

The Optimization of Geographical Indication Protection in The Realization of National Self-Sufficiency

Mieke Yustia Ayu Ratna Sari*, Nuzulia Kumalasari **, Sigit Nugroho ***, Yatini****

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Abstract

Any products of origin with their reputation, quality, and characteristics provide various benefits for their producers and consumers. The producers can have economic, ecological, socio-cultural, and legal benefits. The consumers can hold product quality and guarantee of origin, as well as legal guarantee for counterfeiting product. The study focused on the optimization of economic benefits in the protection of Geographical Indication. Producers do not immediately receive these benefits because they are related to the starting point for registration of different geographical indications among products. The purpose of this study is to formulate a strategy to maximize the benefits of geographical indications for producers, especially in the economic field. The study employed socio-legal research method. The primary data consisted of interviews; and the secondary data was composed of legislation, literature, and proceedings. The study concluded that the improvement of national welfare and self-sufficiency could be enhanced by arrangement of production system, control method, compliance to the document of geographical indication, and guidance and supervision of the Regional Government.

Keywords: economic benefits, geographical indication, national self-sufficiency

Optimalisasi Perlindungan Indikasi Geografis dalam Mewujudkan Kemandirian Bangsa

Abstrak

Barang berbasis wilayah dan/atau produk asal yang memiliki reputasi, kualitas dan karakteristik memiliki berbagai manfaat baik bagi produsen maupun konsumen. Manfaat bagi produsen termasuk manfaat ekonomi, ekologi, sosial-budaya dan hukum, sementara manfaat bagi konsumen termasuk kualitas produk dan jaminan asal serta jaminan hukum untuk produk pemalsuan. Fokus utama dari penelitian ini adalah optimalisasi manfaat ekonomi dalam perlindungan Indikasi Geografis. Manfaat ini tidak langsung dirasakan oleh

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* Lecturer of the Faculty of Law of Tulang Bawang University, Lampung, S.H. (Universitas Islam Indonesia) M.H. (Universitas Diponegoro), Dr. (Universitas Brawijaya), email: miekeius@gmail.com

** Lecturer of the Faculty of Law of Jember University, Jember, S.H. (Universitas Diponegoro), M.H. (Universitas Diponegoro), email: nuzuliaks@gmail.com

*** Lecturer of the Faculty of Law of Bangka Belitung University, Kepulauan Bangka Belitung, S.H. (Universitas Islam Indonesia), M.H. (Universitas Islam Indonesia), email: snugroho571@gmail.com

**** Lecturer of the Faculty of Law of Widyagama Mahakam University, Samarinda, S.H. (Universitas Widyagama Mahakam), M.H. (Universitas Brawijaya), Dr. (Universitas Brawijaya), email: yatiniarudji@gmail.com

produsen karena terkait dengan maksud dan tujuan pendaftaran indikasi geografis yang berbeda antar produk. Tujuan dari penelitian ini adalah untuk merumuskan strategi untuk memaksimalkan manfaat indikasi geografis bagi produsen, serta mendalami konteks yang mempengaruhi pelaksanaan hukum terkait manfaat indikasi geografis pasca pendaftaran. Metode penelitian yang digunakan adalah penelitian sosial-hukum dengan data primer melalui wawancara dan data sekunder yaitu undang-undang, literatur, prosiding. Hasil penelitian memperlihatkan bahwa perlu mengatur sistem produksi, metode pengendalian, kepatuhan sesuai dengan dokumen indikasi geografis dan bimbingan serta pengawasan Pemerintah Daerah sehingga dapat meningkatkan kesejahteraan masyarakat dan mewujudkan kemandirian bangsa.

Kata kunci: *indikasi geografis, kemakmuran nasional, manfaat ekonomi*

A. Introduction

National self-sufficiency is a part of state sovereignty in independent policy determination without interference from other states. Internal strength is one of the main keys to the national self-sufficiency, which is supported by both human and natural resources and that are managed appropriately and sustainably. The concept of self-sufficiency is a very important factor in development, especially in an era where major changes often happened and give effects on the way of life. The era is commonly referred to as the industrial revolution 4.0. In an era marked by an internet-based digitalization system, it becomes the cause of a major transformation in all fields including the economy.

Self-sufficiency is an attitude that prioritizes one's own ability to overcome various problems by achieving one goal without closing to the possibility of mutually beneficial cooperation with other parties. The situation must be used as a benchmark of success.¹ One of the forms of national self-sufficiency is the economic strength resulted from resources. The discourse of self-sufficiency is very relevant to be discussed considering the challenges of the industrial revolution 4.0. In this era, it is very urgent to make various changes in all sectors, especially technology, to create innovation so as to realize the national self-sufficiency. National development is currently focused at the national self-sufficiency and the increase of competitiveness. Therefore, one strategy and effort are needed, one of which is the added value of local products.

The diversity of natural resources on the Indonesian archipelago provides a great opportunity for the improvement of the people's welfare and the contribution to the economy, including in the field of intellectual property. Protection that is based on the activity of human thought has a relationship with economic aspects. The economic aspect presents a study that intellectual property rights are the objects of wealth that can be transacted in the process of exchanging

¹ Mukeri, "Kemandirian Ekonomi Solusi Untuk Kemajuan Bangsa", *Majalah Ilmiah Universitas Pandanaran*, Vol. 10, Issue 24, 2012, p. 3.

human economic needs. In much literature, intellectual property rights are interpreted as a commercial right.²

In the realm of international agreements, intellectual property rights are strategic issues, which is formulated in the appendix of *Agreement Establishing the World Trade Organization*, known as TRIP's *Agreement*. As a World Trade Organization (WTO)'s agreement, the legal instrument has an important role. For instance, states cannot implement the intellectual property rights system without reference to special interests for the economy or, in general, the development.³ The TRIP's in the WTO's framework is an effective mechanism to technology transfer, which plays a key role in economic growth and development. The capitalist ideology is very clear in the intellectual property rights law.⁴

Geographical indication is a part of intellectual property rights regime that has characteristics influenced by natural factors, human factors, or a combination of the two. Products protected with geographical indication have a higher sale value because of their reputation, quality, and characteristics. Therefore, geographical indication can be used as an instrument to realize the national self-sufficiency in the economic field. The phenomenon of geographical indication protection in Indonesia shows better progress compared to the beginning of its development. This year (2020), the government through the Directorate General of Intellectual Property (DJKI) has priority programs in the field of communal intellectual property. The DJKI performance agenda is directed to support program priorities with a target performance of 120 communal intellectual property inventory documents, including the development of a communal intellectual property inventory system and database that already exists in the web portal www.dgip.go.id.⁵ Based on the Minister of Law and Human Rights Regulation No. 13 of 2017 concerning communal intellectual property documents, the potential for geographical indications is one part of communal intellectual property. The potential geographical indications are subsequently compiled for their description documents and registered with the DJKI, if they meet all the requirements based on administrative and substantive examination and obtain a certificate of geographical indication then the goods and/or products are classified as geographical indication certified goods and/or products. However, in terms of utilization after registration, geographical indication has not been carried out optimally. Therefore, the realization still requires various efforts. This study focused on the strategies for optimization of the protection of geographical indication.

² OK. Saidin, *Aspek Hukum Hak Kekayaan Intelektual (Intellectual Property Rights)*, Jakarta: PT. Raja Grafindo Persada, 2015, p. 18.

³ Achmad Zen Umar Purba, *Hak Kekayaan Intelektual Pasca TRIP's*, Bandung: Alumni, 2011, p. 8.

⁴ OK. Saidin, *op.cit.*, p. 26.

⁵ Direktorat Jenderal Kekayaan Intelektual, "DJKI Prioritaskan Peningkatan Inventarisasi Kekayaan Intelektual Komunal di 2020", <https://dgip.go.id/djki-prioritaskan-peningkatan-inventarisasi-kekayaan-intelektual-komunal-di-2020>, accessed on 20 April 2020.

In Indonesia, geographical indication is regulated as a national law since 1997 as the ratification of WTO establishment agreement. The Law Number 7 of 1994 is the Ratification of Agreement Establishing the World Trade Organization and amending the previously valid the Law Number 19 of 1992 on Trademark. In line with global trade, trademark has a very important role and, therefore, must be supported adequately by regulations. The Law Number 15 Year 2001 on Trademark has replaced the previous existing laws. The geographical indication in the Law is regulated in Articles 56 to 58, under the head the scope of geographical indication (understanding, application, announcement of application for registration, rejection of application for registration, regulation on appeal, and duration of protection); law enforcement for violations of geographical indication and temporary determination of court that applies *mutatis mutandis*. The legal basis is considered to be inadequate for the protection of geographical indication in Indonesia due to the increasing development of the people's economy, advancements of information technology, increased flows of trade of goods and services. It is also deemed as unable to provide a more comprehensive and adequate legal basis for achieving legal protection. On November 25, 2016, the Law Number 20 of 2016 on Mark and Geographical Indication was passed and enacted.

To increase the number of goods and/or products registered with geographical indication, in 2018, the Directorate General of Intellectual Property of the Ministry of Law and Human Rights declares a year of Geographical Indication. Each Regional Office is assigned to register at least one geographical indication product and carry out an inventory of communal wealth in respective working area. The government program directly has a significant impact on the number of registered geographical indication. As of July 2018, there have been 67 products, including 61 domestic products and 6 foreign products registered with geographical indications in Indonesia. Coffee is the largest commodity, in addition to spices such as clove of Moloku Kiraha, nutmeg of Tomandin Fak-Fak, cinnamon of Koerintji, nutmeg of Siau, as well as handicrafts and industry (Balinese gringsing weaving, Mandar silk weaving, Sikka ikat weaving, and Tanimbar ikat weaving).

Geographical indication protected products receive economic, ecological, social, and legal benefits. The economic benefits greatly affect the national self-sufficiency independence through the development of the people's economy. In the implementation, there are producers who have not felt obstacles that made the benefits of the protection. Consequently, they need a way or strategy to optimize the benefits.

Some products that have been registered do not yet have differences in selling value compared to pre-registered period. The problem becomes the background of this study to find the strategy of optimizing economic benefits after the protection of geographical indication. This study used Economic Growth Stimulus Theory and Law Development Theory to analyze the protection of geographical indication for the realization of national self-sufficiency.

This research is a logic building from the perspective of the implementation of the protection of geographical indications to realize the national self-sufficiency. It is began by the inventory of legal regulations related to the study material, the description of the existing conditions of the implementation of protection after registration of products. Subsequently, the study analyzed them based on relevant theory. Law cannot be separated from the political and social contexts. Therefore, this study used an interdisciplinary socio-legal approach.⁶

B. Strategy of Economic Benefit Optimization Following the Protection of Geographical Indication

Intellectual property right is closely related with the prosperity of a nation because it provides economic significances. Indonesia has 200 million people. It is a plural society with various languages, religions, ethnic groups, and livelihoods. They all are influenced by the location of their respective regions. Strategic geographical location has a positive effect on climate, trade activities, and socio-cultural society. Indonesia has fertile soil due to volcanoes that release mineral-rich material. They form volcanic, humus, and alluvial soils that are good for plant growth.⁷ The fertile soil is a valuable asset for intellectual property development. One aspect of special rights on intellectual property rights is economic rights, namely the right to obtain economic benefits over intellectual property. Intellectual property rights are referred to as economic rights because property rights can be valued with money that provides benefits and objects of trade.⁸ Intellectual property's protection can support the economic development of people embracing it. According to WIPO, intellectual property is a power that can be used to enrich one's life and the future of a nation materially, culturally, and socially.⁹ Therefore, developed states pay great attention to their intellectual property. They really utilize the available resources to protect intellectual property and make use of it.

Intellectual property rights have become an important part of a country to safeguard industry and its trade advantages. The role is currently quite important as a tool of trade competition, especially for developed states, to drive the advancement of science and technology through innovation in industry, as well as for increasing economic welfare, especially for researchers by getting royalties. Intellectual property protection accelerates the wheels of national economic development and encourages the transfer of technology and knowledge.

⁶ Esmi Warassih (et.al.), "Sustainable Fishery Campaign by Small-Scale Fishers: A Case Study on Law Protection on Small-Scale Fishers in Morodemak Village, Demak District, Central Java Province, Indonesia", *Environmental Justice*, Vol. 11, Issue 3, 2018, p. 116.

⁷ Dadang Sungkawa, *Geografis Regional Indonesia: Buku Ajar, Jurusan Pendidikan Geografis, Fakultas Pendidikan Ilmu Pengetahuan Sosial*, Bandung: Universitas Pendidikan Indonesia, 2008, p. 8.

⁸ Abdulkadir Muhammad, *Kajian Hukum Ekonomi: Hak Kekayaan Intelektual*, Bandung: PT Citra Aditya Bakti, 2007, p. 23.

⁹ Maria Alfons, "Implementasi Hak Kekayaan Intelektual Dalam Perpektif Negara Hukum", *Jurnal Legislasi Indonesia*, Vol. 14, Issue 3, 2017, p. 308.

Intellectual property for developed countries is used as a strategy to commercialize findings.¹⁰

Geographical indication is a part of intellectual property rights. It is viewed to be inherent in the existence of an economically valuable property. The protection of geographical indications is not due to intellectual works produced by humans but merely dominated by the influence of geographical environmental factors (both natural and human elements) that give special characteristics to product in specific area or region. Geographical indications in such contexts provide protection for objects as part of *common property*, not *private property*.¹¹ The nature of geographical indication as communal property is not derived from the results of human intellectuals. On the other hand, the nature of intellectual property rights creates a conflict if geographical indication become part of the intellectual property rights regime. In fact, the Indonesian laws and regulations regarding geographical indication are juxtaposed with the law on trademarks as a form of implementation of the TRIP's Agreement. Article 1 (1) mentions that member states are obliged to implement the provisions in the agreement but, on the other hand, there are freedom to use methods that are most appropriate in the national law.

Experts agree that intellectual property rights arise from the results of human thought as individuals. Therefore, it has the consequence that ownership is personal. According to Saidin, the word 'intellectual' is attached to the word 'property rights' since the rights are born from the struggle of brain work with consideration of rational and emotional intelligence carried out by certain people making them exclusive.¹² Sardjono argues that intellectual property rights are an individualistic regime to monopolize technology and to protect investment.¹³ Marzuki states that intellectual property rights are rights that arise from the intellectual work of someone who brings material gain. Djumhana and Djubaedillah concludes that intellectual property rights are rights that come from creative activities, a capacity for human thought power that is expressed to the public in various forms, has benefits and is useful in supporting human life, and has economic value.¹⁴

Based on the experts' ideas, this study is in the position to argue that geographical indication is intellectual property that is *sui generis* because it has different characteristics from other forms intellectual property that the

¹⁰ Hasbir Paserangi (et.al.), *Hak Kekayaan Intelektual "Perahu Pinisi" Dalam Perspektif Indikasi Geografis*, Jakarta: PT Raja Grafindo Persada, 2016, p. 10.

¹¹ Djulaeka, *Konsep Perlindungan Hak Kekayaan Intelektual: Perpektif Kajian Filosofis HaKI Kolektif-Komunal*, Malang: Setara Press, 2014, p. 67.

¹² OK. Saidin, *op.cit.*, p. 28.

¹³ Agus Sardjono, *Hak Kekayaan Intelektual dan Pengetahuan Tradisional*, Bandung: Alumni, 2010, p. 147.

¹⁴ Imas Rosidawati W. and Fontian Munzil, *Pengetahuan Tradisional dan Hak Kekayaan Intelektual: Perlindungan Pengetahuan Tradisional Berdasarkan Asas Keadilan Melalui Sui Generis Intellectual Property System*, Bandung: Refika Aditama, 2018, p. 31.

developments require human intellectual work although they are influenced by natural factors. Therefore, their ownership is communal. Based on international law, *TRIPS agreement* is a national legal reference for member states of WTO. It regulates geographical indications on Article 22 to 24. There are also other intellectual property regimes such as copyrights, brands, patents, industrial designs, integrated circuit layout designs, and trade secrets. WTO member states have freedom to provide a legal framework for geographical indication. Therefore, some states regulate it specifically in specific laws, such as Australia, India, and European Union states. Some other states regulate geographical indication in their national legal facilities, such as America, Japan, and Canada.

Geographical indication and the characteristics are influenced by geographical factors. Therefore, it is an intellectual property attached to a property with communal ownership. Djulaeka refers to geographical indications as collective-communal. Collective ownership emphasizes the protection of common property that cannot be owned individually. Nature and/or people (local community culture) that gives unique characteristics influence the communal nature. Therefore, products from certain regions has certain tastes, qualities, and reputations. The uniqueness or characteristic of a product is a valuable property for the area of origin. Thus, it is protected by geographical indication that have the potential to improve people's welfare.¹⁵

The legal basis for geographical indication in Indonesia is the Law Number 20 of 2016, especially in Article 53 to 62 and article 66 to 71. In addition, the Government Regulations Number 51 of 2007 on Geographical Indication is also still valid according to Article 106.¹⁶ Government Regulation on Geographical Indication regulates the scope, geographical indications that cannot be registered, the period of protection, the requirements and procedures for application, as well as the registration technicality. On June 19, 2019 the Minister of Law and Human Rights established the Regulation of the Minister of Law and Human Rights Number 12 of 2019 on Geographical Indication. The Ministerial Regulation was promulgated on June 25, 2019. The background to the formation of the Ministerial Regulation is to carry out the order of the Law Number 20 of 2016 on Geographical Indications. It is especially accommodates Article 55 paragraph (2), Article 60, and Article 71 paragraph (5) on the registration of geographical indication from abroad based on international agreements; the terms and procedures for registration of geographical indications along with the appointment of members, duties, subjects and functions of the Geographical Indication Experts Team; and monitoring geographical indications.

The Law Number 39 of 2014 on Plantations, in particular Article 63, supports the protection of the preservation of geographical areas that produce specific

¹⁵ Djulaeka, *op. cit.*, p. 66.

¹⁶ Article 106 of the Law Number 20 of 2016 on the Trademark and Geographical Indication.

plantation products. It prohibits plantation business actors from converting plantation lands within the geographical area that produce specific plantation products. Politics on the Law clearly pays attention to the urgency of protecting intellectual property, especially the geographical indication regime. The Government Regulations Number 31 of 2009 on the Protection of the Geographical Areas that Produce Specific Plantation protects of the place of origin of product that has a specific product quality and specificity, including coffee, tobacco, cinnamon, pepper, cocoa and tea.

Essentially, the government regulation regulates the protection of geographical areas that produce plantation products in accordance with the conditions as stipulated in Article 4. They are the plantation products produced have a distinctive quality, including specific tastes. It can be concluded that the regulation of geographical indication is divided into two dimensions: (1) the granting of rights (regarding procedure for registration and period of protection); and (2) the region (especially those producing specific Plantation Products). The legal basis in substance has guaranteed the protection of geographical indication in Indonesia. The most important thing right now is the method of protecting products in Indonesia.

Definition of geographical indication in Article 1 paragraph (6) of the Law Number 20 of 2016 has improved from the previous law. Firstly, the scope of protection was expanded not only to include 'goods' but also 'products'. Thereby, it includes both goods and services. Secondly, the aspects of objects that are influenced by natural and/or human factors has changed. Initially, it only included "characteristics and qualities" of objects. Now, it includes the "reputation, quality, and characteristics" of objects. Reputation is a new aspect that must be considered in the registration of geographical indication. Thus, products to be registered must be well known by their consumers. The three aspects (reputation, quality, and characteristics) must be met cumulatively so that the right holder obtains exclusive rights to protect geographical indications.¹⁷

Indonesia forms constitutional system based on the *first to file* in the protection of geographical indications. To respond the industrial revolution 4.0, where everything is based on digitization and internet connections, registration of geographical indication uses an *online* system. The implementation of an online system at the Directorate General of Intellectual Property, particularly for the registration of geographical indication, employs an application of *e-filling* intellectual property, *geographical e-indications*. The registration method aims to enable people registering their potential geographical indications online through registered intellectual property consultants, the intellectual property centers of universities, or regional offices of the Ministry of Justice and Human Rights. This

¹⁷ Ahmad M. Ramli (et.al.), *Kekayaan Intelektual: Pengantar Indikasi Geografis*, Bandung: Institut Padya Astagina and PT. Alumni, 2018, p. 123.

breakthrough has been carried out since August 17, 2019 through the website of the Directorate General of Intellectual Property. The Directorate General of Intellectual Property innovations to increase registered geographical indication for the reason that there are thousands of local potentials that have not been registered as communal-based intellectual property.

The protection of geographical indications has an economic impact on people and regions. It can improve people's welfare and the original opinion of regions, as well as their reputation. The benefits of geographical indications are in line with Sherwood's theory of economic growth stimulus that the protection of intellectual property rights (especially geographical indications) is a tool for economic development.¹⁸ The theory illustrates that economic development and economic growth are two interrelated things. Economic development encourages economic growth and, vice versa, economic growth accelerates the process of economic development. This is the foundation for the creation and establishment of laws. The main purpose is to increase the broadest public interest (maximizing overall social utility) by using the approach and use of economic analysis without eliminating the elements of justice. Therefore, justice becomes an economic standard based on three basic elements: *value, utility, and efficiency*.¹⁹ Economic growth stimulus theory recognizes that protection of intellectual property rights is a tool of economic development focusing on the overall goal of establishing an effective protection system for intellectual property rights. This theory is very relevant as the foundation of intellectual property rights protection, especially in the era of free trade.²⁰ The theory is the basis of the analysis that economic growth is seen from the ability of creative industry as an intellectual property-based industry to improve the economy of the real sector.²¹ The theory rests on the macro interest in intellectual property rights, which is the foundation of legal protection of intellectual property rights. If it is implemented properly, it will have a close correlation with the development and improvement of geographical indication products to make a large economic and industrial contribution to both people and state in the context of economic level progress.²² The relationship between intellectual property rights and affiliated economic development is very close. This is shown from international regulations namely the TRIP's agreement, which is one of the Annexes in the formation of the WTO. It is a great reference in

¹⁸ Robert M. Sherwood, *Intellectual Property and Economic Development: Westview Special Studies in Science Technology and Public Policy*, San Francisco: Westview Press Inc, 1990, pp. 11-13.

¹⁹ Fajar Sugianto, *Economic Analysis of Law: Seri Analisis Ke-ekonomian Tentang Hukum*, Jakarta: Kencana Prenada Media Group, 2013, p. 29.

²⁰ Academic Paper on the Draft on Industrial Property Rights [Naskah Akademik RUU tentang Hak Kekayaan Industri], www.bphn.go.id, accessed on February 2020.

²¹ Muhammad Fahmi Rois and Kholis Roisah, Perlindungan Hukum Kekayaan Intelektual Kerajinan Kuningan Tumang, *Kanun Jurnal Ilmu Hukum*, Vol. 20, Issue 3, 2018 p. 407.

²² Muhammad Syaifuddin and Sri Handayani, "Relasi Hukum, Moral dan Hak Kekayaan Intelektual (Analisis Kontroversi Hukum dan Moral Rekayasa Genetik MakhluK Hidup di Indonesia)", *Jurnal Dinamika Hukum*, Vol. 14, Issue 1, 2014.

world trade. Another fact that proves the link between the two industries is the income received by the superpowers (such as the United States) for more than US \$ 8 billion per year through royalty payments. The intellectual property rights products make a large contribution to economic and industrial development. For example, the copyright accounts for about 3.7% of the United States' per capita income. Another example, the pharmaceutical industry in developed countries has reaped profits and contributed income to a number of states like the United States and the United Kingdom.²³ Geographical indication as one of the intellectual property rights regimes can boost regional economic growth, which affect the welfare of farmers and the wider community through synergies in quadruple helix. The economic growth stimulus theory is in line with the current development strategy that emphasizes economic development especially economic growth. It focuses on reducing poverty and economic inequality. The success of the country's economic development is indicated by three main values: (1) the development of people's ability to meet basic needs, (2) the increase of self-esteem as human beings, and (3) the increase of people's ability to choose. These three things are in harmony with human rights. Economic development must be seen as a process so that the patterns of interrelation and interplay among factors of economic development can be analyzed. This method can determine the sequence of events that occur and their impacts on the increase of economic activity and the level of people's welfare from one stage of development to the next stage.²⁴

Natural resources are one of the objects of geographical indication, on the other hand, is one of the factors of industrial growth that influences economic growth and development. The protection of geographical indications thus triggers economic growth because it affects the selling value of products. Thereby, it increases national and regional incomes at the macro level, as well as the income of micro-producing communities.

In addition to affecting economic development, the protection of geographical indication also affects the development of legal sector. Its arrangements are a vehicle for people's rejuvenation. Before the ratification of *TRIP's agreement*, Indonesia did not regulate geographical indication. People did not recognize geographical indication as an instrument to protect the wealth of their regions. One of the intellectual property regimes came from the European plains, which in the early stages of development referred to as the *Designation of Origins* (PDO) for product of *Requefort* cheese from France.

Indonesia is a member of the WTO and is bound to ratify the *TRIP's agreement* through the Law Number 7 of 1994 on Ratification of the *Agreement Establishing the World Trade Organization*. The law functions to direct human activity to be in

²³ Tomi Suryo Utomo, *Hak Kekayaan Intelektual (HKI) di Era Global: Sebuah Kajian Kontemporer*, Yogyakarta: Graha Ilmu, 2010, p. 42.

²⁴ Lincolin Arsyad, "Ekonomi Pembangunan dan Pembangunan Ekonomi: Modul 1", www.pustaka.ut.ac.id, accessed on February 2020, p. 6.

line with development, especially in the economic development. Geographical indication has a significant contribution to reform in the field of economic law. This is in line with the theory of development law initiated by Kusumaatmadja, who was influenced Laswell, McDougal, and Pound's theories. In principle, the theory of development law states that law is a means of people's rejuvenation based on the assumption that there is order in a development effort. It is something that is desirable or even deemed necessary.²⁵ Regulations of geographical indication are considered as a means of rejuvenation in the framework of protecting regional-based local products to improve people's welfare and reputation of region. The theory is very relevant to analyze the issue of the self-sufficiency of the Indonesian people in the realization of economic improvement based on the Pancasila principles. There is an interesting side when it is associated with geographical indications and quadruple helix systems, namely the theory of development law presents a pattern of mutual synergy between stakeholders. Kusumaatmadja carries the big idea of changing the law to be a tool of society building. Orders are needed for development and renewal as well as directing human activities to the aspects desired by development. This achievement requires written legal regulations. In order to develop Indonesian people, certainty and order are needed to maximize the function of law as a tool of social engineering. Thus, the law can play an active and dynamic role as a catalyst and a dynamic reformer of society. Regulations of geographical indication are considered as a means of rejuvenation in the framework of protecting regional-based local products to improve people's welfare and the reputation of the region.

Both theories have correlation in the strategy to optimize benefits of geographical indication. Economic Growth Stimulus Theory recognizes that protection of industrial property rights is a very relevant economic development tool to be used as the foundation of protection of industrial property rights, especially in the era of free trade and the consequences of WTO agreements for Indonesia.²⁶ Economic development tools become fundamental element related to the quadruple-helix development pattern. Theory of Development Law has a role in changing the law as an instrument for people's development.²⁷ The law, in this case, is the Law Number 20 of 2016 on Trademark and Geographical Indication. It functions as a rule to direct human activities in the field of protecting regional-based identity products through registration and efforts to optimize the utilization of geographical indications after registration.

The geographical conditions and diversity of the cultural traditions of the Indonesian archipelago play important roles in the creation of products with

²⁵ Candra Irawan, *Politik Hukum Hak Kekayaan Intelektual Indonesia: Kritik Terhadap WTO/TRIPs Agreement dan Upaya Membangun Hukum Kekayaan Intelektual Demi Kepentingan Nasional*, Bandung: CV Mandar Maju, 2011, p. 86.

²⁶ Muhammad Amirulloh and Helitha Novianty Muchtar, *Buku Ajar: Hukum Kekayaan Intelektual*, Bandung: Unpad Press, 2016, p. 20.

²⁷ Candra Irawan, *op.cit.*, p. 86.

unique characteristics. Geographical indication exists as vital instrument to optimize economic value of products, to improve people's welfare in producing region, to maintain environmental quality stability(it is an indicator of protection in accordance with the description of geographical indication), to provide rights for the holders of geographical indications (especially the micro, small, and medium enterprises where it plays a central role in the global value creation chain), and to maintain local wisdom (as a result of interaction between natural and human factors in the producing region). The protection of geographical indication is a symbiosis of mutualism with regions of origin that can form *regional branding* and *nation branding*. To achieve these objectives, a progressive and integrative protection implementation system is needed. That is a protection intended as a means of publication as well as a means of exploration and development of the product marketing. The phases should be carried out continuously to produce a geographical indication product as a catalyst for regional economic development by including uniqueness and excellences of the region of the geographical indication product.²⁸ These efforts can enhance the prosperity of the geographical indication producing regions and their surrounding areas.

Regional imaging through geographical indication products can be realized if the registered products are managed in accordance with the "Requirements Book or Descriptive Document" which was filed during the registration process. Unfortunately, many products registered with geographical indications in Indonesia do not have good governance. In Lampung Province, there are two products that have been certified by geographical indications: Robusta Lampung coffee owned by the Lampung Geographical Indication Community which was registered on May 13, 2014 and Lampung Black Pepper owned by the Lampung Black Pepper Geographical Indication Society registered on May 2, 2016. Both products do not have structured governance. Therefore, the certification of geographical indication has not yet increased the economic value of both products. Based on interviews with the Chairman of the Lampung Robusta Coffee Geographical Indication Society (MIG-KRL), Mr. Mahatma Gandhi,²⁹ this is due to the MIG institution still in the process of transition from the previous institution. There needs to be an institutional arrangement and subsequently the structuring of the production and distribution processes. Institution that has not been arranged causes the coffee products to qualify for geographical indications. Some of them have not used the IG logo even though the product is in accordance with the standards in the Requirements Book or the IG Description Document. This condition is very detrimental to the manufacturer because the customers cannot recognize the product with IG quality and standards. Lampung black pepper is a regional superior product that reached its heyday in the 1970s. At that time, the product is a major

²⁸ Ahmad M. Ramli (et.al.), *Hukum Kekayaan Intelektual: Indikasi Gografis dan Kekayaan Tradisi dalam Teori dan Praktek*, Bandung: PT. Refika Aditama, 2019, p. 73.

²⁹ Interview on February 20, 2019 via a cellular phone connection.

contributor to the people's welfare with a total production of 50,000 tons per year. Post-certification of geographical indication, the Lampung black pepper has not been able to restore the glory due to governance of product that has not been maximized and the constraints of land conversion. Institutional consolidation is still being pursued at this time.

Products that have certain uniqueness are influenced by environmental quality and the role of humans. Exclusive economic rights, geographical indication, should protect them because the regime is a tool and capital in trading activities, marketing strategy instrument, increasing and controlling prices and gaining cultural value and quality reputation. The protection of geographical indication does not stop at registration but the most important step is the use of registered geographical indication to encourage economic growth. The main key to the use of geographical indications is the *quadruple-helix* collaboration.³⁰ Quadruple helix is a model of innovation cooperation or an innovation environment where users, companies, universities, and public authorities work together to produce innovation. Quadruple helix is the development of the triple helix, where the fourth party involved is the party that connects the parties in the triple helix referred to as "4th pillar of organization" or "intermediate organizations as innovation-enable organization". The quadruple helix model makes government, academicians, industry, and civil society as actors who promote democratic approaches to innovation through the development of strategies and decision-making that are exposed to generate feedback from key stakeholders that produce policies and practices that can be socially responsible.³¹

Some of Indonesian geographical-indication products are in demand by consumers in European Union states. They are, among others, Amed salt of Bali, nutmeg of Siau, white pepper of Muntok, cilembu sweet potato of Sumedang. Products that have been certified based on geographical indication can apply quality standards based on their Documentation Document, improve marketing systems and packaging to increase sales value. For example, before being registered the selling price of Toraja Arabica coffee was Rp25,000 per kilogram. After being registered and making improvements of quality and marketing, its price reach Rp120,000 per kilogram. Geographical indications attract consumers to buy because of the quality and distinctive taste. Consumers from the European Union are willing to pay 10% more for products with original authenticity guarantee.

Salah pondoh (Pondoh zalacca) of Sleman is a geographical indication product that is used as an example of the quadruple-helix development. It has successfully developed a strategy to maximize the benefits of geographical indication for

³⁰ Widjajani (et.al.), "Model Quadruple Helix Sebagai Model Inovasi Daerah (Kajian Literatur)", *Jurnal Sosiohumanitas*, Vol. 18, Issue 1, 2016, p. 88.

³¹ Popy Rufaidah, Branding Strategi Berbasis Ekonomi Krestif: *Triple Helix vs Quadruple Heliz*, https://www.researchgate.net/publication/280013757_Branding_Strategy_Berbasis_Ekonomi_Kreatif_Triple_Helix_vs_Quadruple_Helix/link/55a3c5c808aee1d98de10b77/download, accessed on September 2019.

producers. The holder of the geographical indication is the Protection of Geographical Indications Community of Salak Pondoh Sleman (KPIG-SPS). They involve the government as a facilitator to arrange the registration of geographical indication and to foster the farmers in Sleman. The Sleman Regional Government has established a policy by issuing a Decree of the Regent of Sleman to make the salak pondoh the regional superior commodity. The role of farmer groups as a community is to change the pattern of cultivation from traditional to higher quality. They cultivate an organic system and cooperate with foreign entrepreneurs to export the product. They have networking in China, Cambodia, Vietnam, China Korea, Malaysia, and Singapore. The government also has built packing house with the help of funds from the Government of New Zealand to meet the standards of export. According to Mr. Iskandar (Former Chairperson of the Salak Pondoh Sleman Farmer Group),³² the product, especially that are certified by geographical indication and originating from registered plantations, is fresh and the processed fruit is not marketed in Indonesia. The role of businesses is to synergize in the field of food processing the product in partnership with small and medium businesses to make chips, jenang, wingko, and syrup made from the fruit. The role of tertiary institutions is carried out by transferring agricultural technological innovations and developing appropriately downstream innovation of the fruit-based products. Although the role of each helix has not been organized in a structured manner, it has developed capacity in its field.

Geographical indication is used to protect products that are influenced by geographical environmental factors to provide characteristics, reputation, and quality. However, the various interests of products motivate the protection with constitutive system. Economic interests dominate the purpose of registration due to low product prices and quality. On the other case, some products, such as salak pondoh, before their geographical indications registered, already have good marketing and product quality. The protection of geographical indications of such products is expected to further increase the sale value and avoid product counterfeiting.³³

The protection of geographical indications is a guarantee of quality from producers to consumers. It can increase the level of consumer satisfaction with product quality. This has an impact on increasing demand for goods and selling prices of products, followed by an increase of producers' income and public welfare. Such conditions require synergy from various parties (*stakeholders*) to optimize the protection of geographical indications. Collaboration *quadruple-helix* can be used as an alternative. In the era of the industrial revolution 4.0, all sectors are required to innovate to keep pace with business growth. The government,

³² Interview on October 15, 2017.

³³ Interview with Dr. Ir. H. Riayaldi, MM Chairperson of the Indonesian Geographical Indications Association (AIGI) and Member of the Geographical Indication Experts Team of the Directorate General of Intellectual Property on April 8, 2019.

universities, business actors, and the communities must work together to optimize the protection of geographical indication to improve people's welfare and to realize national self-sufficiency.

The law development and economic stimulus theories are relevant to direct the pattern of quadruple-helix development. The theory of law development is a tool to turn and change the law into an instrument of community development. The Economic growth stimulus theory recognizes the protection of industrial property rights (in this case geographical indications) as a tool for effective economic development. Both theories become references in the increase of national economic growth through geographical indication products. It is performed through the role of each helix, namely the government, educational institutions, businesses and communities.

C. Conclusion

The protection of geographical indication of products is intended to protect both producers and consumers. Products that are registered with geographical indication have not been managed properly. They should be able to implement *quadruple-helix* collaboration, which is realized by the division of tasks and roles to produce collaborative and synergistic efforts in the development and utilization of product creativity and innovation at the local level. The government, universities, business actors, and the communities should work together to manage registered products with geographical indication to be able to compete in international trade.

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