Patent protection in Indonesia

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The webinar will begin shortly
Patent protection in Indonesia

South-east Asia IPR SME Helpdesk

18 July 2019
Welcome to the Webinar

Moderator:

Marta Bettinazzi
IP Business Advisor
South-east Asia IPR SME Helpdesk
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Agenda

(Brussels time zone)

• 10:00 – 10:10: Introduction to the Helpdesk and its services
  Marta Bettinazzi, IP Business Advisor

• 10:10 – 10:40: Patent protection in Indonesia: New developments that businesses should know
  Andrew Diamond, External Expert
  ➢ Why to choose Indonesia as a destination country for your business
  ➢ Patent prosecution: Tips and Best practices

• 10:40 – 10:50: Q&A
• 10:50 – 10:55: Closing
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Patent protection in Indonesia

New developments that businesses should know

By Andrew Diamond, J.D., LL.M IP, Januar Jahja and Partners, Jakarta, Indonesia
Speaker’s bio

Name: Mr. Andrew Diamond
Firm: Januar Jahja & Partners
Location: Jakarta, Indonesia
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- Andrew Diamond is a Foreign IP Consultant at Januar Jahja & Partners (JJP).
- His articles on various Indonesian IP issues have appeared such publications as Managing IP, World Trademark Review and the Jakarta Globe.
- He has been recommended for his work by Chambers Asia-Pacific (2014) and the Legal 500 (2014).
- Mr. Diamond has a law degree from Brooklyn Law School and an LL.M. in Intellectual Property and Technology Law from the National University of Singapore (NUS).
- Former associate in the New York office of Venable LLP, an AmLaw 100 firm.
- He is licensed to practice law in the State of New York.
Why Indonesia

- 4th largest population in the world
  - 264 million people
  - Huge domestic market: young, tech-savvy population, with increasing amounts of disposable income
- G-20 economy (currently 16th largest), projected to rise to Top 10 by 2050
  - Currently largest in Southeast Asia
- Economy grew at 5.17% in 2018
- Consumer spending driving growth, constitutes approx. 70% of GDP
Why Indonesia (cont’d)

Source: World Bank, Goldman Sachs
Why Indonesia (cont’d) - ASEAN
Why Indonesia (cont’d) - ASEAN
Why Indonesia (cont’d)

• **However:**
  - Low rates of R&D – public and private
  - Lowest rate of innovation among G20 economies based on patent filings/grants
    - Only approx. 15 PCT applications filed going out per year
    - Compared with approx. 8,000/year into Indonesia, approx. 90% are foreign filings via PCT system or Paris Convention
  - Can be difficult to do business, economic uncertainty, corruption, political risk, etc.
    - Government under President Joko Widodo making progress on many of these fronts, but challenges remain
    - President Widodo just re-elected to second term (2019-2024)
    - Focus has been on infrastructure, good governance, ease of doing business
Patent Introduction - Indonesia

- Two Routes for Patent Filing in Indonesia:
  - Patent Cooperation Treaty (PCT)
  - Paris Convention
- Either way, has to be filed through a local agent
- 31-month PCT jurisdiction
  - Counting from earliest priority date
  - Can file after 31-month deadline but with heavy fine (approx. USD 500) and up to discretion of Patent Office
- 12-month Paris Convention jurisdiction
  - No grace period
Patent Introduction - Indonesia

- Currently taking approx. 3-5 years from filing to grant
  - Improvement from recent past, 5+ years
- Process:
  - Filing
  - Formality Examination
  - Publication – 6 months
  - Substantive Examination
  - First Office Action
  - Grant / Issuance of Certificate
Poll question 1:

What are the ways that a foreign applicant can file a patent application in Indonesia?

A. Through the Patent Cooperation Treaty.
B. Directly with the Indonesian Patent Office.
C. Through the Paris Convention.
D. Both A or C.
Patent Prosecution - Tips/Best Practices

- Reduce costs by filing all formality documents together with the application
  - Eliminates need for extensions
- Fees for additional claims exceeding 10
  - Can file amended specification to reduce total number of claims, and thus reduce additional official/professional fees
- Translation
  - Specification must be filed in Bahasa Indonesia
  - Translation errors common
Patent Prosecution - Tips/Best Practices (cont’d)

• Office Actions/Examination Reports often based on ISA’s written opinion
  • Three months to respond
  • Extensions available, but must be filed (2 + 1 month)
  • If no response or extension filed, abandoned

• Expedite examination by corresponding to granted patent in another jurisdiction
  • Most common: US, EU, Japan, China, South Korea, Australia
Patent Prosecution - Tips/Best Practices (cont’d)

- **Patent Prosecution Highway (PPH)**
  - **Agreement between patent offices to share information to benefit from work previously done**
  - Goal is to expedite examination and efficiency
  - **For Indonesia, only with Japan Patent Office**

- **ASEAN Patent Examination Co-operation (ASPEC)**
  - **Similar to PPH, but for 9 ASEAN Member States (not Myanmar) to share search and exam. results**

- **Freedom to Operate Opinions (FTOs)**
  - **Full searches extremely difficult if not impossible**
  - **Specific searches using bibliographic data possible**
Poll question 2:

What is the best way to expedite examination of a patent application in Indonesia?

A. Use the Patent Prosecution Highway (PPH) program.
B. Correspond to a related patent granted in another jurisdiction.
C. Use the ASPEC program.
D. Rely on Patent Examiner to conduct their own examination.
Current Issues (cont’d)

- **Enforcement**
  - **General**: Still difficult, esp. for patents
  - **Civil**: Infringement lawsuits, warning letters
    Infringement cases: Very rare, damages difficult to prove, collect
    - Two patent infringement cases in last 5 years
    Warning letters: Depends on counter-party but usually low chance of success
  - **Criminal**: Raids
    Complaint-based
    Police vs. PPNS (Investigative Unit of IP Office); also BPOM for food/drugs/cosmetics (Indonesian FDA)
    Prior investigation vital, best to present complete case file to police
    Success depends on goals: e.g., destruction of goods vs. money, public apology, etc.
Current Issues (cont’d)

• **Preliminary Injunctions**
  • *Theoretical option, not practical*
  • *Only 1 PI for IP so far (copyright)*
  • *Maybe new regulations coming later in 2019*

• **Annuities**
  • “*Outstanding annuities*” accumulated before August 2016 considered debt
  • *Unpaid annuities after August 2016 not considered debt, results in automatic abandonment of patent*
  • *From August 2019 onwards, continued outstanding debt will result in new applications being rejected*
Current Issues (cont’d)

• **Working Requirement** (Art. 20)
  • **Requirements**
    Art. 20: Patent owners are obligated to make the product or use the process that is covered by their patent in Indonesia
    **Rationale**: Support technology transfer, investment and/or job opportunities
  • **Deadline**:
    Patents granted **before** 26 August 2016: 26 August 2019
    Patents granted **after** 26 August 2016: 3 years from grant date
  • **Extension**
    Up to 5 years; must apply based on “acceptable” reason
  • **Consequences**
    Art. 82: Vulnerability to compulsory license
Any Questions?
Thank you for your attention!
Stay connected!

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