Case Study on Decision Number 122 K/PDT.SUS-HKI/2023 Concerning the Position of the Letter of Authorization According to Law Number 31 of 2000 on Industrial Designs

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Abstract:

Legal protection of intellectual property rights in Indonesia is crucial for promoting domestic innovation and creativity. However, recent Supreme Court rulings have complicated the definition of "interested party" within the framework of Indonesian Industrial Design Law, particularly concerning the validity of letters of authorization in legal disputes. This paper focuses on Decision Number 122 K/PDT.SUS-HKI/2023, which highlights a dispute between CV Rajawali Diesel and Tommy Admadiredja regarding the authenticity and implications of authorization letters in cancellation lawsuits concerning industrial designs. The research adopts a normative juridical method combined with qualitative analysis to assess the legal standing of CV Rajawali Diesel as the plaintiff and to explore the broader implications of the Supreme Court's interpretation of "interested party". Findings suggest that allowing authorization letters to serve as valid proof of interest could expand the definition of "interested party," potentially enabling parties without direct rights to make claims. This shift may lead to increased legal uncertainties and could burden the judicial system with frivolous claims. The study concludes with several recommendations aimed at clarifying the definition of "interested party" to enhance legal certainty in cancellation lawsuits. Developing clear guidelines for authorization letters and raising awareness of proper authorization practices among stakeholders are essential steps to mitigate misuse. By addressing these issues, this research seeks to strengthen the protection of industrial design rights in Indonesia, fostering a more equitable and effective environment for creators and innovators.

KEYWORDS: authorization, design, law, newness, intellectual property.

1. Introduction

Legal protection of intellectual property rights in Indonesia is an essential step in promoting domestic innovation and creativity. Intellectual Property refers to creations resulting from human creative thinking, with rights exclusively attached to specific individuals or legal entities that others cannot revoke. Generally, intellectual property in Indonesia is divided into two parts: Copyright and Related Rights, and Industrial Property Rights.

Industrial Property Rights include industrial design, integrated circuit layout design, trademark, trade secret rights, plant variety, and patent (DJKI, 2019). As part of Industrial Property Rights, Industrial Design Law aims to enhance and protect intellectual property rights related to the shape, configuration, or ornamentation of a product that contributes to industrial development.

Industrial design involves the creation and development of products and is integral to trade and industrialization. Internationally, Indonesia became a member of the World Trade Organization (WTO) by ratifying the 1994 Uruguay Round Multilateral GATT Agreement through Law No. 7 of 1994, which requires compliance with intellectual property provisions under the Trade-Related Aspects of Intellectual Property Rights (TRIPs), specifically Articles 25 and 26 regarding industrial design protection. At the national level, Law No. 31 of 2000 on Industrial Designs (UU Desain Industri) provides legal protection for intellectual works that offer aesthetic impressions and can be reproduced in two or three dimensions. Legal protection for industrial design rights holders is afforded to any individual who creates industrial designs in Indonesia. Indonesia follows a first-to-file system, meaning the party who first registers the design with the Directorate General of Intellectual Property (DJKI) is recognized as the rightful owner (Ashiddiq, M., (et.al.), 2021). The legal protection system outlined in Law No. 31 of 2000 on Industrial Designs emphasizes the novelty of the design (Maulana, 2010). To obtain legal protection for industrial designs in Indonesia, the steps that can be taken include filing an application for industrial design rights registration. The registration process involves filing the application, receiving the application, administrative examination, announcement, substantive examination, and publication.

In the case between CV Rajawali Diesel and Tommy Admadiredja, CV Rajawali Diesel filed for the cancellation of an industrial design registration, alleging that Tommy Admadiredja's registration with the Directorate General of Intellectual Property (DJKI) was executed in bad faith due to similarities with their generator sets (genset). The issue that draws the researcher's attention is CV Rajawali Diesel's legal standing as the plaintiff, which is based on a letter of authorization from distributor Fujian Weiman Power Technology Co., Ltd., rather than from the actual owner of the industrial design rights, which belong to Chongqing Longli Power Equipment Co. Ltd. Article 38 of Law No. 31 of 2000 on Industrial Designs allows lawsuits for cancellation to be filed by "interested parties," leading to ambiguity in defining who qualifies as such. The Supreme Court's decision to accept the letter of authorization as valid for establishing interest introduces a new interpretation of "interested party," which may create legal uncertainty and encourage similar claims from parties lacking direct rights. This ruling could set a precedent affecting future cases, potentially overwhelming the judicial system and creating uncertainty for legitimate industrial design owners.

Many researchers have highlighted the importance of legal protection for intellectual property rights in enhancing the competitiveness of industries in Indonesia, particularly concerning industrial design rights. However, there have been limited studies concerned with the interpretation of "interested party" under Indonesian Industrial Design Law, especially in light of recent Supreme Court decisions that allow parties with letters of authorization from distributors to claim such status. Therefore, this research intends to analyze the legal standing of CV Rajawali Diesel in its dispute with Tommy Admadiredja, emphasizing the implications of these rulings on the broader legal framework. The objectives of this research are to assess the definition of "interested party," evaluate the impact of the Supreme Court's interpretation on future cases and provide recommendations for enhancing legal clarity in cancellation lawsuits related to industrial designs.

2. Materials and Method

The researchers use a normative juridical method with a qualitative approach, analyzing applicable laws and regulations relevant to the legal issues that are the focus of the research. This research aims to study and analyze legal regulations, legal literature, and court rulings to understand the applicable legal norms and their practical application (Marzuki, 2011). This method was chosen to analyze and examine the legal standing in the dispute over the cancellation of the industrial design registration, focusing on the interpretation of "interested party"

under Indonesian Industrial Design Law and its implications for future legal cases. Information is gathered through secondary data sources, which involve examining both online and offline sources, in accordance with the research focus to assess the omnibus law from legal perspectives. Using an analytical descriptive method, the findings are analyzed qualitatively by identifying, classifying, and interpreting relevant information. The findings will be presented clearly, with explanations that are easy for a broad audience to understand.

3. Discussion

Industrial design, though generally referring to a product's aesthetic or visual aspects, may have different definitions across countries. According to positive law in Indonesia, Article 1, Point 1 of Law Number 31 of 2000 on Industrial Design states that Industrial Design is a creation concerning the shape, configuration, or composition of lines or colors, or a combination thereof, in three-dimensional or two-dimensional form that provides an aesthetic impression and can be realized in a three-dimensional or two-dimensional pattern and can be used to produce a product, an industrial commodity, or a handicraft. As a part of intellectual property, the creator of an industrial design has the right to protect their work under the law (Santoso, 2005). According to Article 1, Point 5 of the Industrial Design Law, industrial design rights are exclusive rights granted by the Republic of Indonesia to the designer for a designated period. These rights allow the designer to use their design independently or to permit others to use it. Additionally, Article 6, Paragraph (1) of the Industrial Design Law clarifies the holders of industrial design rights, stating that the right to obtain Industrial Design Rights belongs to the designer or any individual who receives these rights from the designer. According to this law, exclusive rights to industrial design protect the industrial design rights holder, allowing them to exercise their industrial design rights and prevent others from making, using, selling, importing, exporting, or distributing related industrial design products without permission (Lindsey, T., (et al.), 2019).

Industrial design, as part of intellectual property, holds commercial value and represents a personal right that can be licensed as a form of monopoly to prevent others from using it without the owner's consent (Purwaningsih, 2005). A license is the granting of rights to make, use, or sell a specific product, design, or process, or to perform other actions, provided by the rights holder (Edward, 1990). The content of a license agreement must comply with legal regulations. Through a license agreement, intellectual property owners and holders can enjoy the economic benefits of a legally protected asset for a specified period. Article 1, Point 11 of the Industrial Design Law defines a license agreement as follows: "A license is permission granted by the holder of Industrial Design Rights to another party through an agreement based on granting rights (not transferring rights) to enjoy the economic benefits of a protected industrial design for a specific period and under certain conditions." Industrial Design Rights holders are entitled to grant a license to another party under a license agreement, allowing the other party to perform all acts unless agreed otherwise. In drafting a license agreement, it is essential to ensure compliance with applicable laws and regulations. Article 35, Paragraph (1) of the Industrial Design Law stipulates that the license agreement must be recorded in the General Register of Industrial Designs (Daftar Umum Desain Industri) by the Directorate General of Intellectual Property. A license agreement not recorded in the General Register of Designs and announced in the Official Industrial Design Gazette (Berita Resmi Desain Industri) will not be enforceable against third parties. Therefore, industrial design licenses maintain a balance between legal protection and economic development through the utilization of industrial design.

In the case of CV Rajawali Diesel v. Tommy Admadiredja, CV Rajawali Diesel filed a lawsuit for the cancellation of industrial design registration, claiming that the registration process conducted by Tommy Admadiredja with the Directorate General of Intellectual Property (DJKI) was made in bad faith. The registration was deemed to be in bad faith because CV Rajawali Diesel alleged that the generator set (genset) registered by Tommy bore similarities to the genset sold by their company. To defend its exclusive rights, Article 46 of the Industrial Design Law grants the rights holder the authority to sue anyone who intentionally and unlawfully misuses their industrial design through a lawsuit for damages and/or to stop related actions by filing a suit in commercial court. Furthermore, Article 38 of Law No. 31 of 2000 on Industrial Designs outlines that a lawsuit for the cancellation

of an industrial design registration can be filed by "an interested party". In this context, the researcher's attention is drawn to the position of CV Rajawali Diesel as an interested party to file the cancellation lawsuit based on a letter of authorization from Fujian Weiman Power Technology Co., Ltd., which is not the owner of the industrial design rights related to the disputed industrial design.

Article 38 of Law Number 31 of 2000 on Industrial Designs implies that those with legal standing to file a cancellation lawsuit for an industrial design must be an "interested party." Legal standing is a concept used to determine whether a claimant is sufficiently affected by an issue to bring the matter before a court (Harjono, 2008). Legal standing plays a crucial role in defining the legal relationship between the parties. It requires the claimant to demonstrate a significant and direct interest that is materially impacted by the existence of the disputed industrial design to justify the lawsuit. In this case, the interpretation of the term "interested party" becomes a key issue in the industrial design cancellation lawsuit, particularly in determining whether the claimant has a direct legal relationship or economic interest affected by the design's registration. Clarifying and ensuring legal certainty on this matter is essential, as legal standing not only establishes the legitimacy of the plaintiff but also serves as the basis for the court to assess whether the lawsuit is admissible and warrants further proceedings.

The Supreme Court Decision Number 122K/Pdt.Sus-HKI/2023 reinforces the Commercial Court Decision Number 78/Pdt.Sus-Desain Industri/2022 from the Central Jakarta Commercial Court, which accepted CV Rajawali Diesel's lawsuit and annulled the industrial design certificate held by Tommy Admadiredja. According to the Supreme Court Decision Number 122K/Pdt.Sus-HKI/2023, CV Rajawali Diesel was able to prove its legal standing as an interested party because they had obtained authorization in the form of a Letter of Authorization Number WT RD 20190601 dated June 1, 2019, from a Chinese company named Fujian Weiman Power Technology Co., Ltd. However, the industrial design rights of the disputed object are owned by Chongqing Longli Power Equipment Co., Ltd., as indicated by the registration certificate registered with the China National Intellectual Property Administration under the title 'Genset Inventer,' No. 201930298621.6. Furthermore, the law stipulates that the utilization of industrial design rights by third parties must occur through licensing agreements. The authorization in the form of a Letter of Authorization is not regulated under Law No. 31 of 2000 on Industrial Designs. Therefore, this case highlights a new interpretation regarding the status of the Letter of Authorization as a basis for legal standing in filing a lawsuit for the cancellation of an industrial design.

In its considerations, the Commercial Court upheld the legal standing of CV Rajawali Diesel, stating that an interested party includes those who have utilized the design for their business activities, such as manufacturing, selling, marketing, and even exporting. Parties who feel their interests have been disrupted may file a cancellation lawsuit without being required to hold a registration certificate for the same work. Their legal standing is based on the harm caused to their interests due to the enforcement of a legal recognition that the plaintiff argues is invalid. The Supreme Court affirmed this reasoning in its cassation decision, stating that the plaintiff successfully substantiated its claims as an interested party. This was based on its role as an importer and distributor that had obtained authorization in the form of a Letter of Authorization from a Chinese company, Fujian Weiman Power Technology Co. Ltd.

Letter of authorization is a legal document that grants authority to a third party on behalf of the individual who writes the letter. This document is commonly used in business practice to grant permission to employees or others to conduct certain transactions or actions on behalf of the company. Within the scope of intellectual property rights, a letter of authorization serves as an official statement issued by the owner of the intellectual property rights, declaring that specific intellectual property is authorized for use in business (Duncan, 2008). A letter of authorization is a unilateral statement, in contrast to a contract, which is a document that shows an agreement between two or more parties (Giacopello, 2022). In this regard, Article 1, Paragraph (1) of the TRIPS Agreement states that "Members shall give effect to the provisions of this Agreement. Members may, but shall

not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice." The exclusive rights that form the foundation of intellectual property principles are regulated by law as rights allowing the holder to exercise their industrial design rights, granted exclusively to the owner of the industrial design. Under Law No. 31 of 2000 on Industrial Designs, it is established that agreements other than licensing agreements are not regulated. Therefore, under the applicable positive law in Indonesia, CV Rajawali Diesel does not have legal standing to file a cancellation lawsuit for an industrial design based on a letter of authorization.

In determining the interested party in filing a cancellation lawsuit for an industrial design, Law No. 31 of 2000 does not provide further clarification regarding the definition and limitations of such interested parties. In this context, prior precedents can serve as legal sources to understand the application of the definition of interested parties in legal practice. In the Supreme Court Decision Number 854 K/Pdt.Sus-HKI/2015, the interested party referred to in Article 38, Paragraph (1) of Law No. 31 on Industrial Designs can be interpreted as the holder of the industrial design or the licensee of the industrial design holder. A plaintiff does not qualify as an interested party if they are not the owner or holder of the industrial design rights. In this case, CV Rajawali Diesel, which does not hold a licensing agreement with Chongqing Longli Power Equipment Co., Ltd., the holder of the industrial design rights for the disputed industrial design object, does not qualify as an interested party. Additionally, in Decision Number 926 K/Pdt.Sus/2010, it is explained that Article 38 of the Industrial Design Law states that a cancellation lawsuit can be filed by an interested party, which the term "interested party" is not defined in that article or its explanation. However, it can be aligned with trademark law, which identifies interested parties as the Attorney General, consumer organizations, and religious councils/institutions. The decision further clarifies that the plaintiff in this case, who was a seller of the related industrial design object, lacked the capacity to file the lawsuit. In this instance, CV Rajawali Diesel, which sold the disputed industrial design object based on a letter of authorization from Fujian Weiman Power Technology Co., Ltd., which is not the holder of the industrial design rights, does not qualify as an interested party. Therefore, based on these rulings, CV Rajawali Diesel lacks the legal standing to file a cancellation lawsuit for the industrial design.

The Supreme Court ruling that accepts a letter of authorization as a basis for filing a cancellation lawsuit for an industrial design demonstrates a different interpretation of 'interested parties' as regulated by law. If the letter of authorization is deemed sufficient, this could broaden the interpretation of who might be considered an 'interested party,' potentially leading to legal uncertainty for other parties that may have similar interests but different legal foundations. The decision in this case could set a legal precedent that impacts similar cases in the future. The status of a letter of authorization qualifying as an "interested party" might open the door for numerous lawsuits based on letters of authorization that may not confer the same strong rights as formal licensing agreements. Consequently, there is a risk that parties without direct interests or valid rights might attempt to use similar letters of authorization to file cancellation lawsuits, thereby obstructing the judicial system and creating uncertainty for industrial design owners. Therefore, it is important to emphasize that the use of a letter of authorization as the basis for legal claims must be clearly and strictly regulated to protect the rights of legitimate industrial design owners and to ensure that every lawsuit filed has strong legal legitimacy. This also requires closer oversight of authorization agreements to prevent misuse that could harm parties involved in the field of industrial design.

In considering alternative explanations for the findings of this study, it is essential to recognize that there is no definitive explanation regarding the legal interpretation of 'interested parties' under Law No. 31 of 2000 on Industrial Designs. The interpretation in Supreme Court Decision Number 122 K/Pdt.Sus-HKI/2023, which accepts the letter of authorization as a basis for filing a cancellation lawsuit, may be influenced by broader judicial principles, including notions of justice and balance. Furthermore, the involvement of various

stakeholders, such as policymakers and legal practitioners, can shape the understanding and application of legal provisions, leading to differing interpretations. Additionally, the ongoing developments in intellectual property law and the increasingly global nature of trade may introduce alternative frameworks for understanding the rights and obligations associated with industrial design. This suggests that while this research provides valuable insights, the results should be contextualized within a broader discourse on the interpretation and legal practices concerning design rights.

While this study offers valuable insights into the implications of Decision Number 122 K/PDT.SUS-HKI/2023, it is crucial to acknowledge the limitations of this study. The insights regarding the legal status of authorization letters for industrial design rights in this research are based on a single case analysis. This focus may not encompass the full range of legal interpretations and practices in industrial design. Additionally, the study does not include the experiences and perspectives of all relevant stakeholders, such as designers and policymakers, who could provide a more comprehensive understanding. The study is also reliant on Indonesia's current positive law, which may evolve in the future. Future research should explore these perspectives to offer a broader view of the legal framework governing industrial design in Indonesia, ultimately contributing to more effective legal protection and practice.

4. Conclusion

The analysis of the Supreme Court Decision Number 122 K/Pdt.Sus-HKI/2023 pertains to the legal standing of 'interested parties' in industrial design cancellation lawsuits. The Supreme Court's decision, which accepted a letter of authorization as sufficient legal standing for CV Rajawali Diesel, indicates a shift in interpretation that could impact future cases. This raises concerns about potential legal uncertainty regarding industrial design cancellation lawsuits. A letter of authorization, lacking the binding power of a licensing agreement, may lead to legal disputes from parties without a legal interest, thereby affecting judicial proceedings and the rights of legitimate industrial design holders. This can be achieved by revising the existing law or implementing it in new legal regulations as part of the implementing provisions of the law. Furthermore, in November 2024, the Industrial Design Law was one of 41 Draft Laws (RUU) that the Indonesian House of Representatives (DPR) agreed to include in the 2025 National Legislation Program. This could serve as a consideration to balance legal accessibility while ensuring the protection of design rights, judicial integrity, and consistency in legal interpretations in industrial design.

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