# THE ROLE OF REGIONAL GOVERNMENTS IN EMPOWERING MSMEs THROUGH BRAND REGISTRATION IN THE ERA OF DIGITALIZATION

## PERAN PEMERINTAH DAERAH TERHADAP PEMBERDAYAAN UMKM MELALUI PENDAFTARAN MEREK DI ERA DIGITALISASI

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Volume 02, Number 02, September 2023 Received: July 20, 2023 Accepted: July 30, 2023 Online Published: September 30, 2023.

#### **ABSTRACT**

This research discusses the role of local government towards the empowerment of Micro, Small, and Medium Enterprises through trademark registration in the digitalization era. This research aims to find out how the urgency of trademark registration in providing legal protection to business actors and the role of local governments. As stipulated in Law Number 23 of 2014 concerning Regional Government, it is explained that the provisions regarding cooperatives, small and medium enterprises are the authority of the Regional Government in the implementation of mandatory affairs in facilitating Micro, Small and Medium Enterprises through trademark registration in this digitalization era. The research method used in this research is normative juridical research method using primary and secondary legal materials which are processed qualitatively using deductive logic. From the results of the research presented, it can be concluded that the local government synergizes with the Directorate General of Intellectual Property in helping businesses get trademark protection through first, organizing socialization activities for trademark registration of Micro, Small and Medium Enterprises products that can be done with an electronic system with the aim that businesses understand the importance of trademark registration for their products. Second, the local government can facilitate the existence of collective brands in each region that will be used by economic actors of Small and Medium Enterprises with the purpose of fostering the pride of each region of the product origin of the region. The trademark registration of Micro, Small, and Medium Enterprises is done collectively as a form of empowerment. Trademark registration system in Indonesia embraces constitutive (first to file) where in this system requires the registration of Trademark in order for a Trademark can get protection, protection is only valid for registered trademarks.

# Keywords: Brands, Local Government, Micro, Small and Medium Enterprises,

#### **ABSTRAK**

Penelitian ini membahas peran pemerintah daerah pemberdayaan Usaha Mikro, Kecil dan Menengah melalui pendaftaran merek di era digitalisasi. Penelitian ini bertujuan untuk mengetahui bagaimana urgensi pendafataran terhadap merek dalam memberikan perlindungan hukum pelaku usaha serta peran pemerintah daerah Sebagaimana telah diatur dalam Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintahan Daerah dijelaskan bahwa ketentuan tentang koperasi, usaha kecil, dan menengah merupakan kewenangan Pemerintah Daerah dalam penyelenggaraan urusan wajib dalam memfasilitasi Usaha Mikro, Kecil, dan Menengah melalui pendaftaran merek di era digitaliasi ini .Metode penelitian yang digunakan dalam penelitian ini yakni metode penelitian yuridis normatif dengan menggunakan bahan hukum primer dan sekunder yang diolah secara kualitatif dengan menggunakan logika deduktif. Dari hasil penelitian yang dapat disimpulkan Pemerintah daerah bersinergi dengan Direktorat Jendral Kekayaan intelektual dalam membantu pelaku usaha mendapatkan perlindungan merek melalui pertama, menyelenggarakan kegiatan sosialisasi pendaftaran merek produk pelaku Usaha Mikro, Kecil, dan Menengah yang dapat dilakukan dengan sistem elektronoik dengan tujuan agara para pelaku usaha memahi pentingnya pendafataran merek untuk produknya. Kedua, pemerintah daerah mampu memfasilitasi adanya merek kolektif di masing-masing daerah yang akan digunakan oleh pelaku ekonomi Usaha Kecil dan Menegah dengan tujuan menumbuhkan kebanggan masing- masing daerah terhadap produk asal daerahnya. Adapun pendaftaran merek Usaha Mikro, Kecil, dan Menengah dilakuakan secara kolektif sebagai bentuk pemberdayaan. Sistem pendaftaran merek di Indonesia menganut konstitutif (first to file) dimana dalam sistem ini mengharuskan adanya pendaftaran Merek agar suatu Merek bisa mendapatkan perlindungan, perlindungan hanya berlaku bagi merek yang terdafatar.

## Kata Kunci : Merek, Pemerintah Daerah ,Usaha Mikro Kecil dan Menengah.

### I. INTRODUCTION

Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia is the foundation of the national economic system. This article explains that the national economy is organized based on the principles of economic democracy with the principles of togetherness, fair efficiency, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity. the role of society and the

private sector, the government also has a very large role in economic activities.<sup>1</sup>

The development and empowerment of Micro, Small and Medium Enterprises is very important for the global economy because Micro, Small and Medium Enterprises are the initial foundation to support the economy. Because the role of Micro, Small and Medium Enterprises is very crucial for the Indonesian economy, knowing how large their number and growth rate is is very important. As business entities that support the Indonesian economy, the number of Micro, Small and Medium Enterprises has increased from year to year. According to the Ministry of Cooperatives and Micro, Small and Medium Enterprises, the growth of Micro, Small and Medium Enterprises continues to increase during 2015-2019.<sup>2</sup>

59.262.772 61.651.177 62.922.617 64.194.057 65.465.497

Picture 1 Micro, Small and Medium Enterprise Growth Data 2015-2019

Source: Ministry of Cooperatives and Micro, Small and Medium Enterprises of the Republic of Indonesia

Based on data from the Ministry of Cooperatives and Small and Medium Enterprises, the contribution of Micro, Small and Medium Enterprises reached 99% (ninety nine percent) of all business units, the contribution to Gross Domestic Product was 60.5% (sixty point five percent) and was able to absorbing 96.9% of the workforce (ninety-six point nine percent). The growth of Micro, Small and Medium Enterprises with a significant trend certainly cannot be separated from the government's role in establishing strategic policies in controlling the market.

Based on Indonesia's economic growth, the Central Government and Regional Governments are obliged to allocate at least 40% (forty percent) of products/services for Micro, Small and Medium Enterprises and Cooperatives from domestic production in the procurement of goods/services for the

<sup>&</sup>lt;sup>1</sup> https://www.djkn.kemenkeu.go.id/artikel/baca/13287/Strategi-Kebijakan-Pemulihan-Ekonomi-Nasional.html, diakses pada 19 Maret 2024

 $<sup>^2\,</sup>$ https://ukmindonesia.id/baca-deskripsi-posts/data-umkm-jumlah-dan-pertumbuhan-usaha-mikro-kecil-dan-menengah-di-indonesia

Central Government and Regional Governments in accordance with the provisions of the legislation. Several government policies that have been implemented in the context of empowering Micro, Small and Medium Enterprises in Indonesia include:<sup>3</sup>

- 1. Infrastructure development, adequate infrastructure will help Micro, Small and Medium Enterprises increase operational efficiency and expand their market reach. Development of digital connectivity infrastructure, such as the Palapa Ring Satellite and Base Transceiver Station, so that business actors in remote areas will be connected digitally.
- 2. Financing program, around 18 million Micro, Small and Medium Enterprises do not yet have access to formal financing and around 46 million Micro, Small and Medium Enterprises still need additional financing for working capital and investment. The government provides support through the People's Business Credit program and ultra-micro financing.
- 3. Digitalization of Micro, Small and Medium Enterprises, digitalization can provide many benefits for Micro, Small and Medium Enterprises, including operational efficiency, namely increasing productivity, expanding market reach and increasing competitiveness. As of January 2022, as many as 17.2 million Micro, Small and Medium Enterprises have been digitized. The target is that 40 million Micro, Small and Medium Enterprises will be digitalized by 2024.
- 4. Synergy and coordination, increasing synergy and coordination with the public, academic and private sectors, including how to develop sharia financial schemes for Micro, Small and Medium Enterprises is very necessary in order to increase the empowerment of Micro, Small and Medium Enterprises.

The rapid growth of MSMEs in Indonesia is also accompanied by the flow of digitalization which provides many benefits in their development. Digitalization has opened the door to access for Micro, Small and Medium Enterprises to global market share, increasing turnover, and reducing promotional costs by utilizing digital technology. In the midst of the high flow of digitalization, Micro, Small and Medium Enterprises must also be able to face global challenges such as increasing product and service innovation, developing human resources and technology. Apart from the ease of digitalization, digitalization can also have a negative impact on business development, such as brand counterfeiting which can be detrimental to consumers and business owners.<sup>4</sup> Among the opportunities for Micro, Small and Medium Enterprises to take advantage of digitalization is the ease of registering their business brands electronically. Registration of a trademark is a necessity for business owners in order to obtain legal protection for guaranteed rights.

<sup>4</sup> Iwan Ridwan Zaelani, "Peningkatan Daya Saing UMKM Indonesia: Tantangan dan Peluang Pengembangan IPTEK", JURNAL TRANSBORDERS | Vol. 3 No. 1(Desember 2019, Hlm 15

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<sup>3</sup> https://djpb.kemenkeu.go.id/kppn/cirebon/id/data-publikasi/berita-terbaru/2852-kebijakan-pemerintah-dalam-pemberdayaan-umkm.html

In 2021, the government launched the Online Single Submission - Risk Based Approach (OSS RBA) platform which can be accessed via www.oss.go.id. This website is used as a medium for registering business permits in Indonesia for business actors. By 2022, the number of Micro small and Medium Enterprises that have registered their businesses on the OSS platform has reached 8.71 million units with the location distribution as follows:

Jawa Barat Jawa Tengah Jawa Timur Sumatera Utara Banten Sumatera Selatan Sumatera Barat Nusa Tenggara Barat 287.8 Lampung Sulawesi Selatan Riau DI Yogyakarta Aceh 116,666 Sulawesi Utara Gorontalo 85,583 83,523 Bengkulu Nusa Tenggara Timur 81,742 Kalimantan Selatan 72,113 57,597 Jambi 46,824 Kalimantan Timur Kep. Bangka Belitung 30,770 29,813 Kalimantan Barat Sulawesi Tengah 29,706 Sulawesi Barat Maluku Sulawesi Tenggara 8,978 Kalimantan Utara Kalimantan Tengah Papua Barat 4.604 Maluku Utara 4.141 Papua 3,932

Picture 2 Number of Micro, Small and Medium Enterprises in Indonesia Throughout 2022

Source: Ministry of Cooperatives and Micro, Small and Medium Enterprises

Based on data, in 2019 only around 10,632 Micro, Small and Medium Enterprise brands registered Intellectual Property Rights (HKI) out of the 64.1 million total Micro, Small and Medium Enterprises in Indonesia. This figure is relatively low. In fact, registering for brand protection is very important to protect their products to support business continuity.<sup>5</sup> The growth rate of

<sup>&</sup>lt;sup>5</sup> <u>https://sulsel.kemenkumham.go.id/berita-kanwil/berita-utama/5633-djki-kemenkumham-memberikan-118-sertifikat-merek-bagi-kumkm</u>. Diakses pada 20 Maret 2024

Micro, Small and Medium Enterprises is increasing, but the awareness of Micro, Small and Medium Enterprises regarding Intellectual Property is still low. It is very unfortunate that products or services for Micro, Small and Medium Enterprises are often sold without brands or found to be products that are This sale is the result of imitating or taking other people's products. Brands are important to protect, because they are intended to differentiate one product from other products.

So far, Micro, Small and Medium Enterprise entrepreneurs have prioritized increasing sales turnover rather than protecting their Intellectual Property Rights. This is of course very detrimental to business actors and affects consumer loyalty towards these goods. So legal certainty and protection is needed for brands of goods or services. Trademark registration for Micro, Small and Medium Business actors must of course start from the awareness of business actors to protect their Intellectual Property Rights. Apart from that, it needs to be supported by the important role of central and regional governments to work together in providing easy facilities for Micro, Small and Medium Business actors in registering. the brand.

The author also observed research conducted by Andrew Bathelhen and Prisca Oktaviani Samosir with the research title "Legal Protection Efforts for Industrial Brands of Micro, Small and Medium Enterprises in Indonesia"6 explained in his research that there are quite a lot of Micro, Small and Medium Enterprises industry players in Indonesia who have not registered their trademarks, this is due to limited capital and a lack of understanding of the benefits of trademark registration for the Micro, Small and Medium Enterprises industry, so this research suggests the need for policies that regulates that the Micro, Small and Medium Enterprises industry in Indonesia obtain legal protection for its trademarks. Likewise, the next research written by Dea Serlia with the title "Legal Protection of Small Business Products through Brand Rights to Encourage Community Economic Growth"<sup>7</sup> In this research, we try to discuss the importance of legal protection of products through brand rights to encourage economic growth in society with the research results that to guarantee legal protection for brands in the process of trading products for small businesses, brand owners are expected to be able to register their brands in order to obtain exclusive rights in the form of economic rights, and morals as well as legal certainty so that it can encourage economic growth in society. In contrast to this research, the author tries to examine the urgency of trademark registration in providing legal protection for business actors and the role of local governments in facilitating Micro, Small and Medium Enterprises through trademark registration in this era of digitalization.

<sup>&</sup>lt;sup>6</sup> Andrew Bathelhen&Prisca Oktaviani Samosir, "Upaya Perlindungan Hukum Terhadap Merek Industri UMKM di Indonesia", Law and Jurnal Justice, Volume 3 (1) April 2018, hlm 3-11

 $<sup>^7</sup>$  Dea Serlia," Perlindungan Hukum Terhadap Produk Usaha Kecil Melalui Hak Merek Untuk Mendorong Pertumbuhan Perekonomian Masyarakat", Eksaminasi: Jurnal Hukum Vol. 1 No. 2 (2022) pp. 66-76

#### II. METHOD

In relation to the research method used in this research, it uses a normative juridical research method, namely by looking at legal issues as rules. The materials used in this research include primary materials including the Law of the Republic of Indonesia 1945, Law Number 20 of 2016 concerning Marks and Geographical Indications, and Law Number 23 of 2014 concerning Regional Regulations. Secondary legal materials use literature reviews and online media. The data was studied carefully, processed qualitatively using deductive logic by placing Legislation as the major premise and facts as the minor premise.

#### III. ANALYSIS AND DISCUSSION

### a. Juridical Overview of Trademark Registration

The definition of a brand in Law Number 20 of 2016 concerning Trademarks and Geographical Indications explains that a brand is a sign that can be displayed graphically in the form of an image, logo, name, word, letter, number, color arrangement, in 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or a combination of 2 (two) or more of these elements to differentiate goods and/or services produced by individuals or legal entities in goods and/or services trading activities. According to Kotler (2012), a brand is a name, term, symbol, or design, or a combination of these, which is intended to identify goods or services from one seller or group of sellers and differentiate products or services from competitors. The main function of a brand is to differentiate it from other types of goods or services.

As per the Paris Convention, Law Number 20 of 2016 concerning Marks and Geographical Indications divides the types of marks into two groups, namely:

#### 1. Trademark

A trademark is a brand used on goods traded by a person or several persons collectively or as a legal entity to differentiate them from other similar goods.

#### 2. Servicemark

A service mark is a mark used on services traded by a person or several people together or as a legal entity to differentiate them from other similar services.

In addition to trade and service marks, this Law also regulates collective marks (collective marks). Article 1 paragraph 4 explains that collective marks are marks used on goods and/or services with the same characteristics regarding the nature, general characteristics and quality of the goods or services. services and their supervision that will be traded by several people or legal entities together to differentiate them from other similar goods and/or services. So a collective brand is not a separate type of brand. A collective brand aims to differentiate the goods or services of members from the goods/services of other parties who are not members, both regarding

<sup>8</sup> Amstrong, Gary & Philip, Kotler. 2012. Dasar-Dasar Pemasaran. Jilid I, Alih Bahasa Alexander Sindoro dan Benyamin Molan. Jakarta: Penerbit Prenhalindo.

characteristics, quality, quality and regional origin as well as a means of informing the membership of the association in question (member identity).

As stated in Law Number 20 of 2016 concerning Marks and Geographical Indications, it is explained that in the era of global trade, in line with international conventions that have been ratified by Indonesia, the role of Marks and Geographical Indications is very important, especially in maintaining healthy, fair, business competition. consumer protection, as well as protection of Micro, Small and Medium Enterprises and domestic industry. Changes to the flow of the Mark registration process in this Law are intended to speed up the completion of the Mark registration process. The announcement of the Application before the substantive examination is carried out is intended so that the substantive examination can be carried out simultaneously if there are objections and/or objections so that it does not require a re-examination.

With regard to applications for extension of Mark registration, Mark owners are given an additional opportunity to extend their Mark registration up to 6 (six) months after the end of the Mark registration period. This provision is intended so that registered Mark owners do not easily lose their Mark Rights as a result of delays in applying for a Mark registration extension. In addition, to provide further legal protection for registered trademark owners from trademark infringements committed by other parties, criminal sanctions for trademark infringements are increased, especially those that threaten human health, the environment, and can result in death. Considering that trademark issues are closely related to economic factors, in this Law the criminal penalties for fines are increased.

As an effort to support ease of doing business and improve the investment ecosystem, it is necessary to accelerate the processing time for completing trademark registration applications as stipulated in Article 46 of Law Number 20 of 2016 concerning Marks and Geographical Indications and regulated in implementing regulations in the form of Minister of Law and Human Rights Regulations. Human Number 67 of 2016 concerning Trademark Registration as regulated in Article 47.

The provisions regulated in these statutory regulations explain collective trademark registration as a form of empowerment for Micro, Small and Medium Enterprises, namely:

- (1) An application for registration of a Mark as a Collective Mark can only be accepted if the Application clearly states that the Mark will be used as a Collective Mark.
- (2) Apart from the confirmation regarding the use of the Collective Mark as intended in paragraph (1), the Application must be accompanied by a copy of the provisions for the use of the Mark as a Collective Mark.
- (3) The provisions for the use of Collective Marks as intended in paragraph (2) at least contain regulations regarding:
  - a. The nature, general characteristics, or quality of goods and/or services to be produced and traded;

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<sup>9</sup> https://www.dgip.go.id/artikel/detail-artikel/memahami-perbedaan-merek-dan-merek-kolektif-serupa-namun-berlainan?kategori=pengumuman, diakses pada 20 Maret 2024

- b. Supervision of the use of Collective Marks; and
- c. Sanctions for violating the terms of use of Collective Marks.
- (4) To empower Micro, Small and Medium Enterprises, the Government can register Collective Marks intended for the development of such businesses and/or public services.

With the existence of provisions regarding, among other things, the nature, general characteristics or quality of goods and/or services as well as their supervision, it is implied that there are requirements that must be followed by parties who participate in using the Collective Mark in question as explained in Article Law Number 20 of 2016 concerning Marks. and Geographical Indications. The application for Collective Mark registration is checked for completeness of the requirements in accordance with the laws and regulations in force in Indonesia.

# b. The Role of Regional Governments in Empowering Micro, Small and Medium Enterprises Through Trademark Registration in the Era of Digitalization

Indonesia adheres to a constitutive registration system where this system requires trademark registration so that a trademark can receive protection. This system is known as the first to file system. Where the application of the first to file principle in Indonesia in trademark protection efforts applies to anyone, whether an individual or a legal entity, who first registers a mark for a particular class and type of goods/services, is considered to be the owner of the rights to the mark in question for the class and type of goods/services.<sup>10</sup>

The right to a trademark is an exclusive right granted by the state to the owner of a registered trademark for a certain period of time by using the trademark himself or giving permission to another party to use it, this is regulated in Article 1 number 4. One of the developments in the field of trademarks is the emergence protection of new types of Marks or so-called non-traditional Marks. In this Law, the scope of protected Marks also includes sound Marks, three-dimensional Marks, hologram Marks, which are included in the category of non-traditional Marks.

Furthermore, several improvements will be made to further improve services to the Trademark Applicant community. To make it easier for applicants to register a trademark, several revisions or changes need to be made in the form of simplifying the trademark registration process and procedures. The existence of regulations regarding the minimum requirements for an Application will make it easier to submit an Application by simply filling in the Application form, attaching a label or sample of the Mark for which registration is requested, and paying the Application fee. By fulfilling the minimum requirements for the Application, a Trademark Application will be given a Reception Date or filing date. This is explained further in the Explanation of Articles of the Law on Marks.

In line with the government's development agenda in the National Medium Term Development Plan 2020-2024 which is an elaboration of the

<sup>&</sup>lt;sup>10</sup> Septarina, M., & Salamiah, S. (2020). Upaya Perlindungan Hukum Terhadap Pelanggaran Merek Terkenal Yang Tidak Terdaftar Di Indonesia Berdasarkan UU Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis. Al-Adl: Jurnal Hukum, 12(1), hlm. 96.

vision, mission and program of the President and Vice President with the development target being to create an independent, advanced, just and prosperous Indonesian society through accelerated development in various fields by emphasizing the development of a solid economic structure based on competitive advantages in various regions supported by quality and competitive human resources.<sup>11</sup>

The government's development agenda to strengthen economic resilience for quality and equitable growth is carried out through policy directions in the context of increasing economic added value in 2020-2024. In the strategic plan, the development of cooperatives and micro, small and medium enterprises is directed at strengthening economic resilience in order to support quality growth and implementing policy directions to increase economic added value translated into the main targets of increasing added value, competitiveness, investment, exports, substance imports and expanding employment opportunities through strengthening cooperatives, micro, small and medium enterprises and entrepreneurship. 12

As regulated in Law Number 23 of 2014 concerning Regional Government, it is explained that provisions regarding cooperatives, small and medium enterprises are the authority of the Regional Government in carrying out mandatory affairs that are not related to basic services.

Table 1 Division of Government Affairs in the Sectors of Cooperatives, Small and Medium Enterprises Based on the Attachment to Law Number 23 of 2014 concerning Regional Government

Number 23 of 2014 concerning Regional Government				
Sub Affairs	Central Government	Provincial Government	Regency/City Regional Government	
Empowerment of Micro, Small and Medium Enterprises	Empowerment of medium-sized businesses is carried out through approaches, partnerships, ease of agreement, institutional strengthening and coordination with stakeholders.	Empowerment of small businesses is carried out through data collection, partnerships, ease of agreements, institutional strengthening and coordination with stakeholders.	Empowerment of micro businesses is carried out through data collection, partnerships, ease of agreements, institutional strengthening and coordination with stakeholders.	
Development	Development of	Development of	Micro business	
of Micro, Small	medium-sized	small businesses	development with	
and Medium	businesses with	with an orientation	an orientation	
Enterprises	an orientation	towards increasing	towards increasing	

<sup>&</sup>lt;sup>11</sup> Deputi Bidang Produksi dan Pemasaran, 2020, Rencana Strategis Deputi Bidang Produksi dan Pemasaran 2020-2024, hlm. 1.

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<sup>&</sup>lt;sup>12</sup> *Ibid*.

towards	the business scale	the business scale
increasing	to become	to become a small
business scale to	medium-sized	business.
become large	businesses.	
businesses.		

Brand protection can only be carried out if the mark has been registered. This registration has implications for the exclusive rights of the brand rights holder. These special rights tend to be monopolistic, meaning that only the brand holder can use them. Trademark holders can use their trademarks provided that they do not violate the existing rules for trademark use, while at the same time prohibiting other parties from using their trademarks or giving permission.<sup>13</sup>

Philosophically, the basis for brand rights as part of intellectual property is based on the existence of moral rights and economic rights. These two rights are inherent in respect for discoveries or creations which are individual property rights, therefore they need to be given legal protection. Intellectual property rights are ownership rights based on the concept of individual rights which emphasize providing legal protection to anyone who has produced an intellectual work that has economic value.<sup>14</sup>

The economic value of a brand becomes higher if the brand is circulated internationally. Therefore, an integrated policy is needed that applies nationally and internationally to protect brands from parties who have bad intentions in imitating and plagiarizing the brand. As an object that has economic value, a brand itself can be used as an object of collateral.

The regional government's efforts to facilitate Micro, Small and Medium Enterprises are carried out through synergy with the Directorate General of Intellectual Property in assisting business actors to obtain brand protection through first, holding socialization activities for registering product brands of Micro, Small and Medium Enterprises which can be carried out using an electronic system by The aim is for business actors to understand the importance of brand registration for their products. Second, regional governments are able to facilitate the existence of collective brands in each region that will be used by Small and Medium Enterprises economic actors with the aim of growing pride in each region for products from their region.

Brand protection is carried out as a preventive and repressive effort. Preventive legal protection includes protection before a criminal act or legal violation occurs against well-known brands and marks. In this case, it really depends on the brand owner to register the brand in order to receive legal protection. There are several preventive measures in question, namely

<sup>&</sup>lt;sup>13</sup> Fazar Nurcahya Dwi Putra, "Pelindungan Hukum Bagi Hak Atas Merek Terhadap Perbuatan Pelanggaran Merek", Mimbar Keadilan, Jurnal Ilmu Hukum, Edisi Januari - Juni 2014, hlm. 98.

<sup>&</sup>lt;sup>14</sup> Venantia Hadiarianti, *Konsep Dasar Pemberian Hak dan Perlindungan Hukum HKI*, Jurnal Gloria Juris, Volume 8 Nomor. 2, Mei-Juni 2008, hlm.3.

<sup>15</sup> Op Cit, hlm. 92.

<sup>&</sup>lt;sup>16</sup> Dewi, C. I. D. L. (2019). Sistem Perlindungan Merek Dan Implikasinya. Jurnal Yustitia, 13(2), 1–8.

<sup>&</sup>lt;sup>17</sup> *Ibid*.

rejection by the trademark office if a registration is carried out by someone else by imitating an existing well-known trademark. Trademark protection through registration is essentially aimed at legal certainty over registered marks, whether for use, extension, transfer or deletion as evidence if a violation of a registered mark occurs.<sup>18</sup>

Repressive legal protection for brands is carried out by enforcing the law against perpetrators of brand infringement in accordance with applicable laws and/or brand use agreements.<sup>19</sup> A method of repressive legal protection for brands in the event of a dispute. Repressive protection can take the form of dispute resolution efforts as regulated in the provisions of the Trademark Law, so it can be pursued through litigation (court) or through non-litigation channels which are regulated in Article 93 concerning arbitration or alternative dispute resolution. In a repressive solution, the role of law enforcers such as the police and prosecutors is very necessary. Registered trademark owners receive legal protection for violations of trademark rights through lawsuits for compensation or criminal lawsuits through law enforcement officials. Apart from that, owners of well-known brands can also cancel their brands.<sup>20</sup>

#### IV. CONCLUSION

The development and empowerment of Micro, Small and Medium Enterprises is very important for the global economy because Micro, Small and Medium Enterprises are the initial foundation to support the economy. As regulated in Law Number 23 of 2014 concerning Regional Government, it is explained that provisions regarding cooperatives, small and medium enterprises are the authority of the Regional Government in carrying out mandatory affairs that are not related to basic services. The role of local governments in empowering Micro, Small and Medium Enterprises is not limited to providing easy business capital but also providing understanding for Micro, Small and Medium Enterprises regarding the importance of brand protection in this era of digitalization.

The local government synergizes with the Directorate General of Intellectual Property in helping business actors obtain brand protection by firstly holding socialization activities on product brand registration for Micro, Small and Medium Enterprises which can be carried out using an electronic system with the aim of ensuring that business actors understand the importance of registering brands for their products. . Second, regional governments are able to facilitate the existence of collective brands in each region that will be used by Small and Medium Enterprises economic actors with the aim of growing pride in each region for products from their region. The registration of Micro, Small and Medium Enterprise brands is carried out collectively as a form of empowerment. The trademark registration system in Indonesia is constitutive (first to file) where this system requires trademark registration so that a trademark can receive protection, protection only applies to registered trademarks.

<sup>&</sup>lt;sup>18</sup> *Op Cit*, hlm. 95.

<sup>&</sup>lt;sup>19</sup> *Op Cit.* 

<sup>&</sup>lt;sup>20</sup> *Op Cit*, hlm. 95.

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