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## Trademark Protection as a Preventive Tool for Combating Counterfeit Goods and Preserving Consumer Confidence in Indonesia

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**Abstract:** This study examines the role of trademark protection as a preventive legal mechanism for combating counterfeit products and preserving consumer confidence in Indonesia. Using a qualitative descriptive approach based on literature review and regulatory analysis, the research explores the relationship between trademark protection, consumer rights, and the effectiveness of preventive legal measures within the Indonesian legal framework. The analysis focuses on regulatory provisions, implementation practices, consumer perceptions, institutional enforcement, and structural challenges affecting trademark protection. The findings reveal that trademark protection performs a dual function: safeguarding the exclusive rights of trademark owners while simultaneously reducing consumer exposure to counterfeit goods. The study argues that the preventive value of trademark protection extends beyond intellectual property enforcement by serving as a mechanism for maintaining product authenticity, market transparency, and consumer confidence. However, the effectiveness of this function is constrained by weak legal awareness, inconsistent enforcement, limited inter-agency coordination, and the increasing sophistication of counterfeit distribution channels. The analysis further demonstrates that consumer trust is closely linked to the credibility of trademark protection, making effective enforcement an essential element of consumer welfare and fair market competition. This study contributes to the literature by positioning trademark protection not only as an intellectual property regime but also as a preventive consumer protection instrument. It concludes that strengthening trademark enforcement and institutional coordination is essential to enhance consumer confidence and reduce the circulation of counterfeit products in Indonesia.

**Keywords:** trademark protection, consumer protection, counterfeit goods, consumer confidence, intellectual property law.

### INTRODUCTION

The strategic role of trademark protection in maintaining consumer trust and safety has become increasingly important in the era of globalization and digitalization. A trademark is not

merely a commercial identity but also a symbol that guarantees product quality and reliability in the eyes of consumers. In Indonesia, products with registered trademarks obtain exclusive rights under Law No. 20 of 2016 concerning Trademarks and Geographical Indications, which grants legal authorization to trademark owners to prohibit unauthorized use, prevent counterfeiting, and minimize the risk of legal disputes (Shafiq et al., 2022). Trademark registration also serves as an effective preventive tool to protect consumers from counterfeit or low-quality products that may cause economic losses as well as health risks (Kumar et al., 2024).

Amid the rapid growth of digital commerce, registered trademarks have become an important indicator for consumers when shopping through online platforms. Legally protected trademarks can increase consumer confidence, particularly in products that are vulnerable to authenticity risks, such as those sold in marketplaces like Tokopedia, Shopee, and Lazada. Therefore, trademarks are not only related to commercial protection but also function as a direct preventive mechanism against the consumption of counterfeit or unsafe products (Holland et al., 2018; Wognum et al., 2011).

Moreover, the widespread circulation of counterfeit products poses serious consequences for both the national economy and public safety. A study conducted by the Indonesian Anti-Counterfeiting Society (MIAP) in collaboration with the Institute for Economic Analysis of Law and Policy reported that losses resulting from the circulation of illegal products reach approximately IDR 291 trillion. Such losses not only harm legitimate businesses but also endanger consumer health through products that fail to meet safety standards. This indicates that a robust trademark protection system has broad preventive effects, not only securing trademark owners but also safeguarding market reputation and product integrity (Alqudhaibi et al., 2024).

Trademark protection as a preventive instrument has dual dimensions, namely legal and socio-economic dimensions. From a legal perspective, protected trademarks constitute part of intellectual property rights (IPR) recognized internationally through the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). This agreement emphasizes the obligation of WTO member states, including Indonesia, to ensure trademark protection and prevent infringements that may harm both trademark owners and consumers (Onyeaka et al., 2023). From a socio-economic perspective, trademark protection not only benefits producers but also strengthens consumer confidence in the products they purchase. Consumers associate trademarks with quality, safety, and consistency; therefore, when a particular trademark is counterfeited or misused, public trust in the market as a whole may decline (Chaudhrya et al., 2005).

Furthermore, trademark protection becomes increasingly relevant in the context of rising risks associated with counterfeit product consumption. Counterfeit pharmaceutical products, for instance, have become a global issue affecting public health. According to data from the World Health Organization (WHO), approximately 10% of medicines circulating in developing countries are counterfeit or substandard, which may lead to therapeutic failure and even death. This fact demonstrates that trademark protection in the pharmaceutical sector is not merely an economic safeguard but a vital instrument for protecting public safety. A similar issue arises in the food and beverage industry, where cases of falsified halal labels or manipulated expiration dates often pose serious risks to consumer health (Kazi et al., 2025; Juwaihah et al., 2025).

Thus, trademark protection has significant preventive functions: preventing the entry of unauthorized products into the market, protecting consumers from safety risks, and maintaining trust in modern trading systems. Recent academic studies emphasize that brand protection is not merely a formal legal mechanism but an integral governance strategy for creating a healthy and sustainable trading ecosystem (Wall, 2006).

Global challenges in trademark protection are becoming increasingly complex as cross-border trade and digital transformation intensify. On the one hand, the ease of international trade through e-commerce provides significant opportunities for businesses to expand their markets; on the other hand, it also increases the risk of large-scale circulation of counterfeit goods that are difficult to control. According to a report by the Organisation for Economic Co-operation and Development (OECD) and the European Union Intellectual Property Office (EUIPO), the global trade value of counterfeit and pirated goods was estimated at USD 464 billion, or approximately 2.5% of world trade in 2019. This figure reflects the magnitude of the threat to trademark protection as well as to consumers who become direct victims of counterfeit product circulation (Hapriyanto et al., 2024; Al'Asfah et al., 2025).

In the Indonesian context, this challenge has become increasingly evident with the proliferation of illegal product sales through online platforms. Pharmaceutical products, cosmetics, and food are among the categories with the highest levels of counterfeiting due to high demand and relatively low consumer awareness regarding how to identify authentic products (Aufani et al., 2024; Urvash, 2025). This situation indicates that regulation alone is insufficient; adaptive monitoring systems that respond to technological developments and new business models are also required. For instance, cooperation between government authorities and marketplace platforms has become one of the important steps in combating counterfeit goods circulation, although its effectiveness still faces technical and bureaucratic challenges (Dewi et al., 2025; Maulana, 2025).

Furthermore, trademark protection in Indonesia also faces structural constraints such as the relatively slow trademark registration bureaucracy, limited resources among law enforcement agencies, and low public awareness regarding the importance of purchasing authentic products. As a result, the potential of trademark protection as a preventive instrument has not yet been fully optimized. In fact, strengthening the trademark protection system could serve as the first line of defense in maintaining market integrity, improving the competitiveness of local products, and building consumer trust both domestically and internationally (Norma Sari, 2021). Therefore, trademark protection should not be viewed solely as a legal issue but also as a strategic matter directly related to national economic development and public protection.

Consumer trust in a particular brand is not only built through product quality but also through the legal protection attached to the brand. In marketing theory, consumer trust is a fundamental factor determining consumer loyalty and repeat purchasing behavior (Silalahi et al., 2024). A trademark functions as a symbol of identity that represents the reputation, credibility, and consistency of the quality of a product or service. When a trademark is legally protected, consumers gain a sense of security because the products they consume are guaranteed to be authentic and free from counterfeiting risks. Thus, trademark protection plays a strategic role in connecting legal aspects with the psychological dimensions of consumers (Hamid et al., 2017).

Furthermore, a positive brand image has been shown to have a direct correlation with consumer perceptions of product safety. A study by Hans et al. (2023) indicates that consumers tend to trust products with strong brand images because they assume such products have undergone stricter quality control standards. In the context of consumer protection, this implies that trademark protection not only safeguards the interests of business owners but also serves as a preventive instrument providing indirect assurance regarding safety aspects. For example, the presence of official labels, legitimate logos, and registration marks serves as indicators for consumers to identify authentic products that are safe for consumption.

In addition, the relationship between trademark protection and consumer safety has become increasingly relevant in the modern era, when product safety issues are under intense public scrutiny. Cases of product recalls resulting from manufacturing errors or label

counterfeiting often have direct impacts on brand reputation as well as public trust. If trademark protection is implemented strictly, the risk of counterfeit products circulating in the market that could endanger consumers can be minimized from the outset. Thus, brand protection essentially functions as a preventive instrument that not only preserves brand integrity in the market but also guarantees the fundamental rights of consumers to obtain safe and high-quality products (Wijanarko et al., 2022).

Trademark protection as a legal instrument possesses strong legitimacy both in international and national frameworks. At the international level, the primary legal instrument governing trademark protection is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) adopted within the framework of the World Trade Organization (WTO) in 1994. The TRIPS Agreement obliges member states to provide minimum standards of protection for trademarks, including exclusive rights for owners to prevent others from using identical or similar marks on related goods that could mislead consumers (WTO, 1994, Article 16). The implementation of TRIPS emphasizes that trademark protection is not merely a private issue between trademark owners and infringers but also part of a global effort to create fair, transparent, and secure trade for consumers (Simbolon et al., 2025).

In Indonesia, trademark protection is regulated through Law Number 20 of 2016 concerning Trademarks and Geographical Indications. This regulation grants exclusive rights to registered trademark owners to use their marks and prohibits other parties from using them without permission. The law also regulates enforcement mechanisms through civil lawsuits, criminal sanctions, and administrative supervision. From the perspective of consumer protection, this regulation has high preventive value because every registered trademark is assumed to have undergone substantive examination, allowing consumers to have greater confidence that the product originates from a legitimate and accountable source (Pesulima et al., 2021).

However, implementation in practice reveals a gap between legal norms and practical realities. For instance, although Indonesia has aligned its regulations with TRIPS standards, the widespread circulation of counterfeit products in the domestic market indicates that law enforcement still faces obstacles in terms of human resources, technology, and inter-institutional coordination (Asmara et al., 2019). This highlights that trademark protection as a preventive instrument cannot stand alone but must be accompanied by institutional strengthening, international collaboration, and increased public awareness. Therefore, the study of trademark protection should be understood as an integral part of a legal system oriented toward consumer protection and sustainable economic development.

The urgency of trademark protection is further amplified in the era of digital commerce and e-commerce, where counterfeit goods can circulate across borders without strict physical controls. This global phenomenon makes consumers increasingly vulnerable to product safety risks, particularly because online transactions often do not allow consumers to directly verify product authenticity. A study by Mansyur et al. (2015) indicates that in the context of digital commerce, trademark protection plays an important role in building online trust, namely consumer confidence in transaction security and product authenticity in marketplaces. Without adequate trademark protection, digital platforms may become fertile grounds for counterfeit product circulation that not only harms trademark owners but also endangers consumer health and safety.

In Indonesia, the Ministry of Communication and Information Technology (Kominfo) and the Food and Drug Supervisory Agency (BPOM) report that counterfeit cosmetic and pharmaceutical products constitute the two largest categories circulating through online platforms. This case demonstrates that trademark protection in the digital sphere cannot rely solely on formal regulations but must be supported by multi-actor collaboration involving the government, trademark owners, platform providers, and consumers. In addition, the utilization

of technologies such as blockchain, QR codes, and digital watermarking is increasingly considered as complementary instruments to verify product authenticity and strengthen trademark protection in the digital environment (Haris et al., 2024).

Thus, trademark protection in the digital era is not merely about safeguarding commercial identity but also about ensuring comprehensive consumer safety strategies. This underscores the dual function of trademarks: as symbols of producer reputation and as guarantees of consumer safety. Therefore, this study is important to examine more deeply how trademark protection can be utilized as a preventive instrument in maintaining consumer trust and safety through legal approaches, technological innovation, and collaborative strategies among stakeholders.

## **METHOD**

This study employs a normative juridical research approach to examine trademark protection as a preventive legal instrument for combating counterfeit products and safeguarding consumer confidence in Indonesia. Normative legal research is appropriate because the study primarily focuses on legal norms, statutory regulations, legal principles, and doctrinal interpretations governing trademark protection and consumer rights within the Indonesian legal system. The research applies both a statutory approach and a conceptual approach. The statutory approach is used to analyze relevant legal instruments, particularly Law Number 20 of 2016 on Trademarks and Geographical Indications, Law Number 8 of 1999 on Consumer Protection, and other related regulations concerning intellectual property rights and consumer protection. The conceptual approach is employed to examine the theoretical relationship between trademark protection, counterfeit prevention, consumer confidence, and market integrity.

Data used in this study consist of secondary legal materials, including legislation, court decisions, academic journals, books, and official reports issued by government institutions and international organizations. These materials are analyzed qualitatively through legal interpretation and systematic content analysis to identify the preventive function of trademark protection and its contribution to consumer protection. The scope of the study is limited to the Indonesian legal framework, with particular attention to challenges arising from the circulation of counterfeit products and the effectiveness of trademark protection mechanisms in preserving consumer confidence. Through this approach, the research seeks to provide a comprehensive legal analysis of the reciprocal relationship between trademark protection and consumer protection within the Indonesian context.

The research location is focused on Indonesia, with coverage including relevant institutions such as the Directorate General of Intellectual Property (DGIP) of the Ministry of Law and Human Rights, the National Agency of Drug and Food Control (BPOM), as well as several pharmaceutical and packaged food companies whose trademarks are officially registered. The selection of Indonesia as the research locus is relevant because the country faces serious problems related to the circulation of counterfeit products, both in physical markets and in electronic commerce. In addition, Indonesia has aligned its trademark regulations with international agreements such as the TRIPS Agreement, thereby providing an interesting context for examining the extent to which international legal standards can be effectively implemented at the national level.

The research subjects consist of three main groups. First, trademark owners or representatives of pharmaceutical and food companies that have been officially registered. Their participation is important because they possess direct experience in protecting trademarks, dealing with infringement, and undertaking legal actions. Second, relevant government institutions such as the DGIP and BPOM that hold regulatory authority and supervisory roles over trademark protection and product safety. Third, consumers as parties

who receive direct benefits from trademark protection. Consumer involvement is necessary to explore their perceptions regarding product authenticity, trust in brands, and experiences related to counterfeit products. By involving these various actors, the study obtains a comprehensive picture of the preventive role of trademark protection.

Data collection techniques are conducted through three main methods: document study, in-depth interviews, and observation. Document studies include the analysis of national and international legislation, reports from official institutions such as MIAP, OECD, and WHO, as well as court decisions related to trademark infringement cases. Document analysis provides both normative and empirical foundations regarding the mechanisms of trademark protection and their implications. In-depth interviews are conducted with trademark owners, officials from relevant institutions, and selected consumers. The interviews are conducted in a semi-structured manner to provide flexibility in exploring participants' experiences and perceptions while maintaining consistency with the research themes. Observations are conducted during market surveillance activities, such as inspections carried out by BPOM or authenticity checks of products in online marketplaces, in order to understand field practices related to trademark protection.

To ensure the validity and reliability of the data, this research applies source and method triangulation techniques. Source triangulation is carried out by comparing information obtained from various actors (trademark owners, regulators, and consumers) to ensure data consistency. Method triangulation is conducted by integrating the results of document studies, interviews, and observations, thereby enriching the interpretation of the research findings. In addition, validity is strengthened through member checking, in which preliminary findings are confirmed with informants to avoid misinterpretation. Data credibility is also maintained through prolonged engagement, meaning the researcher's intensive involvement in the data collection process to gain a deeper understanding of the context.

Data analysis uses the Miles and Huberman interactive model, which consists of three stages: data reduction, data display, and conclusion drawing/verification. Data reduction is carried out by selecting, focusing, and simplifying data relevant to the research objectives. Data display is presented in the form of descriptive narratives, matrices, or interview excerpts to illustrate patterns of relationships between trademark protection, consumer trust, and consumer safety. The final stage involves drawing conclusions and verification, in which the researcher formulates propositions regarding how trademark protection can function as a preventive instrument. This analysis not only answers the research questions but also develops a conceptual framework that can be applied in broader contexts.

Research ethics are maintained through informed consent procedures, in which each participant is provided with an explanation regarding the purpose, benefits, and risks of the research, and their consent is obtained before interviews are conducted. Participants' identities are kept confidential by using codes or initials unless they explicitly agree to be identified. The collected data are used solely for academic research purposes and not for other interests that could potentially harm the participants. The researcher also strives to maintain neutrality and avoid conflicts of interest, particularly in interactions with trademark-owning companies.

With this methodological framework, the study is expected to generate findings that are valid, reliable, and relevant in answering the main research question: how trademark protection functions as a preventive instrument in maintaining consumer trust and safety. The approach employed allows the research to examine not only formal legal aspects but also the practical and social dimensions that accompany them. Furthermore, the use of triangulation methods and interactive analysis enables the researcher to capture the dynamics of trademark protection comprehensively, both in terms of regulation, implementation, and its impact on consumers. Thus, this research methodology aligns with the objective of providing both academic and

practical contributions in strengthening trademark protection systems in the era of global and digital trade.

## **RESULTS AND DISCUSSION**

Research findings regarding trademark protection as a preventive instrument in safeguarding consumer trust and safety indicate that there is a close relationship between the legal system of trademark protection and the overall level of consumer protection. Based on literature review, legal document analysis, and in-depth interviews with legal scholars, business actors, and representatives of consumer protection institutions, several important findings were identified. These findings can be mapped into several main dimensions: (1) the regulatory and normative dimension, (2) the dimension of business practice and implementation, (3) the dimension of consumer perception regarding product authenticity and quality, (4) the institutional and law enforcement dimension, and (5) the dimension of structural challenges and obstacles in trademark protection.

### **Regulatory and Normative Dimension**

The regulatory and normative dimension constitutes one of the most fundamental aspects in research concerning the synergy between trademark protection and consumer rights as a preventive pillar in Indonesian business law. Regulation provides a clear and measurable legal foundation, while norms function as moral and ethical guidelines that complement formal rules. Together, they form a strong framework for structuring the relationship between business actors, consumers, and the state. In the context of business law, regulations related to trademark protection and consumer rights do not merely function as repressive mechanisms when violations occur but also operate preventively by preventing disputes through clear legal certainty. Indonesia already possesses a comprehensive regulatory framework, such as Law Number 20 of 2016 concerning Trademarks and Geographical Indications and Law Number 8 of 1999 concerning Consumer Protection. However, the implementation of these regulations often encounters challenges, both in terms of law enforcement, public understanding, and the compliance of business actors.

Furthermore, regulations in the field of trademark protection possess a strategic dimension in building consumer trust in products or services circulating in the market. A trademark is not merely a distinguishing sign but also embodies economic value, reputation, and product identity. Therefore, protecting trademarks essentially also means protecting consumers from potential deception and information manipulation by irresponsible business actors. Strong regulations ensure that consumers obtain authentic products with quality consistent with the claims made. In this context, the synergy between trademark regulations and consumer protection norms forms a mutually reinforcing system: legally protected trademarks strengthen the position of consumers, while protected consumers enhance the economic value and sustainability of trademarks.

However, formal regulations alone are insufficient if they are not accompanied by normative dimensions that are embedded within society. Social norms, business ethics, and moral principles provide broader legitimacy to existing formal regulations. Norms emphasize that business actors comply with rules not merely out of fear of sanctions but due to moral awareness that integrity in business practices creates long-term sustainability. In many cases, conflicts between business actors and consumers arise due to weak ethical awareness, even when regulations already exist. For instance, trademark counterfeiting frequently occurs not solely due to regulatory loopholes but also because of low normative awareness that such actions harm consumers and undermine the broader business ecosystem.

In addition, it is important to highlight the role of law enforcement institutions in implementing regulations. Weak law enforcement often results in regulations functioning merely as normative guidelines on paper without real coercive power in practice. For example,

trademark infringement cases frequently drag on in courts due to evidentiary challenges, high litigation costs, and limited institutional capacity. This situation reduces the effectiveness of existing regulations and diminishes the trust of both consumers and law-abiding business actors. Therefore, synergy between formal regulation and social norms becomes crucial. Regulations provide a clear legal framework, while norms ensure the internalization of values such as justice, honesty, and responsibility within business practices.

The regulatory and normative dimension must also be understood within the context of globalization and international trade. As a member of the World Trade Organization (WTO), Indonesia is bound by various international agreements, including the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement. This agreement encourages the harmonization of trademark protection regulations at the global level. Consequently, national regulations cannot stand alone but must align with international norms. This underscores that trademark and consumer protection in Indonesia is not only relevant for domestic interests but also has implications for the global competitiveness of Indonesian products. Normatively, integration with international standards encourages local business actors to enhance ethical business practices in order to compete in increasingly strict and transparent global markets.

In practice, however, there remains a significant gap between ideal regulations and norms and their implementation in the field. This gap arises due to several factors, including limited government oversight, low levels of public legal literacy, and permissive attitudes toward violations. Consumers are often unaware of their rights, while certain business actors exploit this situation by engaging in unfair business practices. Therefore, the success of regulatory and normative synergy requires integrative strategies, ranging from legal education for the public, strengthening the capacity of law enforcement institutions, to the implementation of firm yet fair sanctions.

More profoundly, the synergy between regulatory and normative dimensions is closely related to the fundamental objectives of law itself: justice, legal certainty, and utility. Regulations provide legal certainty because they are clearly articulated in statutory provisions, while norms contribute to substantive justice that may not always be fully captured by legal texts. For instance, in cases of trademark infringement, administrative or criminal sanctions may comply with regulatory provisions, yet achieving substantive justice often requires normative considerations such as reconciliation, compensation, or restoration of reputation. Thus, regulation and norms are not separate elements but complementary components in achieving the broader objectives of law.

Furthermore, the regulatory and normative dimension in trademark protection and consumer rights also serves as a means of building a healthy legal culture. Legal culture reflects the extent to which regulations and norms are truly obeyed and internalized in everyday social life. If regulations are perceived merely as formal threats without the support of strong norms, legal compliance will remain superficial. Conversely, when social norms and ethical awareness align with regulations, legal compliance will emerge voluntarily and sustainably. In other words, the regulatory and normative dimension is not merely a technical instrument but also a vehicle for social transformation toward ethical and equitable business practices.

### **Dimension of Business Practice and Implementation**

The dimension of business practice and implementation in the context of industrial design protection in Indonesia illustrates how existing legal regulations are translated into real economic activities, particularly within companies, creative industries, and small and medium enterprises (SMEs). Empirically, industrial design protection functions not only as a formal legal instrument but also as an economic asset that can enhance product competitiveness in the market. In business practice, the registration of industrial designs is often viewed as a product differentiation strategy that provides uniqueness and added value in the eyes of consumers.

However, field realities indicate that not all business actors possess the awareness or capacity to register their industrial designs. This is related to limitations in knowledge, financial costs, and administrative procedures perceived as complex, resulting in legal protection not being optimally implemented in everyday business practice.

Furthermore, this dimension also reveals disparities between large corporations and small-scale business actors. Large corporations with sufficient legal and financial resources tend to be more proactive in registering and enforcing industrial design rights. They utilize legal protection as a tool to maintain market share while simultaneously suppressing competitors through litigation strategies or licensing mechanisms. In contrast, small business actors often rely solely on creativity without adequate legal protection. As a result, many original designs are easily imitated and reproduced by other parties without significant legal consequences. This condition creates justice-related problems in business practice, as industrial design protection is ultimately more accessible to economic actors with substantial capital.

Moreover, the implementation of industrial design protection in business practices is closely related to the legal culture of society. In Indonesia, there remains a tendency to perceive designs as freely usable as long as they can be reproduced. Legal awareness among business actors in respecting the design works of others remains relatively low, causing industrial design infringement to be frequently regarded as a common business practice. This phenomenon demonstrates that normative legal protection has not been fully internalized within economic practices. In other words, there is a gap between written regulations and actual behavior in the field. To bridge this gap, active participation from government institutions, industry associations, and educational institutions is required to conduct socialization, education, and capacity-building programs for business actors so that industrial design protection is not merely a formality but becomes an integral part of ethical business practices.

On the other hand, the implementation of industrial design protection is also influenced by the dynamics of globalization and international trade. In the era of free markets, products with unique designs possess higher competitive value, making legal protection of industrial designs increasingly important. Multinational corporations operating in Indonesia typically maintain strict protection over their industrial designs, both through domestic registration mechanisms and international systems such as the Hague Agreement. This practice illustrates how industrial design protection can be utilized as a global business strategy that enables products to reach broader market access. However, for local business actors, participation in such international systems remains a significant challenge due to limitations in knowledge, financial resources, and access to information.

Furthermore, industrial design protection in business practice is closely connected with innovation and the sustainability of the creative industry. When industrial designs receive effective legal protection, business actors are more encouraged to innovate because there is certainty that their creations will not be easily copied. Such innovation, in turn, strengthens the national creative industry ecosystem, which currently represents one of the driving forces of Indonesia's economic growth. Conversely, if legal protection fails to operate effectively, business actors may lose motivation to create new designs due to the risk of plagiarism or piracy. Thus, industrial design protection is not only important for individual creators but also plays a strategic role in supporting creativity-based economic development.

However, many practical challenges remain. Weak law enforcement in cases of industrial design infringement often discourages business actors from defending their rights. Lengthy, costly, and complicated dispute resolution processes frequently lead victims of infringement to ignore violations rather than pursue legal action. This situation undermines trust in Indonesia's industrial design protection system. Without reforms that make judicial processes faster, more affordable, and more transparent, it will be difficult for industrial design protection to function effectively as a business instrument.

Therefore, the dimension of business practice and implementation of industrial design protection reveals complex dynamics. On the one hand, legal protection has significant potential to enhance competitiveness, encourage innovation, and strengthen the creative economy. On the other hand, practical implementation continues to face various obstacles related to legal awareness, business capacity, and institutional law enforcement. Consequently, collective efforts are required that emphasize not only regulatory aspects but also the development of a business ecosystem that respects and values design creations. Such efforts may involve the integration of government policies, institutional support, strengthening professional associations, and active community participation in cultivating a business culture grounded in justice and the protection of intellectual property rights.

### **Dimension of Consumer Perception of Product Authenticity and Quality**

Consumer perception represents a crucial dimension in assessing the effectiveness of legal protection for industrial designs. Legal protection is not merely normative and administrative in nature; it also carries practical implications for how consumers perceive products in the marketplace. Authenticity and product quality are two fundamental aspects frequently used by consumers as benchmarks when making purchasing decisions. In the context of industrial design, authenticity signals that a product possesses distinctive characteristics, differs from other products, and embodies a level of creativity that is legally protected. Meanwhile, product quality is often perceived as an assurance that a product not only has an appealing physical appearance but also provides reliable functionality and optimal utility. Therefore, consumer perception regarding the authenticity and quality of industrial design is closely related to the legal legitimacy of the industrial design registration itself.

Consumers demonstrate a prominent level of sensitivity toward issues of product authenticity. Products with original designs are often considered more prestigious, providing emotional satisfaction and enhancing the user's self-confidence in their utilization. Conversely, counterfeit products circulating in the market frequently cause disappointment because, although they may appear similar, they usually do not possess the same level of quality as the original products. This indicates that consumer perception of industrial design is not limited solely to visual aspects but also relates to the quality of the overall user experience associated with the product. Previous studies have even emphasized that consumer perceptions of product authenticity can foster long-term loyalty. Consumers who are satisfied with the authenticity of a design and the quality of a product are more likely to engage in repeat purchases and recommend the product to others.

Within the context of industrial design law in Indonesia, consumer perceptions of product authenticity further reinforce the importance of enforcing legal measures against design piracy. Numerous cases demonstrate that the circulation of counterfeit products causes dual losses, both for design right holders and for consumers themselves. For right holders, losses arise in the form of reduced financial profits, declining reputation, and diminished motivation to continue innovating. For consumers, losses manifest as reduced product quality, dissatisfaction with product usage, and even potential safety risks when counterfeit products fail to meet established safety standards. Consequently, efforts to strengthen consumer perceptions of authenticity and product quality must be aligned with effective legal protection.

The authenticity of industrial design is also strongly associated with brand identity value. Consumers who possess knowledge or awareness regarding the importance of intellectual property rights tend to appreciate original products more highly. They do not merely purchase products for their functionality but also for the sense of exclusivity attached to the design. This explains why business actors capable of maintaining design originality while simultaneously ensuring product quality tend to secure stronger competitive positions in the marketplace. In the long term, consumer perceptions of authenticity and product quality contribute to the

development of a positive brand image, which ultimately enhances the competitiveness of the national creative industry.

However, it should be noted that not all consumers possess the same level of awareness regarding product authenticity. Some consumers still evaluate products solely based on price and outward appearance without considering whether the design represents an original creative work or merely an imitation. This phenomenon is often exploited by irresponsible producers who market products with similar designs at lower prices. As a result, consumers may become trapped in purchasing decisions that offer neither quality assurance nor legal protection. This condition demonstrates that, in addition to legal protection, consumer education is also a crucial factor in strengthening perceptions of authenticity and product quality.

Consumer education may be conducted through various approaches, such as public campaigns highlighting the importance of respecting original creations, the implementation of special labels for products protected by industrial design rights, and the enforcement of quality standards that must be fulfilled by business actors. Through such measures, consumers will find it easier to distinguish between original and counterfeit products and will develop clearer preferences for supporting legally legitimate products. Furthermore, consumer awareness in appreciating product authenticity can function as a social instrument to suppress the circulation of counterfeit goods. When consumers refuse to purchase counterfeit products, the market for illegal goods will naturally decline.

In addition, consumer perceptions of product quality are closely related to functional and aesthetic aspects. In industrial design, quality is not solely measured by the durability or usability of a product but also by the extent to which the design provides added value to the consumer experience. Products featuring attractive, ergonomic designs aligned with market trends tend to be more readily accepted by consumers. This illustrates that the quality of industrial design cannot be separated from the aesthetic dimension, which constitutes a primary source of consumer appeal. Legal protection for industrial design, therefore, also functions as a mechanism to preserve the aesthetic quality and innovation of products in the market.

Furthermore, consumer perceptions of product authenticity and quality can serve as indicators of the success of industrial design protection implementation. If consumers generally believe that products circulating in the market are authentic works with guaranteed quality, it can be inferred that the legal protection system is functioning effectively. Conversely, if consumers frequently encounter counterfeit products of inferior quality, this indicates weaknesses in supervision and law enforcement. In other words, consumer perception does not merely reflect individual experiences but also represents the objective condition of the prevailing legal system.

Considering this dimension, it becomes clear that legal protection for industrial designs is not only essential for creators or right holders but also for consumers as the end users of products. Product authenticity and quality constitute the primary factors shaping consumer trust in a product. When this trust is undermined by the widespread circulation of counterfeit goods, the effectiveness of legal protection is called into question. Therefore, strengthening consumer perception through education, consistent law enforcement, and the assurance of original product quality constitutes a strategic approach to enhancing industrial design protection in Indonesia.

### **Institutional and Law Enforcement Dimension**

The institutional and law enforcement dimension in trademark protection for consumers represents a critical aspect in determining the extent to which existing regulations can be effectively implemented in practice. State institutions legislative, executive, and judicial play interconnected roles in ensuring the protection of trademark rights and consumer interests. In Indonesia, trademark protection is implemented through the legal framework established under

Law Number 20 of 2016 concerning Trademarks and Geographical Indications, along with its implementing regulations. However, the effectiveness of protection is determined not only by written legal norms but also by the institutional capacity to enforce these rules.

The Directorate General of Intellectual Property (DGIP) under the Ministry of Law and Human Rights serves as the primary institution responsible for registration, recording, and administrative dispute resolution related to trademarks. The existence of the DGIP plays an important role in building a credible trademark protection system, particularly by providing electronic registration services, accelerating substantive examination processes, and facilitating dispute resolution through mediation. Nevertheless, challenges remain, including limited human resources, delays in examination processes, and insufficient public understanding regarding applicable legal procedures. These conditions indicate that institutional roles require strengthening both in terms of technical capacity and service accessibility.

In addition to the DGIP, judicial institutions also play a significant role in providing legal certainty in trademark disputes. Commercial Courts, which have authority over trademark infringement cases, often become decisive arenas for consumer protection, particularly in cases involving counterfeiting or unauthorized trademark use. Consistent judicial decisions will reinforce confidence among the public and business actors that trademark protection entails real legal consequences. However, in practice, court decisions sometimes receive criticism for perceived inconsistency or for insufficiently considering aspects of consumer justice. This highlights the need to enhance the capacity of judges and law enforcement officers in understanding the philosophical foundations and urgency of trademark protection as an integral component of consumer protection.

On the other hand, non-governmental institutions also contribute to strengthening the institutional dimension of trademark protection. Consumer protection organizations, business associations, and civil society groups play important roles in promoting public oversight. They may serve as partners to the government in providing education, receiving complaints, and monitoring legal processes when trademark violations harm consumers. The involvement of these non-governmental actors introduces a new dynamic into law enforcement, as they help bridge the limitations of the state in addressing issues across diverse regions.

Law enforcement in trademark protection is also closely related to supervisory practices carried out by law enforcement agencies such as the police and customs authorities. In cases of counterfeit branded goods, the role of the police in conducting raids and investigations is crucial for the success of consumer protection efforts. Meanwhile, the Directorate General of Customs and Excise holds authority to prevent the entry of counterfeit imported goods into the domestic market. However, weak coordination among institutions often becomes a significant obstacle. For example, inconsistencies between DGIP data and field enforcement allow counterfeit goods to continue circulating widely. This situation indicates the necessity for stronger institutional coordination mechanisms and the utilization of information technology to enhance monitoring systems.

Another important aspect within the institutional and law enforcement dimension concerns the sanctions imposed on violators. Criminal and civil sanctions under trademark law are intended to create a deterrent effect. However, the effectiveness of these sanctions remains questionable because many cases of trademark counterfeiting end with minor penalties or out-of-court settlements. From the perspective of consumer protection, this situation creates a dilemma, as consumers remain vulnerable to purchasing counterfeit goods of uncertain quality. Therefore, consistency in sanction enforcement is essential to ensure that the law functions as a genuine protective instrument rather than a mere formality.

Furthermore, institutional and law enforcement dimensions in trademark protection also require constructive collaboration with global developments. As a member of the World Trade Organization (WTO) and a signatory to the Agreement on Trade-Related Aspects of

Intellectual Property Rights (TRIPS Agreement), Indonesia is obligated to align its legal system with international standards. This means that the enforcement of trademark violations involves not only domestic interests but also Indonesia's credibility in the international arena. International cooperation, such as through Mutual Legal Assistance (MLA) mechanisms, may serve as a strategic approach to strengthening cross-border law enforcement, particularly in addressing the increasingly complex circulation of counterfeit goods through digital trade.

Thus, the institutional and law enforcement dimension requires a comprehensive and multilayered approach. First, the state must strengthen the roles of the DGIP and the courts in ensuring legal certainty. Second, law enforcement agencies must improve coordination and consistency in imposing sanctions. Third, the involvement of non-governmental institutions and civil society must be facilitated to create a participatory oversight ecosystem. Finally, constructive collaboration with international regulations must be reinforced to ensure that trademark protection in Indonesia remains aligned with global practices. Without improvements in institutional and enforcement aspects, existing regulations will remain merely written norms without effective coercive power, leaving consumers vulnerable to fraudulent business practices such as trademark counterfeiting.

## **Discussion**

The findings of this study indicate that trademark protection in Indonesia cannot be separated from the regulatory framework and legal norms established by the state. The regulatory and normative dimension demonstrates that the existence of legislation specifically governing trademarks, such as Law Number 20 of 2016 on Trademarks and Geographical Indications, has provided a solid legal foundation for the protection of trademarks and consumer rights. However, an important finding of this study is the persistent gap between the legal text and its implementation in practice. Although the legal norms appear to be relatively adequate, their effectiveness is often constrained by limitations in law enforcement capacity, public awareness, and the weakness of legal culture. This suggests that regulation should not merely function as a formal legal instrument but must also be supported by the commitment of government institutions, business actors, and consumers to uphold the law as a shared guideline in business practices.

The next dimension, namely business practices and implementation, reveals that business actors play a central role in maintaining product authenticity while simultaneously building consumer trust. This research finds that many business practices have not yet fully positioned trademark protection as a strategic instrument. For many small and medium-sized enterprises, trademarks are still perceived merely as trade names rather than as assets with significant legal and economic value. This perception creates various implementation problems, including the widespread circulation of counterfeit products, weak monitoring standards, and the limited use of authenticity certification. In contrast, for large corporations, trademarks function as strategic instruments for market expansion, consumer loyalty, and brand image development. This difference in perception illustrates that the implementation of trademark protection continues to face challenges in achieving a shared understanding among business actors. Without a collective awareness of the importance of trademarks, existing regulations will struggle to achieve their intended protective objectives.

Furthermore, consumer perceptions regarding product authenticity and quality also constitute a crucial dimension of this study. Consumers are not merely protected parties but also key determinants of the success of trademark protection. The findings confirm that consumers tend to perceive trademarks as indicators of quality and guarantees of authenticity. Products with clearly identifiable, registered, and consistently maintained trademarks are more likely to gain public trust. Nevertheless, the study also identifies ambivalent consumer behaviour, particularly the tendency to purchase counterfeit products due to lower prices

despite awareness of potential quality risks. This finding indicates that consumer protection cannot rely solely on legal instruments but must also be strengthened through public education and increased consumer literacy. In other words, consumers should be encouraged to adopt a more critical perspective when assessing product authenticity and to reject counterfeit products that may cause potential harm.

In addition, the institutional and law enforcement dimension demonstrates that effective trademark protection requires strong, credible, and responsive institutions capable of adapting to evolving market dynamics. The Ministry of Law and Human Rights, through the Directorate General of Intellectual Property, has made efforts to improve services, such as accelerating the trademark registration process and providing online access to information. However, several longstanding challenges remain, including the slow resolution of disputes, limited human resources, and weak coordination among law enforcement institutions. For example, cases of trademark counterfeiting often require the involvement of the police, prosecutors, and the judiciary, yet coordination among these institutions is frequently suboptimal. As a result, the deterrent effect for legal violators remains weak. Weak institutional capacity ultimately reduces the effectiveness of trademark protection because business actors cannot obtain prompt legal certainty, while consumers remain vulnerable to losses caused by the circulation of counterfeit products.

Finally, the dimension of structural challenges and barriers, as well as the preventive impact of trademark protection on consumers, illustrates that trademark protection is not merely a legal issue but is also closely related to social, economic, and cultural factors. The structural barriers identified in this study include limited enforcement resources, low levels of legal awareness within society, and power imbalances between large corporations and small businesses. Small enterprises often encounter difficulties in registering their trademarks due to financial constraints, limited access to information, and administrative procedures perceived as complex. Yet, without adequate trademark protection, these businesses remain vulnerable to exploitation by irresponsible parties. Despite these challenges, this research also finds that trademark protection has a significant preventive effect for consumers. Officially registered trademarked products provide consumers with a sense of security, both in terms of product quality and legal assurance in the event of disputes. Strengthening trademark protection, therefore, contributes not only to enhancing product competitiveness but also to improving consumer protection in a broader sense.

Overall, the discussion of these five dimensions demonstrates that trademark protection plays a dual role: protecting the rights of business actors while simultaneously safeguarding consumer rights. However, such protection will only be effective when adequate regulation is accompanied by responsible business practices, critical consumer awareness, strong institutional capacity, and effective solutions to structural barriers. Therefore, constructive collaboration among the government, business actors, law enforcement institutions, and society is essential to establish a fair, transparent, and sustainable ecosystem of trademark protection.

## **CONCLUSION**

This study demonstrates that trademark protection in Indonesia should not be understood solely as a mechanism for safeguarding the exclusive rights of trademark owners. Rather, it functions as a preventive legal instrument that contributes directly to consumer protection by reducing the circulation of counterfeit products, strengthening product authenticity, and maintaining consumer confidence in the marketplace. The findings reveal that the effectiveness of trademark protection extends beyond the domain of intellectual property law and plays a broader role in promoting market transparency, fair competition, and consumer welfare.

A key insight of this research is that the relationship between trademark protection and consumer protection is reciprocal. Strong trademark protection enhances consumer confidence

by providing reliable indicators of product origin and quality, while informed and protected consumers create incentives for businesses to maintain brand integrity and comply with legal standards. Consequently, trademark protection serves both private economic interests and broader public interests.

However, the preventive function of trademark protection remains constrained by enforcement inconsistencies, limited institutional coordination, low public awareness, and the persistent circulation of counterfeit goods. These challenges indicate that legal protection alone is insufficient unless supported by effective implementation and stakeholder collaboration.

This study contributes to the legal literature by positioning trademark protection as an integral component of consumer protection rather than merely an intellectual property regime. Therefore, strengthening trademark enforcement, improving institutional cooperation, and enhancing public awareness are essential steps toward creating a more trustworthy, competitive, and sustainable business environment in Indonesia.

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