

Civil Liability of Business Actors for Reverse Passing Off as an Unlawful Act

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Abstract. *This research aims to determine the civil liability of business actors who commit Reverse Passing Off by analyzing the legal arrangements regarding Reverse Passing Off from the perspective of Indonesian positive law. This research uses a normative juridical method focusing on legal issues relating to Reverse Passing Off. This research uses a statutory and conceptual approach with data collection techniques, using literature study through normative qualitative analysis methods. The results show that the Trademark Law in Indonesia does not explicitly regulate legal arrangements related to Reverse Passing Off. Still, the principles of consumer protection and provisions on unlawful acts can be used as a basis for handling this practice. Business actors who commit this act must be legally responsible, and the original trademark owner has the right to claim both material and immaterial damages. Alternatively, the resolution of this problem can be done through mediation with the results of mediation in the form of a written agreement that contains legal responsibility and protection for the trademark owner. Therefore, there is a need for regulatory reform, especially in trademark law, by adding reverse passing off as a trademark infringement to protect the aggrieved party and ensure legal certainty, fairness, and transparency in trade.*

Keywords: Actors; Business; Passing; Reverse; Unlawful.

1. Introduction

In today's life, the rapid development of information and communication technology has brought major changes in people's behavior, including digital trade.¹ In digital trade, business actors can easily market products produced using only gadgets or computers without the limitations of space and time. In addition, products sold by business actors are usually branded as an identity and characteristic of a product.²

¹ Rahayu, E. L. B., & Syam, N. (2021). Digitalisasi Aktivitas Jual Beli di Masyarakat: Perspektif Teori Perubahan Sosial. *Ganaya: Jurnal ilmu sosial dan Humaniora*, 4(2), 672-685. <https://doi.org/10.37329/ganaya.v4i2.1303>

² Dirkareszha, Rianda. (2022). *Buku Ajar Hak Kekayaan Intelektual*. Sleman: Deepublish.

Based on Article 1 paragraph (1) of Law No. 20 of 2016 concerning Trademarks and Geographical Indications, a trademark is a sign in the form of a picture, name, word, letters, numbers, color arrangement, or a combination of these elements that have distinguishing power and are used as data on trading activities for goods or services produced by persons or legal entities.³ The function of a brand on a product is a sign that can distinguish a product from other products from competitors.⁴ However, in the current practice of digital trade, business actors often face some problems related to the protection of the brand or product they produce, one of which is the practice of Reverse Passing Off.

Reverse Passing Off is the act of business actors selling a product by removing or eliminating the original trademark without permission and claiming that the product is its own, even though this is not the case.⁵ This action is carried out by parties who do not have good faith to gain as much profit as possible through dishonest trade. However, in Indonesian legal literature, the term Reverse Passing Off is still unfamiliar, and not many people know about it.

One example is the Reverse Passing Off action alleged to have been carried out by brand H and occurred on the marketplace platform. Brand H is one of the well-known brands in the field of luxury fashion that sells various items such as bags, clothes, wallets, and accessories.⁶ Brand H is committed that the products sold are genuine and have the best quality by ensuring that the products are durable, safe, and comfortable to use. The presence of the H online store on the marketplace platform gives consumers confidence in the quality and authenticity of these products. However, it turns out that the H shop on the marketplace platform sells products belonging to other business actors by recognizing that the products sold are their original products.

The chronology began in mid-March 2024, a TikTok user with the username @jiglycious made a video sharing his experience buying a brand H laptop sleeve. He experienced the H brand logo on the laptop sleeve that he bought peeling off. The incident triggered his suspicion that there was another brand logo behind the H brand logo. The suspicion turned out to be true that there was an R brand logo behind the H brand logo on the laptop sleeve he bought. To prove it, he looked up the price of the original product and found that it was much cheaper than the price he paid for the H brand product.⁷ The video was then widely circulated through

³ Haryani, A. T. (2021). Pentingnya Perlindungan Merek Dalam Dunia Bisnis. *JURNAL DAYA-MAS*, 6(2), 40-47. <https://doi.org/10.33319/dymas.v6i2.67>.

⁴ Azhari, M. (2022). Pengaruh Merek Terhadap Perilaku Konsumen Pada PT. Fastglobal Berkah Mandiri. *Aliansi: Jurnal Manajemen dan Bisnis*, 17(2), 41–50, <https://doi.org/10.46975/aliansi.v17i2.427>.

⁵ Borchard, W. M. (1977). Reverse Passing Off-Commercial Robbery or Permissible Competition. *Trademark Reporter*, 67(1), 1-24.

⁶ Ari, Stephanus. "Kasus Hamlin dan kiat membangun brand fesyen berkualitas", *Alinea.id*, 2024, <https://www.alinea.id/gaya-hidup/kasus-hamlin-dan-kiat-membangun-brand-fesyen-berkualitas-b2k389Plw>, Accessed on 15 September 2024.

⁷ Septyani, A. S., & Hafiar, H. (2024). Analisis Media Monitoring Terhadap Brand Hamlin Pada Bulan Maret 2024 Menurut Teori Evring Goffman. *WISSEN: Jurnal Ilmu Sosial dan Humaniora*, 2(2), 28-40. <https://doi.org/https://doi.org/10.62383/wissen.v2i2.88>.

various social media including X. This incident also triggered negative comments from netizens which eventually led brand H to clarify that there was a production error.

Based on the above case example, the Reverse Passing Off action is certainly detrimental to the original brand owner both material due to loss of economic benefits and immaterial due to damage to its brand reputation.⁸ However, in Indonesia, although there are regulations governing the protection of trademarks and intellectual property rights, the act of Reverse Passing Off still receives less attention in the existing legal arrangements. Law No. 20 Year 2016 on Trademarks and Geographical Indications does regulate trademark protection but does not explicitly explain Reverse Passing Off as a form of infringement. This causes a legal vacuum that hinders the enforcement of the rights of the original brand owner against this kind of action. Therefore, this study aims to examine the Reverse Passing Off action from the perspective of Indonesian positive law as well as civil liability that can be applied to business actors who perform such actions as an effort of legal certainty in protecting the rights of the original trademark owner.

2. Research Methods

This research uses a normative juridical method, which focuses on the study of law as a normative system through analysis of applicable legal regulations, concepts, and theories to answer the legal problems to be studied.⁹ The object of research centers on legal issues related to Reverse Passing Off from the perspective of Indonesian positive law, especially the civil liability of business actors. The type of problem approach used in this research is a statutory approach by examining the laws and regulations in Indonesia, to understand the extent to which existing regulations can be applied in regulating Reverse Passing Off actions.¹⁰ In addition, a conceptual approach is also applied by providing an analytical point of view of solving problems in legal research by exploring legal concepts that underlie this issue, such as the definition of trademark, the principle of justice in civil law, and related legal doctrines.¹¹

The primary legal materials used in this research are the Civil Code, Law No. 8 of 1999 on Consumer Protection, Law No. 20 of 2016 on Trademarks and Geographical Indications, Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution, Supreme Court Regulation Number 1 of 2016 on Mediation Procedures in Courts, and the Lanham Act. Meanwhile, secondary legal materials used in this research include books, articles, journals, and other scientific papers that have a connection with the topic of this research.¹² The data collection technique in this research uses literature study by examining legal documents, related

⁸ Tosin C. G., & Love G. I., "The Legal Concept Of Reverse Passing Off," [bfaandcolegal.com](https://bfaandcolegal.com/insights/articles/downloads/THE-LEGAL-CONCEPT-OF-REVERSE-PASSING-OFF.pdf), 2020, <https://bfaandcolegal.com/insights/articles/downloads/THE-LEGAL-CONCEPT-OF-REVERSE-PASSING-OFF.pdf>. Accessed on 12 November 2024.

⁹ Muhaimin. (2020). *Metode Penelitian Hukum*. Nusa Tenggara Barat: Mataram University Press.

¹⁰ Bachtiar. (2019). *Metode Penelitian Hukum*. Tangerang Selatan: UNPAM PRESS.

¹¹ M. Hajar. (2015). *Model-Model Pendekatan dalam Penelitian Hukum dan Fiqh*. Pekanbaru: UIN SUSKA RIAU.

¹² Ramadhan, Muhammad Citra. (2021). *Metode Penelitian Hukum*. Yogyakarta: CV. Kaizen Sarana Edukasi.

literature, and data from real cases such as media reports on Reverse Passing Off practices that occur on marketplace platforms.

The method of analysis used is normative qualitative, which is done with several steps. Firstly, legal issues were identified to understand the normative aspects of Reverse Passing Off. Second, legal data is classified based on relevance to the issues, such as brand protection and civil liability provisions. Thirdly, the data is interpreted and compared with the practical reality to evaluate the legal lacunae in handling this issue. Finally, conclusions are drawn to provide solutions based on the principles of justice and legal certainty.

3. Result and Discussion

3.1. Legal Regulation of Reverse Passing Off Actions in the Perspective of Indonesian Positive Law

Theoretically, Reverse Passing Off is an act committed by a business actor by selling a product owned by another business actor but claiming that the product sold is his own.¹³ In the context of trademark infringement, the party who commits the act of Reverse Passing Off deliberately removes, disguises, or covers the original mark of the product and then sells it under their brand. This is certainly a form of violation of the principle of honesty in trade.

Reverse Passing Off actions are different from other trademark infringements such as Passing Off. In the case of Passing Off, the infringing party falsely claims that the product they are selling is their own and often uses a mark that is similar or identical to an existing and well-known mark so that it can be referred to as brand hopping.¹⁴ This certainly creates confusion among consumers as to the origin of the two marks in question and consumers are made to believe that the marks are the same or originate from the same manufacturer as the original famous mark to the detriment of the reputation of the original mark owner.¹⁵ In contrast, a Reverse Passing Off case involves business actors that buy products from the original brand owner, remove the mark without authorization, and then sell the products under its brand. In the practice of Reverse Passing Off, even though the products sold are original, consumers will certainly think that the products are original from the business that commits the Reverse Passing Off action. This is certainly detrimental to the brand owner because it damages the reputation of his brand.

¹³ Kumra, Karan Kumar. "The slippery slope of reverse passing off", *Asia Business Law Journal*, 2024, Ashutosh Upadhyaya and Karan Kumar Kamra, "The Slippery Slope of Reverse Passing Off," *Asia Business Law Journal*, 2024, <https://law.asia/category/asia-business-law-journal/ablj-columns/ablj-anand-and-anand/>. Accessed on 12 November 2024.

¹⁴ Aliyya, A. L. S., & Dirkareshza, R. (2023). Passing Off Dalam Persaingan Usaha Yang Menimbulkan Pelanggaran Hak Atas Merek. *Jurnal Ilmiah Penegakan Hukum*, 10(2), 172-183. <https://doi.org/http://dx.doi.org/10.31289/jiph.v10i2.10676>

¹⁵ Goesman, G., & Markoni, M. (2023). Trademark Infringement: An Analysis of the Gudang Garam versus Gudang Baru Case and Its Global Implications. *Rechtsidee*, 11(2), 1-13. <https://doi.org/https://doi.org/10.21070/jihr.v12i2.992>

Reverse Passing Off is not only detrimental to the brand owner but can also negatively impact consumers. Law No. 8 of 1999 on Consumer Protection, particularly Article 7 letter (b) and Article 13 paragraph 1 letter (b), requires business actors to provide correct, clear, and honest information regarding the condition of the products sold. Although these articles do not directly regulate Reverse Passing Off, the principles of consumer protection still apply in this context. Consumers are entitled to accurate and correct information about the products they purchase, including the origin and identity of the brand. Discrepancies in information due to Reverse Passing Off can lead to consumer dissatisfaction, which ultimately harms them as a party who cannot distinguish genuine products from counterfeit ones.

In Indonesia, the regulation of trademarks is regulated in Law No. 20 of 2016 on Trademarks and Geographical Indications. However, in the law, the act of Reverse Passing Off or falsification of brand identity by unauthorized parties has not been regulated. Trademark infringement regulated under this Act only covers trademarks that are substantially or wholly similar to registered trademarks for similar goods and/or services.¹⁶ This lack of clarity in the regulation leads to legal loopholes that allow more complex trademark infringements, such as Reverse Passing Off, to go unpunished.

This legal vacuum also creates challenges in law enforcement, where judges must find ways to fill the void, either through the interpretation of existing regulations or through other relevant approaches.¹⁷ In the absence of specific provisions regarding Reverse Passing Off, enforcement of trademark rights becomes difficult, especially in protecting the original trademark owner from acts of misappropriation of brand identity that may mislead consumers. Alternatively, other countries' legal approaches, such as the Lanham Act in the United States, can be considered to fill this legal void. Such an approach may provide clearer guidance in dealing with legal issues relating to Reverse Passing Off in Indonesia.

One important aspect of the Lanham Act is found in Section 43(a) which prohibits false representations in commerce, including misleading representations about the origin of a product and misrepresentations that may create confusion as to who is the rightful owner who manufactured or created the product. According to Cross,¹⁸ Reverse Passing Off can be considered an offense if the business removes or conceals the trademark or name of the original manufacturer. In addition, this act can lead to confusion among consumers regarding the origin of the product, potentially obscuring the identity of the original brand owner. As a result of this confusion, the brand owner may suffer both reputational and economic losses.

¹⁶ Sumanti, J. J. (2022). Akibat Hukum Pemakaian Merek Yang Memiliki Persamaan Pada Pokoknya Ditinjau Dari Undang-Undang Nomor 20 Tahun 2016 Tentang Merek Dan Indikasi Geografis. *Lex Privatum*, 10(2), 1–13, <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/download/40371/36155>.

¹⁷ Syafi'i, A., Nawi, S., & Busthami, D. S. (2021). Perlindungan Hukum Terhadap Merek Dagang Terkenal Atas Tindakan (Passing Off) Pada Praktek Persaingan Usaha. *Journal of Lex Generalis (JLG)*, 2(8), 2120-2133.

¹⁸ Cross, J. T. (1997). Giving Credit Where Credit Is Due: Revisiting the Doctrine of Reverse Passing Off in Trademark Law. *Washington Law Review*, 72(3), 709-773.

Under Section 43(a) of the Lanham Act which prohibits false representations in commerce, including Reverse Passing Off, it may be considered an offense if a business actor removes or conceals the original mark or identity of the manufacturer so that the business actor when sued mention falsely represents the origin of another's product, and misrepresents it as its own.¹⁹ From the perspective of Indonesian law, although there is no explicit regulation of Reverse Passing Off, this act can be considered an offense if the business actor erases or conceals the original mark or identity of the producer and is categorized as an unlawful act by Article 1365 of the Civil Code which states that any unlawful act that causes harm to others requires the perpetrator to be liable. In this case, the perpetrator of Reverse Passing Off is obliged to provide compensation for the losses suffered by the injured party. The provision provides a legal basis for the original trademark owner to be able to claim compensation in the event of loss due to this unlawful act.

Reverse passing off is a serious violation of the principle of honesty in trade and brand protection. Although the products sold are genuine, the removal of a legitimate mark and replacement with a claim belonging to another business actor may confuse consumers as to the origin of the product.²⁰ This confusion has the potential to harm the owner of the original mark, as consumers will purchase the product in the belief that the product originated from the perpetrator of the Reverse Passing Off.²¹ However, in Indonesia, Reverse Passing Off has not been expressly regulated, this leads to legal loopholes that can be utilized to the detriment of the party entitled to the mark. Legal approaches from other countries, such as those regulated in the Lanham Act in the United States, can be used as a reference to protect brand owners from misuse of brand identity in Indonesia.

Thus, the act of Reverse Passing Off is not explicitly regulated in the Trademark Law. Still, the principle of consumer protection and the provisions on unlawful act can be used as a basis to deal with this practice. Further protection of trademarks needs to be regulated in more detail to cover the existing legal loopholes. Clearer law enforcement in the aspect of trademark and consumer protection will support the creation of fair and transparent trade.

¹⁹ Wade, D. (2014). To Plead or Not to Plead: Whether to Bring a Reverse Passing off Claim in the Post-Dastar Era of Lanham Act Sec 43 (A) Litigation. *Southern California Law Review*, 88(5), 1269-1308.

²⁰ Kaushal, Tejaswini. (2024) "A Case of Reverse Passing Off: DHC Rules In Favour Of Western Digital On Trademark Infringement". SpicyIP. <https://spicyip.com/2024/03/a-case-of-reverse-passing-off-dhc-rules-in-favour-of-western-digital-on-trademark-infringement.html>. Accessed on 15 November 2024.

²¹ Lindman, C. R., & Clark, J. (2024). "Reverse Passing Off : A Risky Trick Play in Trademark Cases," Frost Brown Todd Attorney. <https://frostbrowntodd.com/reverse-passing-off-a-risky-trick-play-in-trademark-cases/>. Accessed on 16 November 2024.

3.2. Civil Liability of Business Actors Committing Reverse Passing Off Actions Based on Unlawful Act

Reverse Passing Off occurs when a business actor buys a product from another party, removes the original branding on the product, and sells it under their brand. This practice creates confusion among consumers regarding the origin of the product, leading to disappointment as the quality of the product does not match expectations and economic loss due to paying a higher price for the product. Another impact is reputational damage and commercial loss for the original brand owner, as it loses economic value from investment in promotion and marketing.²² It also creates a false perception that may associate the original brand with the product of the Reverse Passing Off, thereby losing consumer confidence in the brand. The material and immaterial losses incurred include loss of public trust as well as weakening of the image of the original brand in the market.

One example of an alleged Reverse Passing Off action occurred between brand H and brand R on a marketplace platform. Brand H is suspected of buying products that belong to other parties, but claiming them as their products under their brand, then selling them at a much higher price. This alleged practice was first revealed through an upload on TikTok social media by the account @jiglyciouss, who reviewed a laptop sleeve product he bought. In his review, the brand logo on the laptop sleeve peeled off, revealing the previously hidden R brand. This was exacerbated by the fact that brand R is not affiliated with any company and no cooperation agreement gives brand H the right to become a reseller of R's products.

The impact caused by the Reverse Passing Off action causes the emergence of legal responsibility that must be borne by the person who committed the action. In this case, brand H can be considered to have committed an act that harms other parties and has the potential to bear compensation by applicable regulations. The protection of brand owners and consumers can be enforced by referring to the general principles in civil law governing unlawful acts and damages. In civil law, responsibility is the obligation of a person or legal entity for their actions due to unlawful acts such as errors, negligence, or lack of caution that cause harm to other parties.²³ One of the provisions regarding legal liability is regulated in Book III of the Civil Code which regulates civil liability arising from obligations due to law, especially regarding unlawful acts regulated in Articles 1365, 1366, and 1367 of the Civil Code.²⁴

²² Shinha, T., & Kaur, A. (2024). "Understanding Reverse Passing Off in Trademark Law," S.S.Rana & Co. Advocates. <https://ssrana.in/articles/understanding-reverse-passing-off-in-trademark-law/>. Accessed on 19 November 2024

²³ Dunggio, S. S., Dungga, W. A., & Abdussamad, Z. (2024). Pertanggungjawaban Hukum Terhadap Perbuatan Melawan Hukum Dalam Tragedi Kanjuruhan Berdasarkan Kitab Undang-Undang Hukum Perdata. *Demokrasi: Jurnal Riset Ilmu Hukum, Sosial dan Politik*, 1(2), 106-117. <https://doi.org/10.62383/demokrasi.v1i2.138>.

²⁴ Widiyastuti, Y. (2020). *Asas-Asas Pertanggungjawaban Perdata*. Yogyakarta: Cahaya Atma Pustaka.

The act of Reverse Passing Off can be categorized as an unlawful act under Article 1365 of the Civil Code, which states that every act that is against the law and results in harm to others requires the perpetrator to be responsible for the compensation caused. These actions fulfill the elements of unlawful acts, namely first, there is an unlawful act in the form of selling other people's products and claiming them as their own without permission. Second, there is a loss suffered by the owner of the original brand, both in the form of material losses, namely the loss of economic benefits, as well as immaterial losses in the form of damage to brand reputation.

The third element, which is the causal relationship between the act and the loss, is also fulfilled because the loss suffered by the original brand owner is a direct result of the Reverse Passing Off. Fourth, the act is committed with fault, where the business actor knowingly commits an unauthorized act to obtain unlawful profits. Based on this, the act of Reverse Passing Off is not only detrimental to the original trademark owner but also violates the legal provisions governing unlawful acts and civil liability. Thus, the perpetrator who commits this act may be required to provide compensation for the losses incurred.

Compensation in law is divided into two main categories, namely material compensation and immaterial compensation.²⁵ Material damages refer to losses that are tangible and can be calculated with numbers, such as economic losses arising from damage or loss of property. Meanwhile, immaterial damages include non-economic losses, such as damage to reputation or hurt feelings caused by unlawful acts.²⁶

In Unlawful Acts (Article 1365 of the Civil Code), the types of claims that can be granted include compensation for losses in the form of money, which aims to restore the injured party to its original position financially. In addition, a claim can also be filed for the restoration of the original situation, namely the restoration of the situation or condition that existed before the wrongdoing occurred law. Other claims include a declaration that the act committed was unlawful, a prohibition to perform an act, and an action to remove something that was unlawfully done. In addition, in some cases, a claim may also be filed for the announcement of a decision or correction of something that has been done unlawfully.²⁷

Therefore, the original brand owner can claim material and immaterial damages as a result of the Reverse Passing Off action. Material damages can be in the form of monetary

²⁵ Apriani, T. (2021). Konsep Ganti Rugi Dalam Perbuatan Melawan Hukum Dan Wanprestasi Serta Sistem Pengaturannya Dalam Kuh Perdata. *Ganec Swara*, 15(1), 929-934. <https://doi.org/https://doi.org/10.35706/dejure.v4i2.6460>

²⁶ Mantili, R. (2019). Ganti Kerugian Immateriil Terhadap Perbuatan Melawan Hukum Dalam Praktik: Perbandingan Indonesia dan Belanda. *Jurnal Ilmiah Hukum DE'JURE: Kajian Ilmiah Hukum*, 4(2), 298-321. <https://doi.org/https://doi.org/10.35706/dejure.v4i2.6460>.

²⁷ Slamet, S. R. (2013). Tuntutan Ganti Rugi Dalam Perbuatan Melawan Hukum: Suatu Perbandingan Dengan Wanprestasi. *Lex Jurnalica*, 10(2), 107-102. <https://www.neliti.com/publications/18068/tuntutan-ganti-rugi-dalam-perbuatan-melawan-hukum-suatu-perbandingan-dengan-wanp>.

compensation to compensate for losses incurred,²⁸ Such as the loss of advertising value and marketing efforts that the original brand owner has built up over the years. In addition, immaterial damages may be sought in the form of a prohibition to continue the Reverse Passing Off action, which includes the substitution of marks on products without authorization and rights, thereby harming the original mark owner morally. This claim for immaterial damages aims to address the moral loss suffered by the original brand owner due to the damage to the reputation and brand image that has been built. Both types of damages are necessary to provide a proper remedy to the original trademark owner for the losses suffered by the action.

However, law enforcement against Reverse Passing Off in Indonesia still faces significant obstacles, especially the difficulty of proving the bad intentions of the perpetrators. This is because their behavior is often not directly visible, making it difficult to prove the existence of malicious motives from the perpetrators. For example, when a business actor markets the same product but under a different brand, it is difficult to directly prove whether it is true that it is using another business actor's product to deceive consumers or whether the product was made by the business actor out of ignorance.

Mediation can be an effective alternative dispute resolution, including in Reverse Passing Off cases, which can be conducted both out of court and in court. Out-of-court mediation is regulated in Law No. 30/1999 on Arbitration and Alternative Dispute Resolution, which allows the parties to reach an agreement with the help of a neutral mediator without involving a formal judicial process. The results of the mediation are set out in a written agreement mutually agreed upon by the parties.²⁹ Meanwhile, in-court mediation refers to PERMA No. 1 of 2016, which requires mediation efforts to be made before the trial continues. The agreement reached through mediation can be used as a valid peace deed by applicable procedures.³⁰

Then, dispute resolution through mediation can provide a simple resolution process so that the time needed is shorter and the costs incurred are lower. Mediation also provides comfort for all parties involved, because the agreement is made by mutual consent.³¹ In addition, the

²⁸ Sulastri, S., & Satino, S. (2018). Perlindungan hukum terhadap merek (tinjauan terhadap merek dagang Tupperware Versus Tulipware). *Jurnal Yuridis*, 5(1), 160-172.

²⁹ Febriyanti, S. N. U., & Ningasih, W. K. (2024). Efektifitas Mediasi Di Luar Pengadilan Dalam Penyelesaian Sengketa. *ADIL: Jurnal Hukum*, 15(1), 1-15.

³⁰ Putra, S. E., & Utama, M. (2022). Pelaksanaan Mediasi Dalam Penyelesaian Sengketa Perdata Berdasarkan Peraturan Mahkamah Agung Nomor 1 Tahun 2016 Tentang Prosedur Mediasi Di Pengadilan (Studi Kasus Di Pengadilan Negeri Kelas 1A Palembang). *Lex Lata*, 3(3), 430-441. <https://doi.org/http://dx.doi.org/10.28946/lexl.v3i3.1310>.

³¹ Nurahmasari, R., Amirulloh, M., & Afriana, A. (2021). Mediasi Sebagai Kewajiban Penyelesaian Sengketa Perdata Pelanggaran Paten di Indonesia Demi Kepastian dan Kemanfaatan Hukum. *ACTA DIURNAL Jurnal Ilmu Hukum Kenotariatan*, 5(1), 123-138. <https://doi.org/10.23920/acta.v5i1.712>.

information discussed in mediation is also private and confidential, so the parties can discuss more openly without worrying that the information will be disseminated.³²

Thus, in Reverse Passing Off cases, mediation can provide a solution in the form of a written agreement that regulates the obligations of the parties, both for out-of-court and in-court settlements. The agreement covers the legal responsibility of the business actor about the Reverse Passing Off, including the obligation to compensate the damages arising from its actions. In addition, the agreement may provide for the protection of the brand owner's rights by ensuring that the business will not repeat acts that damage the reputation of the brand. The mediation process that results in this written agreement provides clear legal certainty for the parties involved, as well as provides a sense of justice for the brand owner.

4. Conclusion

The Trademark Law in Indonesia does not explicitly regulate legal arrangements regarding Reverse Passing Off. This causes a legal vacuum, but the principles of consumer protection and the provisions on unlawful acts can be used as a basis for addressing this practice. Based on Article 1365 of the Civil Code, Reverse Passing Off can be categorized as an unlawful act because it meets the elements so that business actors who commit such acts can be held legally liable. The owner of the original trademark can claim both material and immaterial damages. Alternatively, both parties can resolve the issue through mediation which results in a written agreement that contains responsibilities and legal protection for the trademark owner. Therefore, there is a need for regulatory reform, especially in Trademark Law, by adding Reverse Passing Off as one of the trademark infringements and protecting the injured party to ensure legal certainty, fairness, and transparency in trade.

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³² Martinelli, I., Hartono, M. K., & Sabrina, N. M. (2024). Karakteristik Mediasi Mengenai Kesepakatan Dalam Sistem Hukum Civil Law dan Common Law. *Jurnal Kewarganegaraan*, 8(1), 761-770. <https://doi.org/10.31316/jk.v8i1.6400>.

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