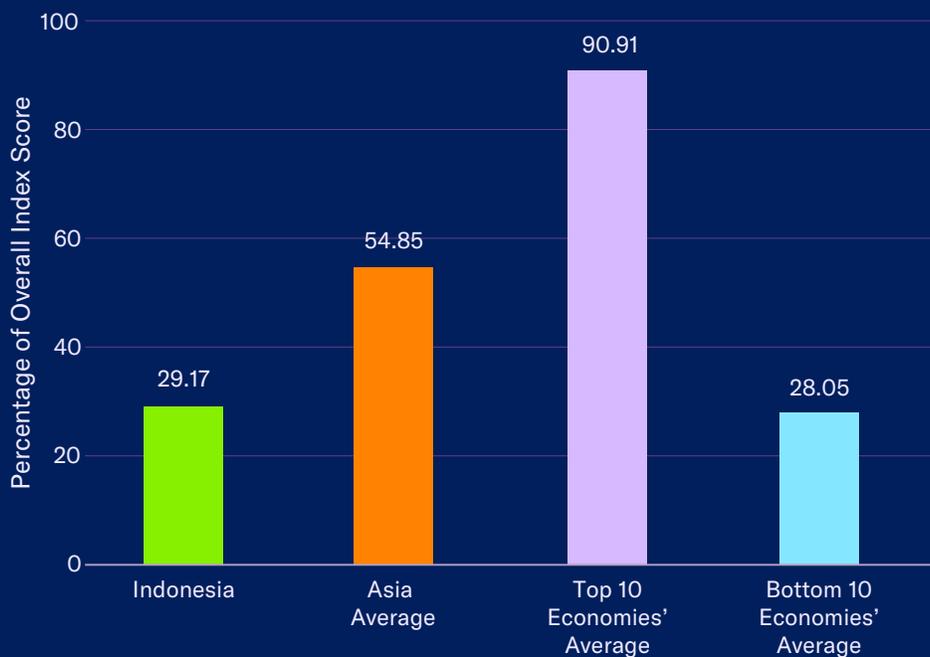




Category Scores



Overall Score in Comparison





Key Areas of Strength

- 2024 patent amendments eliminate heightened efficacy requirement targeting biopharmaceutical products
- Omnibus Job Creation Bill modifies general technology transfer and localization requirement of 2016 Patent Act to include importation
- Continued strong efforts by Directorate General of Intellectual Property to improve enforcement environment
- PPH in place with JPO
- Administrative relief available for copyright infringement online
- Good cabinet-level coordination and coordinating framework for IP enforcement

Key Areas of Weakness

- No special IP incentives for orphan medicinal product development
- Expansive criteria for compulsory licensing and government use provisions; most recent compulsory license issued in 2021
- Significant barriers in place for licensing and commercialization of IP assets including technology transfer
- Biopharmaceutical patentability standards outside international norms
- Challenging copyright environment with high levels of piracy as administrative measures do not address mirror and linking sites
- Limited participation in international IP treaties

Indicator	Score	Indicator	Score
Category 1: Patents Rights and Limitations	3.00	29. Direct Government intervention in setting licensing terms	0.00
1. Term of protection	1.00	30. IP as an economic asset	0.25
2. Patentability requirements	0.00	31. Tax incentives for the creation of IP assets	0.00
3. Patentability of CII	0.25	Category 7: Enforcement	1.29
4. Plant variety protection	1.00	32. Physical counterfeiting rates	0.37
5. Pharmaceutical-related enforcement	0.00	33. Software piracy rates	0.17
6. Legislative criteria and active use of compulsory licensing	0.00	34. Civil and procedural remedies	0.25
7. Pharmaceutical patent term restoration	0.00	35. Pre-established damages	0.00
8. Membership of a Patent Prosecution Highway	0.50	36. Criminal standards	0.25
9. Patent Opposition	0.25	37. Effective border measures	0.25
Category 2: Copyrights and Limitations	2.77	38. Transparency and public reporting by Customs	0.00
10. Term of protection	0.52	Category 8: Systemic Efficiency	2.75
11. Exclusive rights	0.25	39. Coordination of IP rights enforcement	1.00
12. Expeditious legal remedies disabling access to infringing content online	0.75	40. Consultation with stakeholders during IP policy formation	0.75
13. Cooperative action against online piracy	0.50	41. Educational campaigns and awareness raising	0.25
14. Limitations and exceptions	0.25	42. Targeted incentives for the creation and use of IP assets for SMEs	0.50
15. TPM and DRM	0.25	43. IP-intensive industries, national economic impact analysis	0.25
16. Government use of licensed software	0.25	Category 9: Cutting-Edge Innovation	0.00
Category 3: Trademarks Rights and Limitations	1.75	44. IP incentives for orphan medicinal product development	0.00
17. Term of protection	1.00	45. IP incentives for orphan medicinal product development, term of protection	0.00
18. Protection of well-known marks	0.25	46. Restrictions on the effective use of existing IP incentives for orphan medicinal product development	0.00
19. Exclusive rights, trademarks	0.25	Category 10: Membership and Ratification of International Treaties	2.25
20. Frameworks against online sale of counterfeit goods	0.25	47. WIPO Internet Treaties	1.00
Category 4: Design Rights and Limitations	0.90	48. Singapore Treaty on the Law of Trademarks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks	0.50
21. Industrial Design Term of Protection	0.40	49. Patent Law Treaty and Patent Cooperation Treaty	0.50
22. Exclusive rights, industrial design rights	0.50	50. Membership of the International Convention for the Protection of New Varieties of Plants, act of 1991	0.00
Category 5: Trade Secrets and the Protection of Confidential Information	0.50	51. Membership of the Convention on Cybercrime, 2001	0.00
23. Protection of trade secrets (Civil Remedies)	0.25	52. The Hague Agreement Concerning the International Registration of Industrial Designs	0.00
24. Protection of trade secrets (Criminal Sanctions)	0.25	53. Post-TRIPS FTA	0.25
25. Regulatory data protection term	0.00		
Category 6: Commercialization of IP Assets	0.25		
26. Barriers to market access	0.00		
27. Barriers to technology transfer	0.00		
28. Registration and disclosure requirements of licensing deals	0.00		

Total Score: 15.46

Spotlight on the National IP Environment

Past Editions versus Current Score

Indonesia's overall score has increased from 15.20 out of 53 indicators in the 13th edition to 15.46. This reflects a score increase on indicators 32 and 53.

Patent Rights and Limitations

2. Patentability requirements:

As discussed last year, in 2024, there were important developments to the patenting environment in Indonesia with new patent amendments enacted and signed into law. These amendments may include significant changes to patentability requirements. Specifically, the amendments have eliminated the heightened efficacy requirement targeting biopharmaceutical products, which had outlawed second-use claims and so-called incremental innovation. Making second-use inventions eligible for patent protection is a positive development that better aligns Indonesia with international standards. The Index will monitor the extent to which rights holders are able to secure protection for qualifying second-use claims.

6. Legislative criteria and use of compulsory licensing of patented products and technologies:

As noted last year, the amendments to the Patent Law discussed above also included changes to relevant articles relating to compulsory licensing and government use. Overall, the legislative changes have not improved the compulsory licensing regime; rights holders are still subject to significant risk that the Indonesian authorities will suspend their duly granted exclusivity.

Notably, Article 84A, which vests considerable authority to override duly granted patent rights in the national competition authorities (the Business Competition Supervisory Commission, KPPU). Specifically, the article states that the standard process for considering and issuing a compulsory license can be exempted if the KPPU finds “the implementation of a patent is proven to have resulted in monopolistic practices and/or unfair business competition.” It remains unclear how any duly granted patent could not, as a matter of course, result in a time-limited and legally sanctioned monopoly: that is the whole rationale underlying all forms of registered IP rights, including patents.

Should this article stand as written, it would potentially undermine and all but nullify all granted patent rights in Indonesia. Indonesia has a long history of using compulsory licensing as a health policy tool. Since the mid-2000s, the government has issued several “government use” compulsory licenses that override existing biopharmaceutical patents, primarily for hepatitis and HIV drugs and, more recently, for COVID-19 treatments. Undermining IP protection through the active use of compulsory licensing hollows out the national IP environment and incentives for future biopharmaceutical innovation. Critically, the negative effect will be the same for Indonesian and foreign innovators.

Design Rights and Limitations

21. Industrial design term of protection:

Article 5 of the Industrial Design Law provides a 10-year term of protection for registered designs. While positive, this is notably less than the 25-year term benchmark used by the Index. As noted last year, the Directorate General of Intellectual Property (DGIP) and the Government proposed amendments to the Design Law, including an increase in the term of protection to up to 15 years. Such an increase in the term of protection for registered designs will result in a score increase on this indicator. At the time of research, the People's Consultative Assembly was still examining the bill. The Index will continue to monitor these developments in 2026.

Membership and Ratification of International Treaties

53. At least one post-TRIPS FTA with substantive IP provisions and chapters in line with international best practices:

As noted in the Index, Indonesia has, over the last several years, concluded negotiations in several political and economic partnerships. In 2023, U.S.-Indonesia relations were elevated to a "Comprehensive Strategic Partnership." Around the same time, the Japanese and Indonesian foreign ministers announced the successful renegotiation of the Japan-Indonesia Economic Partnership Agreement, adding a new amending Protocol to the Agreement. In 2025, these efforts continued with the conclusion of a new FTA with Canada, the Canada-Indonesia Comprehensive Economic Partnership Agreement (CEPA). At the time of the research, the Agreement was still being ratified and had not taken effect.

A positive feature of this Agreement is that it includes a dedicated IP chapter, Chapter 14 "Intellectual Property." As noted in the Index, this is not always the case; many 21st-century post-TRIPS FTAs do not include a dedicated IP chapter or skirt meaningful IP provisions altogether. This chapter includes many important modern IP provisions aligned with international best practices,

as identified in the Index, that would improve Indonesia's national IP environment. These include: a commitment to join the Singapore Treaty on the Law of Trademarks and the Hague Agreement Concerning the International Registration of Industrial Designs; improve existing laws relating to the protection of copyright through stronger TPMs and DRMs; and ensure that border officials have clear *ex officio* authority to take action against IP-infringing goods, including goods in transit.

Unfortunately, the Agreement does not mention or address important 21st-century IP rights and standards, such as patent term restoration for registration and regulatory delays, in general or for biopharmaceutical products specifically. Under Articles 14.53 and 14.54, a defined 10-year term of regulatory data protection for submitted test data as part of a market approval and registration process is available only to agricultural products, not to biopharmaceuticals. There is also no elimination of the requirement to register licensing agreements with the Indonesian authorities for most major IP rights, including patents and trademarks. The Agreement simply states that this requirement should not be "excessive or discriminatory." Historically, this indicator has been scored based on whether an economy is a signatory to, and has ratified or acceded to, a modern post-TRIPS FTA that includes substantive IP provisions in line with international best practices, as identified in the Index. As such, this indicator has not accounted for the allocation of partial scores in cases where a post-TRIPS FTA includes only a limited number of substantive IP provisions, consistent with international best practices and identified in the Index.

To better address the growing number of post-TRIPS FTAs that contain substantive intellectual property (IP) provisions identified in the Index, starting from this edition onward, it will be possible to achieve a partial score. This score can range from 0, 0.25, 0.5, 0.75, to 1. Like all other indicators in this category, score allocation will still be evenly divided between the signature and ratification or accession to an international treaty. As a result of the change in the scoring methodology, the score for this indicator increased by 0.25.