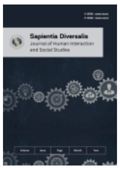

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Protection of Well-Known Trademarks Against Bad Faith: The Starbucks Dispute

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Abstract

The increasing globalization of trade has intensified trademark disputes involving well-known trademarks, particularly those arising from registrations made in bad faith. In contemporary trademark law, protection is no longer confined to similar goods or services, as the unauthorized use of well-known marks on dissimilar goods may create consumer confusion, dilute trademark reputation, and result in unfair competition. This study aims to examine the legal criteria for determining well-known trademark status and to analyze the legal construction of bad faith in trademark registration involving dissimilar goods through the Starbucks trademark dispute in Indonesia. The research employs a normative legal research method using statutory, conceptual, and case approaches. Primary, secondary, and tertiary legal materials were collected through library research and analyzed using qualitative descriptive methods. The findings reveal that the status of a well-known trademark is determined not only by formal registration but also by public recognition, promotional intensity, international reputation, duration of use, and market penetration. The study further demonstrates that trademark registration for dissimilar goods may constitute bad faith when intended to exploit the goodwill of a famous mark. Supreme Court Decision No. 836 K/Pdt.Sus-HKI/2022 confirms that the first-to-file principle cannot be applied rigidly when evidence of bad faith and the protection of a well-known trademark are at stake. The decision reflects a substantive approach that prioritizes fairness, consumer protection, and the prevention of unfair competition. These findings highlight the importance of balancing procedural certainty with substantive justice in strengthening the protection of well-known trademarks within Indonesia's trademark law framework.

Keywords: *Bad Faith, First-to-File Principle, Intellectual Property Law, Trademark Protection, Well-Known Trademark.*

INTRODUCTION

In the contemporary global economy, trademarks have evolved beyond their conventional function as identifiers of goods and services and have become strategic intangible assets that embody corporate reputation, consumer trust, market recognition, and accumulated commercial goodwill across national boundaries (Purwaka, 2017). The increasing integration of international markets and the rapid expansion of digital commerce have significantly amplified the economic value of well-known trademarks, making them vulnerable to unauthorized appropriation, imitation, and bad-faith registration by parties seeking to exploit established reputations for commercial gain (Prakoso, 2024). International trademark protection frameworks have consequently developed toward broader recognition of famous marks, extending legal safeguards even to situations involving dissimilar goods and services when consumer association and reputational harm may arise (Fuad, 2026). Such developments reflect a growing understanding that trademark infringement is no longer limited to direct market substitution but also encompasses dilution, unfair advantage, and reputational exploitation that may occur across different product categories (Kusaimah, 2022). Within this evolving legal landscape, disputes involving globally recognized brands increasingly demonstrate the tension between territorial trademark registration systems and the necessity of protecting established commercial identities from opportunistic conduct. The persistence of bad-faith registration practices indicates that formal registration mechanisms alone are insufficient to guarantee substantive justice for trademark owners. As a result, the legal protection of well-known trademarks has become a significant issue not only in intellectual property law but also in broader discussions concerning market fairness, consumer protection, and business ethics.

The growing complexity of trademark disputes has generated extensive scholarly attention regarding the legal foundations and practical implementation of protection mechanisms for famous marks. Previous studies generally agree that the protection of well-known trademarks constitutes an essential component of modern intellectual property regimes because famous marks possess economic and social functions that extend beyond ordinary trademarks (Gunawan, 2022). Research examining legal protection under Indonesian trademark law has emphasized that the recognition of trademark fame serves as a critical basis for preventing unauthorized use that may mislead consumers and weaken brand distinctiveness (Nabilah, 2026). Other scholars have highlighted that legal protection becomes particularly important when trademark similarities occur within identical or closely related classes of goods and services because consumer confusion is more readily identifiable in such circumstances (Hans & Kansil, 2023). Empirical analyses of trademark disputes have further demonstrated that judicial institutions increasingly consider broader indicators of reputation, public recognition, and commercial goodwill when assessing trademark infringement claims (Puspitasari & Prabowo, 2023). Despite these advancements, much of the existing literature remains concentrated on conventional infringement disputes involving similar goods and services rather than addressing more complex situations involving cross-category trademark appropriation. This tendency has created a scholarly focus that does not fully capture the contemporary challenges faced by well-known trademarks in increasingly diversified markets. Consequently, important dimensions of legal protection remain insufficiently explored despite the growing prevalence of disputes involving non-similar products.

Another significant stream of scholarship has examined the role of good faith and bad faith principles in trademark registration systems, particularly within jurisdictions that adhere to the first-to-file doctrine. Studies have argued that the principle of good faith functions as a corrective mechanism designed to prevent abuse of registration rights and to ensure that trademark protection remains aligned with broader objectives of fairness and legal certainty (Prasomya & Santoso, 2022). Research on trademark cancellation cases has shown that bad faith may manifest through intentional imitation, exploitation of established goodwill, or strategic registration designed to obstruct legitimate trademark owners from exercising their rights (Farhani et al., 2024). Similar findings suggest that evidence of dishonest intent frequently serves as a decisive factor in judicial determinations concerning trademark validity and cancellation proceedings (Noor et al., 2025). Scholars have also emphasized that good-faith considerations are increasingly relevant in disputes involving famous but unregistered trademarks whose reputations have already gained substantial public recognition (Aprilia & Rahaditya, 2023). Further analysis indicates that bad faith may justify trademark cancellation even after a registration has existed for an extended period, demonstrating the enduring significance of equitable principles within trademark law (Wijayanti & Salma, 2023). Although these studies provide valuable insights into the operation of good-faith principles, they often examine such principles independently from the broader issue of protecting well-known trademarks across dissimilar classes of goods and services. This separation limits the ability of existing literature to explain how trademark fame and bad faith interact within complex judicial disputes.

The limitations of previous scholarship become particularly evident in discussions concerning the protection of well-known trademarks against bad-faith registrations involving non-similar goods. Existing analyses frequently address trademark fame, bad faith, and the first-to-file principle as separate legal concepts rather than examining their interrelationship within a unified analytical framework (Kusuma & Rahaditya, 2023). Comparative studies have revealed notable differences among jurisdictions regarding the criteria used to determine trademark fame and the scope of protection granted against registrations involving unrelated products (Fuad, 2026). Recent research concerning foreign well-known trademarks in Indonesia has further identified persistent inconsistencies in judicial interpretation and administrative practice, particularly regarding evidentiary standards for proving trademark notoriety (Alrusydi et al., 2026). Investigations into trademark disputes involving Starbucks have highlighted recurring debates over the extent to which reputation alone should outweigh formal registration claims under the first-to-file system (Riswandi et al., 2023). Analyses of legal protection for well-known marks across different product classes likewise demonstrate continuing uncertainty regarding the threshold for establishing consumer association and reputational harm (Suswandaru & Ahmed, 2023). More recent examinations of bad-faith registration involving famous trademarks have suggested that Indonesian courts have not always applied consistent reasoning when balancing procedural registration rights against substantive principles of fairness (Hakim & Suherman, 2026). These inconsistencies reveal a significant conceptual and empirical gap concerning the relationship between trademark fame, bad-faith conduct, and judicial interpretation within disputes involving non-similar goods.

The urgency of addressing this gap is illustrated by the continuing controversy surrounding the trademark dispute between Starbucks Corporation and Sumatera Tobacco Trading Company, which has emerged as one of the most prominent cases involving the protection of a globally recognized trademark against registration for a different category of goods. Judicial examination of this dispute demonstrates the practical difficulties associated with determining the limits of the first-to-file principle when confronted with allegations of bad-faith appropriation of a famous mark (Mahkamah Agung Republik Indonesia, 2022). Legal analyses of the Starbucks litigation have emphasized that the dispute represents a critical test of Indonesia's commitment to protecting internationally recognized trademarks from reputational exploitation (Adenfa & Rasji, 2025). Scholars examining the same case have argued that the dispute provides an important opportunity to evaluate whether existing legal frameworks adequately address contemporary forms of trademark dilution and unfair competition (Putri & Dewanto, 2026). The case also raises broader concerns regarding consumer protection because the use of identical or highly similar trademarks across different industries may create misleading associations that influence consumer perceptions and market behavior. Unresolved ambiguity regarding the legal standards governing famous trademarks may discourage investment, weaken public confidence in intellectual property enforcement, and create opportunities for strategic abuse of registration systems. Addressing these concerns requires a comprehensive assessment of how legal doctrines concerning trademark fame and bad faith are interpreted and applied within judicial decision-making processes.

This study positions itself within the intersection of trademark law, intellectual property protection, and judicial interpretation by examining the criteria used to determine well-known trademark status, the legal construction of bad faith in trademark registration involving non-similar goods, and the application of the first-to-file principle in the Starbucks dispute. Unlike previous studies that tend to analyze these issues separately, this research integrates them into a single analytical framework capable of explaining the interaction between substantive trademark protection and procedural registration rights. The study specifically focuses on the legal reasoning reflected in Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022 and evaluates its implications for the protection of well-known trademarks in Indonesia. Through a comprehensive doctrinal analysis, this research seeks to clarify the limits of the first-to-file principle when confronted with evidence of bad-faith conduct and strong trademark reputation. The findings are expected to contribute to the refinement of theoretical discussions concerning famous trademark protection and the role of equitable principles in intellectual property law. From a methodological perspective, the study offers an integrated approach that combines statutory interpretation, judicial analysis, and conceptual examination of trademark fame and bad faith within a single case-study framework. Ultimately, the research aims to strengthen legal certainty, enhance consumer protection, and support the development of a fair and competitive business environment.

RESEARCH METHODS

This study employs a non-empirical legal research design (normative or doctrinal legal research) because it focuses on examining legal norms, doctrines, and judicial reasoning governing the protection of well-known trademarks against bad-faith trademark registration rather than collecting primary data from human participants. The research adopts a statutory approach, a conceptual approach, and a case approach to provide a comprehensive understanding of the legal issues surrounding trademark protection in Indonesia. The primary legal materials consist of Law Number 20 of 2016 on Trademarks and Geographical Indications and Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022, which serves as the central case examined in this study. Secondary legal materials include scholarly books, peer-reviewed journal articles, legal commentaries, and previous studies discussing well-known trademarks, the first-to-file principle, bad-faith registration, and intellectual property protection. Tertiary legal materials, such as legal dictionaries, encyclopedias, and other reference sources, are utilized to clarify legal terminology and support conceptual interpretation. Sources were selected based on their relevance to the research objectives, academic credibility, legal authority, and contribution to discussions on trademark protection and bad-faith registration. The analytical framework is structured around three interconnected dimensions: the criteria for determining well-known trademark status, the legal construction of bad faith in trademark registration involving dissimilar goods, and the judicial application of the first-to-file principle in trademark disputes.

The analysis was conducted through a systematic process consisting of legal material identification, classification, interpretation, and evaluation. All collected legal materials were examined using a qualitative descriptive-analytical method to identify the normative meaning of relevant legal provisions and assess their implementation in judicial practice. Particular attention was given to the legal reasoning employed by the Indonesian Supreme Court in determining the status of the Starbucks trademark as a well-known mark, evaluating evidence of bad faith, and balancing substantive trademark protection against procedural registration rights. The findings derived from the case analysis were subsequently compared with statutory provisions, legal doctrines, and scholarly perspectives to develop a comprehensive interpretation of the applicable legal framework. To ensure methodological rigor, the study employed source triangulation by comparing multiple categories of legal materials, including legislation, court decisions, and academic literature, thereby reducing interpretive bias and strengthening analytical consistency. The reliability of the analysis was further enhanced through the application of coherent legal reasoning and the use of authoritative legal sources recognized within intellectual property scholarship. Through these procedures, the study aims to generate a valid, systematic, and theoretically grounded explanation of how Indonesian trademark law protects well-known trademarks against bad-faith registration practices, particularly in disputes involving non-similar goods and services.

RESULTS AND DISCUSSION

Determination of Well-Known Trademark Status in the Dispute Between Starbucks Corporation and PT Sumatera Tobacco Trading Company

The determination of whether a trademark qualifies as a well-known mark in the dispute between Starbucks Corporation and PT Sumatera Tobacco Trading Company cannot be confined to formal registration status alone. Contemporary trademark law increasingly recognizes that the economic value of a trademark is constructed through a combination of market recognition, commercial reputation, consumer trust, and sustained business activities. This perspective reflects the evolution of trademark protection from a formalistic framework toward a substantive approach that prioritizes the actual influence of a trademark within the marketplace. Internationally, the protection of well-known trademarks is principally derived from Article 6bis of the Paris Convention, which acknowledges that certain trademarks deserve protection even beyond the territorial limitations of registration. The legal rationale underlying this protection rests on the assumption that a famous mark carries commercial significance capable of transcending national boundaries and product classifications. Recognition by consumers becomes a decisive factor because trademarks function not merely as commercial symbols but also as indicators of origin, quality, and reliability within competitive markets (Purwaka, 2017). Scholarly discussions have similarly emphasized that the legal protection of well-known trademarks serves broader objectives related to consumer confidence and fair market competition rather than solely safeguarding proprietary interests (Kusaimah, 2022).

The Indonesian trademark regime incorporates this substantive understanding through Law Number 20 of 2016 concerning Trademarks and Geographical Indications. Articles 21(1)(b) and 21(1)(c) establish that trademark applications may be rejected when they resemble a well-known trademark, including in circumstances involving dissimilar goods or services. Such provisions indicate that the legislature recognizes the possibility that a famous trademark may generate associations extending beyond its original commercial category. Legal protection therefore depends not only on classification-based distinctions but also on the strength of public recognition attached to a particular mark. This approach reflects the realities of modern commerce, where brand reputation often possesses greater economic significance than the physical characteristics of products themselves. Several scholars have argued that the expansion of trademark protection toward non-similar goods is necessary to address increasingly sophisticated forms of commercial imitation and reputation exploitation (Prakoso, 2024). Similar observations have emerged from studies examining disputes involving foreign famous trademarks in Indonesia, where reputational value frequently becomes the central object of legal protection (Alrusydi et al., 2026). The statutory framework consequently demonstrates a deliberate effort to align domestic trademark law with contemporary international standards governing famous marks.

More specific criteria for determining well-known trademark status are articulated in the implementing regulations issued under the trademark law. These criteria include the degree of public awareness, the duration and extent of trademark use, promotional intensity, market penetration, commercial value, and registration in multiple jurisdictions. Such indicators reveal that trademark fame is evaluated through a multidimensional assessment rather than through a single legal criterion. A trademark may achieve well-known status because it has accumulated extensive goodwill through long-term commercial activities and continuous interaction with consumers. The assessment process therefore requires courts to examine evidence that reflects the actual position of a trademark within economic and social contexts. Comparative studies have demonstrated that similar criteria are utilized in several jurisdictions, although differences remain regarding the evidentiary threshold required to establish fame (Fuad, 2026). The emphasis on public recognition reflects the understanding that trademark value ultimately derives from collective consumer perceptions developed over time. This analytical framework provided the basis for judicial evaluation in the Starbucks dispute and significantly influenced the interpretation adopted by the Supreme Court.

In examining the Starbucks case, the Supreme Court relied upon extensive evidence demonstrating the existence of broad public recognition and international commercial reputation. The court observed that Starbucks had been used consistently over a prolonged period and had acquired substantial recognition across numerous jurisdictions before the defendant registered a similar mark in Indonesia. Evidence concerning international trademark registrations, global business operations, and longstanding commercial activities contributed to the court's conclusion that Starbucks satisfied the legal criteria of a well-known trademark. The judicial reasoning reflects a preference for substantive market realities over purely procedural registration considerations. Market recognition was treated not as an incidental factor but as a central component in determining the scope of legal protection available to the trademark owner. Studies examining the same dispute have noted that the evidentiary assessment conducted by the Supreme Court represented a significant affirmation of substantive trademark protection within the Indonesian legal system (Riswandi et al., 2023). Similar conclusions were reached by researchers who found that the decision demonstrated a judicial willingness to prioritize established reputation over opportunistic registration claims (Adenfa & Rasji, 2025).

Table 1. Indicators Supporting Starbucks' Qualification as a Well-Known Trademark

Indicator	Judicial Finding	Legal Significance
Public Recognition	Widely recognized by consumers	Demonstrates trademark fame
International Registration	Registered in numerous countries	Indicates global reputation
Duration of Use	Long-term commercial use	Establishes prior existence
Promotional Activities	Continuous and extensive promotion	Supports brand distinctiveness
Market Presence	Strong international market penetration	Reflects economic value and goodwill

The information presented in Table 1 illustrates that the determination of trademark fame was based upon cumulative evidence rather than isolated factors. Public recognition alone was not considered sufficient without corroborating indicators such as international registration and commercial expansion. This multidimensional assessment strengthens legal certainty because it reduces the possibility that trademark fame will be established through subjective claims alone. Judicial reliance on multiple indicators also reflects broader international trends in trademark adjudication, where reputation is increasingly evaluated through empirical manifestations of market influence rather than formal legal status. The analytical structure adopted by the court therefore reinforces the legitimacy of the conclusion that Starbucks constituted a well-known trademark deserving enhanced protection.

Another significant factor examined by the court concerned the intensity and continuity of promotional activities undertaken by Starbucks over time. Promotional investment plays a crucial role in shaping consumer awareness and contributes directly to the development of brand distinctiveness within competitive markets. Continuous advertising campaigns, corporate expansion strategies, and international brand visibility generate what trademark scholars describe as secondary meaning, whereby a sign acquires an identity extending beyond its literal or descriptive function. Through repeated exposure, consumers begin to associate a trademark with a particular source, quality standard, and commercial reputation. The stronger this association becomes, the greater the legal justification for extending protection against imitation and unauthorized appropriation. Research concerning well-known trademark disputes consistently identifies promotional intensity as one of the strongest indicators of trademark fame because it demonstrates sustained efforts to cultivate public recognition (Gunawan, 2022). Similar observations have been advanced in studies focusing on legal protection for famous marks, where advertising expenditures and market visibility are frequently regarded as persuasive evidence of reputation (Suswandaru & Ahmed, 2023).

The international dimension of the Starbucks trademark also played a decisive role in the court's reasoning. Modern trademark law increasingly recognizes the concept of transborder reputation, under which consumer awareness may exist even in jurisdictions where a trademark has limited direct commercial presence. Globalization, digital communication, and international marketing have significantly expanded the geographical reach of brand recognition, making reputation less dependent upon physical market entry. The court acknowledged that Starbucks had established a reputation extending far beyond a single national market and that this reputation existed before the disputed registration occurred. Such recognition reflects a broader shift toward protecting economic goodwill as an independent legal interest. Scholars have argued that transborder reputation has become essential in addressing contemporary trademark disputes because consumer perceptions are increasingly shaped by global information networks rather than domestic market exposure alone (Putri & Dewanto, 2026). Research examining the protection of foreign well-known trademarks likewise emphasizes that international reputation may constitute a valid basis for legal protection even when formal registration disputes arise within a particular jurisdiction (Alrusydi et al., 2026).

The Supreme Court additionally considered the similarity between the disputed trademarks as evidence supporting the existence of an established reputation. Similarity in spelling, pronunciation, visual appearance, and overall commercial impression suggested that the defendant's trademark was not independently conceived but instead derived value from associations with the internationally recognized Starbucks brand. From a legal perspective, imitation frequently functions as indirect evidence that the original trademark possesses significant economic and reputational value. Businesses rarely attempt to replicate marks that lack consumer recognition or market influence. The existence of substantial similarity therefore reinforces the conclusion that the imitated trademark has achieved a level of fame capable of generating commercial advantage. Judicial consideration of this factor reflects the understanding that trademark disputes are not solely concerned with ownership rights but also with preserving fair competition and preventing consumer deception. The case ultimately demonstrates that the determination of well-known trademark status involves an integrated assessment of public recognition, promotional intensity, international reputation, prior use, and market influence, while simultaneously illustrating that the first-to-file principle may be limited when its application would undermine the protection afforded to a genuinely famous trademark (Mahkamah Agung Republik Indonesia, 2022; Nabilah, 2026).

Registration of Trademarks for Non-Similar Goods as a Manifestation of Bad Faith Under Law Number 20 of 2016

The legal significance of a trademark extends far beyond its function as a commercial identifier because trademarks increasingly represent reputation, product quality, consumer trust, and accumulated goodwill within competitive markets. As the economic value attached to famous trademarks continues to increase, opportunities for unauthorized appropriation and reputation exploitation have become more prevalent across different sectors of commerce. One of the most common manifestations of such conduct is the registration of a trademark that resembles a well-known mark for the purpose of benefiting from the reputation already established by another party. This practice is generally categorized as bad-faith registration because the applicant seeks commercial advantage not through independent brand development but through association with an existing reputation. The concept of bad faith occupies a central position in modern trademark law because it functions as a safeguard against unfair competition and deceptive business practices. Contemporary trademark protection frameworks increasingly recognize that formal registration should not be used as a tool to legitimize dishonest commercial conduct. Scholars have emphasized that trademark systems must balance procedural certainty with substantive fairness in order to prevent opportunistic registrations that undermine the objectives of intellectual property protection (Prasomya & Santoso, 2022). Similar observations have been advanced in studies examining trademark disputes involving famous marks, where bad faith frequently emerges as the decisive factor distinguishing legitimate commercial activity from unlawful reputation exploitation (Noor et al., 2025).

The concept of bad faith has long been recognized within Indonesian trademark legislation and has remained a consistent element throughout successive legal reforms. Although statutory formulations have evolved over time, the fundamental understanding of bad faith has remained relatively stable, namely that trademark registration should be conducted honestly and without the intention of imitating, exploiting, or unfairly benefiting from another party's commercial reputation. Law Number 20 of 2016 reinforces this principle by explicitly recognizing bad faith as a ground for rejecting or cancelling trademark registrations. The persistence of this doctrine demonstrates legislative awareness that formal registration systems are vulnerable to abuse when procedural requirements are separated from ethical considerations. Trademark law therefore does not merely regulate administrative procedures but also seeks to promote integrity within commercial transactions. Legal scholars have argued that the continued inclusion of bad faith provisions reflects the broader objective of preserving fair competition and protecting consumers from misleading market practices (Farhani et al., 2024). The doctrine consequently serves as a corrective mechanism capable of limiting the excessive formalism that may arise within registration-based trademark systems. Its significance becomes particularly evident in disputes involving well-known trademarks, where the economic incentives for imitation are substantially greater than in ordinary trademark conflicts.

The principle of good faith functions as the normative foundation upon which the Indonesian trademark registration system operates. Every trademark application is presumed to be submitted honestly unless evidence suggests otherwise. This presumption, however, may be rebutted when objective circumstances indicate that an applicant deliberately sought to imitate a trademark already recognized by consumers. Similarity with an established trademark often serves as one of the strongest indicators supporting an inference of bad faith because such similarity rarely occurs without knowledge of the earlier mark. The evaluation extends beyond literal duplication and includes visual appearance, pronunciation, conceptual meaning, and overall commercial impression. Courts frequently examine whether the applicant had a legitimate commercial justification for selecting the disputed mark or whether the registration appears primarily designed to exploit an existing reputation. Research concerning trademark litigation has demonstrated that the principle of good faith increasingly influences judicial reasoning in cases involving famous trademarks and cross-category commercial activities (Kusuma & Rahaditya, 2023). Similar findings have emerged from studies addressing the protection of unregistered famous trademarks, where evidence of dishonest intent often outweighs formal registration considerations (Aprilia & Rahaditya, 2023). The doctrine therefore operates as an essential mechanism for ensuring that trademark rights remain aligned with equitable principles rather than purely procedural advantages.

The legal framework governing the rejection of trademark applications is principally contained within Articles 20 and 21 of Law Number 20 of 2016. Article 20 establishes categories of signs that are inherently ineligible for registration, while Article 21 focuses on circumstances in which a trademark application must be refused because of its similarity to earlier trademarks or because it was submitted in bad faith. These provisions collectively demonstrate that trademark registration is not an unconditional right but rather a legal privilege subject to substantive limitations. The legislature intentionally incorporated bad-faith considerations into the registration process in recognition of the fact that procedural compliance alone cannot guarantee the legitimacy of a trademark claim. The law therefore seeks to prevent registrations that could mislead consumers, distort market competition, or appropriate the commercial value created by others. Several scholars have observed that the effectiveness of trademark protection depends largely upon the consistent enforcement of these statutory restrictions during both registration and litigation stages (Hans & Kansil, 2023). Similar conclusions have been reached by researchers examining legal remedies for trademark disputes, who argue that substantive review remains necessary to preserve the integrity of the registration system (Puspitasari & Prabowo, 2023). The Starbucks dispute illustrates the practical relevance of these provisions because the contested registration involved allegations of substantial similarity and dishonest commercial intent.

Table 2. Indicators of Bad Faith Registration in the Starbucks Dispute

Indicator	Judicial Assessment	Legal Implication
Similarity of Trademark	Significant similarity identified	Suggests imitation
Prior Fame of Starbucks	Established before disputed registration	Indicates applicant awareness
Independent Commercial Justification	Limited evidence	Weakens legitimacy of registration
Potential Commercial Benefit	Present	Supports inference of reputation exploitation
Consumer Confusion Risk	Considerable	Justifies legal intervention

The factors presented in Table 2 reveal that the assessment of bad faith is based upon a combination of objective and contextual considerations. No single indicator is independently determinative; rather, courts evaluate the cumulative weight of available evidence. The existence of a famous prior trademark significantly increases the likelihood that substantial similarity will be interpreted as deliberate imitation rather than coincidence. The table further illustrates that bad faith is not limited to proven fraudulent conduct but may also be inferred from circumstances indicating an intention to benefit from another party's reputation. Such an approach reflects the preventive function of trademark law, which seeks to address potential harm before consumer confusion and reputational dilution become widespread. This analytical framework played an important role in the judicial assessment of the Starbucks dispute and influenced the interpretation adopted by the Supreme Court.

The international dimension of bad-faith registration is reflected in Article 6bis of the Paris Convention, which prohibits the registration and use of trademarks that constitute reproductions, imitations, or translations of well-known marks. The provision represents one of the earliest international efforts to address the challenges posed by reputation-based trademark exploitation. Despite this protection, the territorial nature of trademark law continues to create opportunities for conflicts involving famous marks, particularly when registration occurs in jurisdictions where the trademark owner has not yet secured formal protection. Globalization has amplified these challenges because brand recognition increasingly transcends national borders while legal rights remain territorially defined. The resulting tension between international reputation and domestic registration systems frequently becomes a central issue in trademark litigation. Comparative legal studies have demonstrated that jurisdictions vary considerably in the manner they reconcile these competing interests, particularly in cases involving non-similar goods and services (Fuad, 2026). Similar concerns have been raised in discussions regarding the protection of foreign famous trademarks in Indonesia, where inconsistencies in evidentiary standards may affect the scope of available protection (Alrusydi et al., 2026). The Starbucks dispute exemplifies these broader international challenges by highlighting the interaction between global brand reputation and domestic registration mechanisms.

A particularly important issue concerns the relationship between the first-to-file principle and the doctrine of good faith. The first-to-file system grants priority to the party who first registers a trademark, thereby promoting legal certainty and administrative efficiency. However, exclusive reliance on registration priority may generate unjust outcomes when the registered trademark was acquired through dishonest means. The doctrine of good faith therefore functions as a substantive limitation upon the operation of the first-to-file principle. Courts increasingly recognize that registration should not be permitted to legitimize conduct that undermines fair competition or exploits established commercial goodwill. Recent scholarship has emphasized that disputes involving well-known trademarks frequently require a more balanced approach capable of accommodating both procedural certainty and substantive justice (Hakim & Suherman, 2026). Similar conclusions have emerged from analyses of trademark cancellation proceedings, where bad faith often provides sufficient justification for invalidating registrations that would otherwise enjoy formal legal protection (Wijayanti & Salma, 2023). The interaction between these principles is particularly significant in cases involving non-similar goods because the absence of direct market competition may obscure the broader reputational harm caused by unauthorized trademark use.

The Indonesian trademark system provides several mechanisms for addressing registrations that are subsequently determined to have been made in bad faith. Administrative review during the application process constitutes the first line of protection, allowing objections and substantive examination before registration is granted. Judicial remedies remain available when problematic registrations are not identified during the administrative stage. Articles 72 through 79 of Law Number 20 of 2016 establish procedures for trademark cancellation and removal, including circumstances involving bad-faith registration. Importantly, the law recognizes that allegations of bad faith may justify legal action even after significant periods have elapsed since registration. This exception reflects the seriousness with which the legal system treats dishonest commercial conduct. The broader implication is that trademark protection extends beyond procedural compliance and incorporates ongoing obligations related to fairness and legitimate business behavior. The Starbucks dispute demonstrates that registration of a trademark for non-similar goods may constitute a manifestation of bad faith when the registration appears designed to capitalize on the reputation, goodwill, and consumer recognition associated with a well-known trademark, thereby threatening both market integrity and consumer confidence (Mahkamah Agung Republik Indonesia, 2022; Putri & Dewanto, 2026).

Judicial Interpretation of the First-to-File Principle in Supreme Court Decision No. 836 K/Pdt.Sus-HKI/2022

The first-to-file principle constitutes the foundational mechanism of trademark registration in Indonesia, granting exclusive rights to the party that first files and successfully registers a trademark. This principle promotes legal certainty by providing a clear and objective basis for determining ownership rights, thereby reducing potential disputes arising from competing claims over the same mark. Within a registration-based system, priority is generally established through administrative procedures rather than through evidence of prior commercial use. Such an approach is intended to encourage trademark owners to secure legal protection proactively and to facilitate efficient trademark administration. Nevertheless, legal certainty alone cannot fully address situations in which trademark registration is obtained through dishonest conduct or by exploiting the reputation of another party. Scholars have noted that the first-to-file principle is not an absolute doctrine and must be interpreted in conjunction with broader principles of justice and good faith in order to prevent abuse of trademark rights (Hakim & Suherman, 2026). This tension between procedural certainty and substantive fairness became one of the central legal issues examined in the Starbucks dispute.

In Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022, the Court was required to determine whether the defendant's registration could continue to enjoy protection solely because it had satisfied formal registration requirements. The Court ultimately concluded that registration priority could not be separated from an assessment of the surrounding circumstances, particularly where the disputed trademark closely resembled a well-known mark that had acquired substantial international recognition. The judicial reasoning reflected a broader understanding that trademark law seeks not only to regulate administrative procedures but also to preserve market integrity and consumer trust. The Court therefore treated the first-to-file principle as a mechanism for protecting legitimate commercial interests rather than as a shield for conduct that undermines fair competition. This interpretation is consistent with contemporary developments in trademark law, where courts increasingly examine the substantive legitimacy of trademark claims alongside procedural compliance. Research analyzing the Starbucks dispute similarly emphasizes that the decision represents a significant departure from a rigid interpretation of registration priority in favor of a more balanced approach to trademark protection (Adenfa & Rasji, 2025). Comparable findings have been reported in studies addressing legal protection for famous trademarks, where substantive reputation frequently outweighs formal registration advantages under specific circumstances (Riswandi et al., 2023).

The Court's evaluation focused heavily on evidence demonstrating the pre-existing fame and international reputation of the Starbucks trademark. Rather than limiting its analysis to registration dates, the Court examined whether the disputed registration had been obtained in a manner consistent with the objectives of trademark law. Particular attention was given to the extensive commercial presence of Starbucks, its widespread recognition among consumers, and its registration history across numerous jurisdictions. These factors indicated that the plaintiff's trademark possessed a level of reputation that predated and exceeded the defendant's registration rights. Judicial consideration of such evidence demonstrates that reputation can function as an independent legal interest deserving protection even within a registration-based system. The Court's reasoning also illustrates an effort to reconcile domestic trademark legislation with international standards governing well-known marks. Scholars have argued that this approach strengthens the ability of trademark law to address increasingly complex disputes arising from globalization and cross-border commercial activities (Suswandaru & Ahmed, 2023). The decision consequently reinforces the proposition that substantive commercial realities remain relevant when interpreting formal registration principles.

An important aspect of the judgment concerns the relationship between prior use and prior registration. Although Indonesia formally adheres to a first-to-file system, the Court acknowledged that evidence of extensive prior use may influence the evaluation of a trademark dispute when such use has generated substantial goodwill and public recognition. This does not transform Indonesia into a first-to-use jurisdiction; rather, it reflects judicial recognition that registration should not be evaluated in isolation from the economic and social realities surrounding a trademark. In the Starbucks case, evidence of longstanding international use strengthened the argument that the disputed registration was inconsistent with principles of fairness and legitimate competition. The Court therefore viewed prior commercial reputation as a relevant contextual factor when assessing the legitimacy of the registration claim. Legal commentators have observed that such reasoning enhances the capacity of trademark law to respond to cases involving famous marks whose reputations transcend national boundaries (Putri & Dewanto, 2026). Similar conclusions have emerged from comparative analyses examining how courts balance registration priority against established commercial goodwill (Fuad, 2026).

Table 3. Comparison Between the First-to-File Principle and the Good-Faith Principle

Aspect	First-to-File Principle	Good-Faith Principle
Primary Focus	Registration priority	Honest intention
Legal Objective	Legal certainty	Substantive fairness
Basis of Protection	Formal registration	Legitimate commercial conduct
Risk if Applied Rigidly	Opportunistic registration	Reduced procedural certainty
Relevance in Starbucks Case	Limited by surrounding circumstances	Strongly emphasized by the Court

As shown in Table 3, the dispute did not involve the rejection of the first-to-file principle itself but rather its contextual limitation when conflicting with evidence of bad faith and established trademark reputation. The Court maintained the importance of registration priority while recognizing that procedural rights must operate within the broader framework of equitable legal principles. This balanced interpretation enables trademark law to maintain predictability without sacrificing fairness. The table also demonstrates that the good-faith principle functions as a corrective mechanism capable of preventing the misuse of registration procedures. Such an approach is increasingly reflected in contemporary trademark jurisprudence involving well-known marks and allegations of reputation exploitation.

The decision further carries significant implications for consumer protection and fair competition. Trademark law does not solely protect the economic interests of trademark owners; it also protects consumers from confusion regarding the origin, quality, and authenticity of goods and services. When a trademark resembling a famous mark is used on unrelated products, consumers may nevertheless assume the existence of a commercial relationship, endorsement, or affiliation between the parties involved. Such assumptions can distort purchasing decisions and undermine the informational function of trademarks within the marketplace. By limiting the application of the first-to-file principle in circumstances involving bad faith, the Court sought to preserve the reliability of trademarks as indicators of commercial origin. This approach aligns with broader theoretical perspectives that view trademark protection as a mechanism for maintaining trust within market transactions rather than merely allocating proprietary rights (Prakoso, 2024). The Starbucks decision therefore illustrates how judicial interpretation can contribute simultaneously to consumer protection, market efficiency, and the prevention of unfair competitive practices.

The analysis of Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022 ultimately demonstrates that the first-to-file principle remains an essential component of Indonesian trademark law but is not immune from substantive legal scrutiny. The Court interpreted registration priority within a broader framework that incorporates trademark reputation, public recognition, and the principle of good faith. This interpretation reflects a contemporary understanding that intellectual property protection must accommodate both procedural certainty and substantive justice. The decision confirms that trademark rights cannot be legitimized solely through registration when evidence indicates an intention to exploit the goodwill of a well-known trademark. Such reasoning strengthens legal protection for famous marks while simultaneously discouraging opportunistic registration strategies. From a broader legal perspective, the judgment contributes to the development of a more balanced trademark regime capable of addressing the challenges posed by globalized commerce, cross-border reputation, and increasingly sophisticated forms of trademark appropriation (Mahkamah Agung Republik Indonesia, 2022; Hakim & Suherman, 2026).

CONCLUSION

The findings of this study demonstrate that the protection of well-known trademarks within the Indonesian trademark system has evolved beyond a narrow interpretation based solely on the similarity of goods or services. The determination of well-known trademark status requires a substantive assessment that considers public recognition, promotional intensity, duration of use, market penetration, international registration, and the overall reputation accumulated through commercial activities. The analysis of the Starbucks dispute confirms that trademark fame is not established merely through formal registration but through the capacity of a trademark to develop strong associations within the minds of consumers and to function as a reliable indicator of commercial origin. The Supreme Court's reasoning reflects an understanding that trademarks possess economic and social value that extends beyond their administrative registration status. Such an approach aligns with contemporary international developments in trademark law, where reputation and consumer perception increasingly influence the scope of legal protection afforded to famous marks. The decision also reinforces the principle that trademark law serves not only proprietary interests but also broader objectives related to consumer confidence and fair market competition. Consequently, the legal protection of well-known trademarks must be interpreted within the context of their actual commercial significance rather than through purely formal legal considerations.

This study further reveals that the registration of trademarks for non-similar goods may constitute a manifestation of bad faith when the registration is intended to imitate, exploit, or derive commercial benefit from the reputation of a well-known trademark. The existence of substantial similarity, prior public recognition of the original trademark, and the absence of legitimate commercial justification collectively provide strong indicators of dishonest intent. Under such circumstances, the doctrine of good faith functions as an essential safeguard against the misuse of trademark registration procedures and the unfair appropriation of established goodwill. The analysis confirms that Law Number 20 of 2016 concerning Trademarks and Geographical Indications provides a comprehensive legal basis for rejecting applications and cancelling registrations that are proven to have been made in bad faith. This protection becomes increasingly important in the context of globalized commerce, where the economic value of famous trademarks often extends across multiple product categories and national jurisdictions. The findings also indicate that legal protection against bad-faith registration contributes directly to the prevention of consumer confusion and the preservation of healthy market competition. Accordingly, the doctrine of good faith should remain a central consideration in the interpretation and application of Indonesian trademark law.

The examination of Supreme Court Decision Number 836 K/Pdt.Sus-HKI/2022 illustrates that the first-to-file principle cannot be applied mechanically when its enforcement would undermine the protection of well-known trademarks and legitimize conduct inconsistent with principles of fairness. The decision demonstrates a judicial preference for balancing procedural certainty with substantive justice, particularly in cases involving established reputation and indications of bad faith. Such an interpretation strengthens the capacity of trademark law to address contemporary challenges arising from transborder reputation, international commerce, and increasingly sophisticated forms of trademark appropriation. The judgment also contributes to the development of a more nuanced legal framework in which registration priority remains important but does not operate independently from broader equitable considerations. Future trademark protection efforts should therefore emphasize consistency in the interpretation of well-known trademark criteria, the assessment of bad faith, and the application of exceptions to the first-to-file principle. Greater coherence among trademark authorities, courts, and regulatory institutions would enhance legal certainty while simultaneously protecting consumers and legitimate trademark owners. In this regard, strengthening the substantive protection of well-known trademarks represents an important step toward fostering a fair, competitive, and trustworthy commercial environment in an increasingly interconnected global economy.

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