by local parties.

Equally important, from a consumer protection perspective, the decision emphasizes that trademarks as product identifiers must not mislead the public. Unauthorized use of famous marks poses the risk of deceiving consumers regarding product quality or origin. By reinforcing protection of well-known trademarks, the Supreme Court contributes to efforts in promoting transparency and clarity in consumer markets.

In summary, the theoretical and practical implications of this decision not only strengthen the legal framework of trademark protection in Indonesia but also elevate legal awareness among the public, business actors, and government institutions. This decision may serve as a stepping stone toward institutional reform, legal education enhancement, and the formulation of policies that support a fair, sound, and sustainable intellectual property ecosystem.

CONCLUSION

The principle of good faith constitutes a fundamental element in the trademark registration and protection system in Indonesia, as stipulated in Law No. 20 of 2016 on Trademarks and Geographical Indications. In the trademark dispute between Starbucks Corporation and PT. Sumatera Tobacco Trading Company, this principle served as a critical criterion in determining the validity of trademark registration. The case underscores the importance of registrants acting honestly and fairly during the registration process to prevent actions that may harm the rights of well-known trademark owners who have already built strong reputations in the market.

The application of the good faith principle not only upholds the integrity of the trademark legal system but also plays a vital role in fostering a fair, competitive, and transparent business environment. Neglecting this principle in the registration process can severely impact both legal and business ecosystems, as it may mislead consumers regarding product quality and origin while simultaneously infringing on the exclusive rights of legitimate trademark owners.

The legal reasoning applied by the Supreme Court in Decision No. 836 K/PDT.SUS-HKI/2022 is consistent with the principle of protection for well-known trademarks as outlined in Law No. 20 of 2016. The Court successfully recognized Starbucks as a well-known mark based on established legal criteria and ruled that the registration by PT. Sumatera Tobacco Trading Company was made in bad faith, even though it concerned a different class of goods. Consequently, the legal outcome of the ruling brings certainty for trademark holders. Legal certainty serves as a guideline providing clear direction for individual behavior within society, while justice requires that these guidelines align with commonly accepted norms and prevailing moral principles.

It is recommended that companies and trademark owners enhance their awareness of legal frameworks and regulations regarding trademark registration, recognizing that registration involves not only ownership but also ethical business conduct. For the government, greater coordination among agencies overseeing trademark registration is necessary to prevent approvals that could harm the rights of well-known trademark owners.

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