

AUTHORIZED TRANSLATION

COMMERCIAL COURT
AT CENTRAL JAKARTA DISTRICT COURT
Jalan Gajah Mada No. 17, Tel. (021) 63850223, Fax. (021) 63850224
Email: info@pn-jakartapusat.go.id
JAKARTA 10130

ENGROSSMENT of the Decision of Commercial Case in the **FIRST** instance

From the **Commercial Court of Central Jakarta**

Dated : **August 13, 2009**

Number: 28 / Merek / 2009 / PN. Niaga.Jkt.Pst

Recorded herein:

- That this Decision was pronounced at the hearing open to public on **August 13, 2009** in the presences of the Legal Representative of the Plaintiff and Legal Representative of the Defendant;
- After being examined in the Register of such purpose, the Defendant has filed a notice of cassation (appeal to Supreme Court) registered at the Clerk Office of the Commercial Court at the Central Jakarta District Court on **August 31, 2009** with Receipt of Notice of Cassation (Appeal to Supreme Court) No. **34 K/HaKI/2009 PN.Niaga.Jkt.Pst connected with No. 28/Merek/2009/PN.Niaga.Jkt.Pst.**

Made in accordance with the original on **September 7, 2009.**

This Engrossment is issued on **September 7, 2009.**

At the request of the **Legal Representative of the Plaintiff;**

DEPUTY CLERK,

(sealed, stamped and signed)

CORIANA J. SARAGIH SH. MH.
NIP. 19641007 - 199103-2-002

Receipt of payment at cashier:

On **September 7, 2009.**

- | | |
|-------------------------|--------------------|
| - Administration Charge | Rp. 9,900 |
| - Revenue Stamp | <u>Rp. 6,000.-</u> |
| Total | Rp. 15,900.- |

Caution:

Delete if not necessary, match always the date and number of the decision and the names on this engrossment / copy folder of the **FIRST PAGE OF THE DECISION / DETERMINATION** and this Page.



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DECISION

Number: 28/MEREK/2009/PN.NIAGA.JKT.PST

FOR JUSTICE BASED ON THE BELIEF IN THE ONE AND ONLY GOD

The Commercial Court at the Central Jakarta District Court, who investigates and administers justices to the Intellectual Property (Mark)-related cases at the first instance, has passed the following decision in the case between:

DOCTOR'S ASSOCIATES INC., a Limited Liability Company established under the laws of the United States of America, domiciles at 300 South Pine Island Road, Suite 306, Plantation, Florida, 33306 U.S.A, in this case has authorized DAMAR SWARNO DWIPO SH. MH., an Advocate at Office Law Dwipo, Lubis & Partners, of Gedung Anakida, Lantai 6, Jalan Prof. Dr. Soepomo, S.H., No. 27, Tebet - Jakarta, based on the Special Power of Attorney dated September 02, 2008, hereinafter is referred to as the PLAINTIFF.

Versus

YOHANES WENDY TJIOE, of Jl. Pluit Timur Blok T Sel/52 Rt. 002/009, Jakarta Utara, in this case has authorized ANTHONNY WIEBISONO SH, Advocate of Jalan Raya Mangga Besar No. 38AL, Jakarta Barat, based on the Special Power of Attorney dated May 26, 2009, hereinafter is referred to as the DEFENDANT;

The said Commercial Court;

After examining the dossier of the case and related documents;

After hearing the testimonies of the parties in dispute;

After examining and investigating the evidences submitted by the Parties;

REGARDING THE MERIT OF THE CASE



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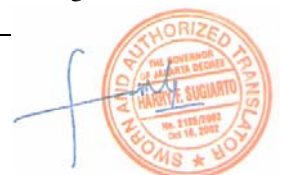
Considering, that the Plaintiff by its motion dated May 11, 2009 registered with the Clerk Office of District Court / Commercial Court of Central Jakarta under Register No. 28/Merek/2009/PN.Niaga.Jkt.Pst on May 11, 2009 has offered the followings:

1. The Plaintiff is a well-known company from Florida, United States of America and also the sole owner and the first user of the trademark and service mark “**SUBWAY**” that has been internationally well-known (Exhibit P-1).
2. The Plaintiff’s well-known mark “**SUBWAY**” has been protected by the laws and regulations applicable in Indonesia, particularly the Law No. 15 of 2001 regarding Mark as well as by the international conventions, particularly *TRIPs Agreement* and *Paris Convention* that have already been ratified by Indonesia, therefore the Plaintiff obviously possesses the sole right to use the trademark & service mark “**SUBWAY**” in Indonesia, that functions to distinguish the products or services of the Plaintiff from the products or services of other parties.
3. The word “**SUBWAY**” was invented by Plaintiff and is deliberately made a trademark & service mark by the Plaintiff, in order to enable the consumers or the public **to distinguish** the products or services of the Plaintiff from Florida, United States of America from the products or services of the other parties.
4. The Plaintiff has registered its trademark & service mark “**SUBWAY**” in some countries, among others in:
 01. United States of America, Class 42, No. 1,174,608, dated October 20, 1981 (Exhibit P-2);
 02. United States of America, Classes 30 & 32, No. 1,307,341, dated November 27, 1984 (Exhibit P-3);



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03. United States of America, Class 42, No. 1,524,986, dated February 14, 1989 (Exhibit P-4);
 04. British, Class 43, No. 5814, dated December 27, 1989 (Exhibit P-5);
 05. British, Classes 30, 32, & 43, No. 6270, dated February 26, 1999 (Exhibit P-6);
 06. Australia, Class 42, No. 469418, dated July 22, 1987 (Exhibit P-7);
 07. Australia, Class 42, No. 469419, dated July 22, 1987 (Exhibit P-8);
 08. New Zealand, Class 42, No. 194752, dated July 17, 1989 (Exhibit P-9);
 09. New Zealand, Class 42, No. 295067, dated July 13, 1998 (Exhibit P-10);
 10. Singapore, Class 42, No. T95/08869Z, dated September 18, 1995 (Exhibit P-11);
 11. Malaysia, Class 43, No. 97018852, dated December 01, 1997 (Exhibit P-12);
 12. Papua New Guinea, Class 42, No. A 59, 517, dated May 28, 1996 (Exhibit P-13);
 13. Philippine, Class 42, No. 49768, dated January 28, 1991 (Exhibit P-14);
 14. Republic of Indonesia, Class 30, Register No. 280548, dated October 05, 1992 extended on October 28, 2002 under Renewal No. 519178 (Exhibit P-15);
 15. Republic of Indonesia, Class 32, Register No. 280548, dated October 05, 1992 extended on October 28, 2002 under Renewal No. 519179 (Exhibit P-16).
5. The Plaintiff's trademark & service mark "**SUBWAY**" may be classified as an internationally well-known mark, since in addition to their registrations in the countries specified above, the Plaintiff's trademark & service mark "**SUBWAY**" have also been registered in the other countries, namely: Afghanistan, Algeria, Andorra, Angola, Antigua & Barbuda, Argentina, Armenia, Aruba, Austria, Azerbaijan, Bahama Islands, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benelux, Bermuda, Bolivia, Bosnia-Herzegovina, Brazil, British Virgin Islands,



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Brunei, Bulgaria, Cambodia, Canada, Cayman Islands, Chile, China, Colombia, Costa Rika, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Djibouti, Republic of Dominica, Equador, Egypt, El Salvador, Estonia, European Community, Falkland Island, Fiji, Finland, France, Republic of Georgia, Germany, Ghana, Gibraltar, Greek, Grenada, Guatemala, Honduras, Hong Kong, Hungary, Iceland, India, Iran, Republic of Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Republic of Kyrgyz, Laos, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Macau, Macedonia, Madrid-Protocol, Malawi, Malta, Mauritius, Mexico, Moldova, Monaco, Mongolia, Morocco, Namibia, The Netherlands, Netherlands Antilles, Nicaragua, Norway, *African Intellectual Property Organization* (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Gabon, Guinea, Guinea-Bissau, Ivory Coast, Mali, Mauritania, Nigeria, Senegal, & Togo), Oman, Pakistan, Panama, Paraguay, Peru, Poland, Portugal, Qatar, Rumania, Russia Federation, Saint Vincent and the Grenadines, Arab Saudi, Serbia & Montenegro, Republic of Slovakia, Slovenia, South Africa, Korea Selatan, Spain, Sri Lanka, St. Helena, St. Kitts-Nevis, St. Lucia, Suriname, Swaziland, Sweden, Switzerland, Taiwan, Tajikistan, Tangier, Tanzania, Thailand, Trinidad & Tobago, Tunisia, Turk, Turks & Caicos Islands, Ukraine, United Emirates Arab, Uruguay, Venezuela, Vietnam, Yemen, Zambia, Zanzibar, Zimbabwe (Exhibit P-17).

6. In addition to the registration of the trademark & service mark “**SUBWAY**” in the countries specified above, our client has also filed an application for registration of the mark “**SUBWAY**” to the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia on January 22, 2009 under Agenda No. J00.2009.002022 to protect the services in Class 43, services in providing foods and beverages; temporary accommodation (Exhibit P-18).



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7. It has come to the attention of the Plaintiff, that the Defendant without consent of the Plaintiff has registered the mark “SUBWAY” to the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia registered under No. 457365, on December 12, 2000 to protect the services included in Class 42 (currently included in Class 43) namely restaurants (provisions of food and beverages), buffets, food stall, food kiosks, cafes, canteen, hotel, motel, villa, bungalow, inns (Exhibit P-19).
8. The Plaintiff highly objects the registration of the mark “SUBWAY” registered under No. 457365 by the Defendant (Vide Exhibit P-19), since the mark “SUBWAY” of the Defendant clearly has substantial and entire similarity to the similar services protected under the mark “SUBWAY” of the Plaintiff, both from the shape, positioning, writing, combination of elements and pronunciation aspects. This has clearly proven bad faith of the Defendant to take-over the Plaintiff’s mark “**SUBWAY**” and or share the fame, imitate, and counterfeit the Plaintiff’s mark “**SUBWAY**” that has been internationally well known and registered in some countries, therefore the registration of the mark “SUBWAY” by the Defendant should be classified as a registration with bad faith, and therefore does not deserve any legal protection, specified in Article 4 (as elaborated) connected with Article 6 clause (1) points a and b (as elaborated) of the Law No. 15 of 2001 regarding Mark.
9. Since the mark “SUBWAY” of the Defendant is substantially similar to the mark “**SUBWAY**” of the Plaintiff, if both marks are used in coexistence in the businesses, they will surely create unfair competition condition, deceiving and misleading the public as the consumers will consider that the services from the Defendant that use the mark “SUBWAY” are services from the Plaintiff and this will bring damage to the Plaintiff.



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10. It is hard to imagine any other faith of Defendant by registering the mark “SUBWAY” that clearly is substantially and entirely similar to the Plaintiff’s mark “SUBWAY”, but only to share the fame, imitating, counterfeiting, and taking advantage from the fame of the Plaintiff’s mark “SUBWAY” which has been painstakingly developed by the Plaintiff for years with huge amount of money, including the expenses to secure legal protections to the mark “SUBWAY” in various countries and the promotional / advertisement costs in order to introduce the products to the world (Exhibit P-20).
11. Since the Plaintiff is the sole proprietor and the first user of the internationally well-known mark “SUBWAY” and since the Plaintiff has also filed an application for registration of the mark “SUBWAY” to the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia on January 22, 2009 under Agenda No. J00.2009.002022 to protect the services included in Class 43 namely the services in providing food and beverages; temporary accommodation (see Exhibit P-18), the Plaintiff has a strong legal ground to file this Motion for Cancellation of Registered Mark “SUBWAY” registered under No. 457365 in the name of the Defendant, as specified in the Article 68 clause (1) and clause (2) connected with Article 4 and Article 6 clause (1) points a and b of the Law No. 15 of 2001 regarding Mark.
12. In view of the fame of the Plaintiff’s mark ”SUBWAY” and since the Defendant’s mark “SUBWAY” is substantially similar to the Plaintiff’s mark “SUBWAY”, one should be convinced that both marks when used in coexistence in the businesses, will surely create unfair competition condition, deceiving and misleading the public as the consumers will consider that the services from the Defendant that use the mark “SUBWAY” are services from the Plaintiff and this will bring damage to the Plaintiff. Grounded on the matters above, the Plaintiff



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has also strong legal reasons to request the cancellation of the registration of the mark “SUBWAY” registered under No. 457365 in the name of the Defendant.

13. The Plaintiff hereby request the Panel of Judges of the Commercial Court in Central Jakarta to order the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia, to cancel the registration of the mark “SUBWAY” registered under No. 457365 in the name of the Defendant from the General Register of Marks, and further to announce the cancellation of the mark registration in the Mark Gazette, as provided for in Article 70 clause 3 jo. Article 71 of the Law No. 15 of 2001 regarding Mark.

Grounded on the arguments above, the Plaintiff hereby request the Panel of Judges of the Commercial Court in Central Jakarta, to decide as follows:

1. To grant the Plaintiff’s motion entirely;
2. To pronounce the Plaintiff is the sole proprietor and the first user of the internationally well-known mark “SUBWAY”, so that the Plaintiff has the exclusive right to use the mark “SUBWAY”;
3. To pronounce the mark “SUBWAY” registered under No. 457365 in the name of the Defendant is substantially and entirely similar to the Plaintiff’s mark “SUBWAY”;
4. To pronounce the cancellation of the registration of the mark “SUBWAY” registered under No. 457365 in the name of the Defendant including the legal consequences thereof;
5. To order the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia, to cancel the registration of the mark “SUBWAY” registered under No. 457365 in the name of the Defendant from the



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General Register of Marks, and further to announce the cancellation of the mark registration in the Mark Gazette.

6. To tax the Defendant the costs of examination.

Or, should the Panel of Judges of the Commercial Court in Central Jakarta have any other opinion, we request for the fairest judgment (*ex aequo et bono*).

Considering, that at the pre-appointed hearing date, for the Plaintiff appeared its legal representative DAMAR SWARNO DWIPO, SH. MH. based on the Special Power of Attorney dated September 2, 2008 while for the Defendant appeared before the court his legal representative: ANTHONNY WIEBISONO SH, based on Special Power of Attorney dated May 26, 2009;

Considering, that after the Panel of Judges' had attempted the parties in dispute to reconcile, but to no avail, the hearing was continued by reciting the Defendant's motion, with respect to which contents the Plaintiff persisted.

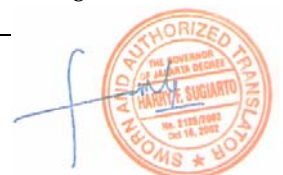
Considering, that against the Plaintiff's motion, the Defendant submitted its Reply on June 4, 2009 substantially as follows:

IN THE CLAIMS:

In Demurrer:

1. DEMURRER OF OBSCURE IDENTITY OF THE PLAINTIFF AND LEGAL STANDING OF THE AUTHORIZATION IN FILING MOTION FOR CANCELLATION IN THIS CASE.

1. The Plaintiff in its motion dated May 11, 2009 has failed to describe the identity and legal standing of the Plaintiff in the authorization contemplated in the Special Power of Attorney dated September 2, 2008 to file the motion in this case.



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2. The identity and legal capacity or authority of the Plaintiff in filing the motion must be made clear and this is a formal requirement in a motion bearing a legal consequence that if the identity and/or legal standing of the Plaintiff is obscure the Plaintiff's motion should be pronounced unacceptable.

That pursuant to and grounded on the applicable Civil Procedural Codes, the Defendant requests the Panel of Judges esq. administering justice to this case to consider the matter above in investigating and administering justice to this case.

II. DEMURRER ON LACK OF PARTY IN THE MOTION

1. The MARK CERTIFICATE "SUBWAY" registered under Reg. No. 457365 dated December 12, 2000 (Exhibit T1) was issued in accordance with and under the legal provisions and procedures applicable in the Legal State of the Republic of Indonesia, namely the Law No. 19 of 1992 regarding Mark as amended by the Laws No. 14 of 1997 based on the Plaintiff's application.
2. Since the MARK CERTIFICATE "SUBWAY" registered under Reg. No. 457365 dated December 12, 2000 is a legal product produced by the JUSTICE AND HUMAN RIGHTS DEPARTMENT OF THE REPUBLIC OF INDONESIA cq. the DIRECTORATE GENERAL OF INTELLECTUAL PROPERTY cq. the DIRECTORATE OF MARK (now the LAWS AND HUMAN RIGHTS DEPARTMENT OF THE REPUBLIC OF INDONESIA cq. the DIRECTORATE GENERAL OF INTELLECTUAL PROPERTY) pursuant to the rights and authorities conferred to it by the laws - therefore pursuant to the objectives and purposes of the Plaintiff's motion, the Plaintiff should have named the Directorate General of Intellectual Property as a Defendant in this case.



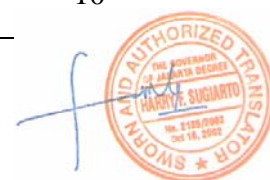
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3. Since the Plaintiff fails to name the Government of the Republic of Indonesia c.q. the Laws and Human Rights Department of the Republic of Indonesia cq., the Directorate General of Intellectual Property as a Defendant in the Plaintiff's motion, the Plaintiff's motion should be considered lack of party and must at least be pronounced unacceptable.

According to and grounded on the description above, the Defendant requests the Panel of Judges investigating this case to consider the description above in objectively investigating and administering justices to this case pursuant to the applicable Civil Procedural Codes.

III. DEMURRER ON NON-COMPETENCY OF THE PLAINTIFF IN FILING THE PRESENT MOTION.

1. According to and based on the Plaintiff's description in the motion, it is clearly and expressly evident that the PLAINTIFF is not the Owner, User or Registrant of the Mark "SUBWAY" in class 42 (currently Class 43) in the Legal State of the Republic of Indonesia for the first time, therefore the application for registration by the Plaintiff dated January 22, 2009 under Agenda No. J00.2009.002022 for class 43 (previously class 42) cannot be used as the evidence of Plaintiff's legal ownership of the mark "SUBWAY".
2. It is clearly and expressly evident that the registration of the Mark "SUBWAY" filed by the Plaintiff in the Legal State of the Republic of Indonesia only for the goods in classes 30 and 32 whose legal substances are not similar to the services classified in class 42 (currently class 43), therefore the provisions of Article 4 and Article 6 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding Mark should not apply in this case.



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3. That in addition, it is clearly and expressly evident that the application for registration of the mark "SUBWAY" filed by the Plaintiff fails to satisfy the provisions of Article 11 and 12 of the Laws No. 15 of 2001 regarding Mark, therefore the registrations of the Mark "SUBWAY" by the Plaintiff overseas cannot be used as a basis for the registration of the same in the Legal State of the Republic of Indonesia with Priority right since it has elapsed the time limit specified by the Laws of the Republic of Indonesia.
4. Since the Plaintiff is not the Owner, User and Registrant of the Mark "SUBWAY" for Class 42 (currently Class 43) in the Legal State of the Republic of Indonesia for the first time, the Plaintiff should have been pronounced incompetent to file a motion in this case, and consequently the Plaintiff's motion should be rejected or at least pronounced unacceptable.

According to and grounded on the description above, the Defendant requests the Panel of Judges investigating this case to consider the description above in objectively investigating and administering justices to this case pursuant to the applicable Civil Procedural Codes.

IV. DEMURRER ON PLAINTIFF'S MOTION ELAPSES THE TIME LIMIT SPECIFIED BY THE LAWS

1. According to and under the provisions of Article 69 clause (1) of the Laws of the Republic of Indonesia No. 15 of 2001 regarding Mark, the Mark "SUBWAY" according to and by virtue of the MARK CERTIFICATE "SUBWAY" registered under Reg. No. 457365 dated December 12, 2000 for Class of Goods: 42 (currently 43) could not be cancelled.
2. Any COMPLAINT and OBJECTION should have been filed by the PLAINTIFF when the application for the registration of the MARK



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“SUBWAY” filed by the DEFENDANT was being processed by the Directorate of Mark, the Justice and Human Rights Minister of the Republic of Indonesia cq. Directorate General of Intellectual Property (currently the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property), pursuant to the provisions of Article 24 and Article 25 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK.

3. The legal protection and certainty on Intellectual Property of a citizen of the Republic of Indonesia regulated by the Laws of the Republic of Indonesia should have been respected by a FOREIGNER who intends to invest in Indonesia, so the DEFENDANT’s interest over the mark “SUBWAY” for Class 42 (Currently Class 43) that has firstly been registered in the Legal State of the Republic of Indonesia deserves a legal protection pursuant to and under the provisions of Article 69 clause (1) of the laws of the Republic of Indonesia No. 15 of 2001 regarding Mark.
4. According to and based on the description above, the “Motion for cancellation of a MARK registration filed elapsing the time limit of five (5) years from the MARK registration date” should be dismissed or at least be pronounced unacceptable.

According to and grounded on the description above, the Defendant requests the Panel of Judges investigating this case to consider the description above in objectively investigating and administering justices to this case pursuant to the applicable Civil Procedural Codes.

In the Merit of the Case

1. The DEFENDANT denies all arguments of the PLAINTIFF in its motion



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dated May 11, 2009, save for the issues the accuracy of which is clearly and expressly admitted in this reply.

2. The DEFENDANT’S arguments in the DEMURRER should be considered included in and considered as a significant integral part to this part of Merit of the Case.
3. It is true that the Mark “SUBWAY” had been registered with the Justice and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property cq. the Directorate of Mark (currently the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property) in the name of the Defendant pursuant to the MARK CERTIFICATE Registered under No. 457365 dated December 12, 2000 for class 42 (currently 43) which is pending renewal process (Exhibit T2).
4. According to and based on the provisions of Article 24 and Article 25 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, the Defendant has the right to file Complaint and Objection against the application for registration by the Plaintiff dated January 22, 2009 under Agenda No. J00.2009.002022 for class 43 (previously class 42) therefore the receipt of application for such registration should not be made a strong legal evidence in this case.
5. The registration of the Mark “SUBWAY” for class 42 (currently 43) with the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property is a part of the Defendant’s right as a citizen of the Republic of Indonesia conferred by the Laws of the State of Law of the Republic of Indonesia which must be protected by the State



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pursuant to the 1945' Constitution, therefore the Defendant should not necessarily require any prior approval from any party whatsoever.

6. The issuance of the MARK CERTIFICATE with Registration No. 457365 dated December 12, 2009 has been a Right and Authority of the sovereign Government of the Republic of Indonesia cq. the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property conferred by the Constitution of the Republic of Indonesia for such purpose (see Articles 6, 13, 14, 18 to 20, 36 and 61 of the laws of the Republic of Indonesia No. 15 of 2001 regarding MARK), therefore the Plaintiff's motion should be pronounced lack of party as described in the first Demurrer.
7. The Plaintiff needs to confirm, that the Defendant has been using the Mark "SUBWAY", the cancellation of which is being requested by the Plaintiff, from the period prior to the issuance of the MARK CERTIFICATE Registered under No. 457365 dated December 12, 2000 for class 42 (currently 43) by the sovereign Government of the Republic of Indonesia cq. the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property until now, therefore the Plaintiff has no legal reason to file any motion for the cancellation pursuant to the provisions of Article 36 point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK.
8. The Objection expressed by the Plaintiff in its motion is not reasonable and legally groundless since the Mark "SUBWAY" registered by the Defendant according to the MARK CERTIFICATE Registered under No. 457365 dated December 12, 2000 for class 42 (currently 43) for the first time is different from the Mark "SUBWAY" registered by the Plaintiff, namely fro classes 30



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and 32 (Register No. 280548) therefore the provisions of Article 4 and Article 6 clause (1) points a and b of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK including explanation thereof shall not apply in this case.

9. According to and by virtue of such legal fact, the registration of the Mark “SUBWAY” for class 43 by the Defendant has satisfied the element of a Registrant with good faith defined in Article 4 of Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, consequently, the Plaintiff’s motion should be rejected by the sovereign Government of the Republic of Indonesia cq. the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property pursuant to the provision of Article 6 clause (1) points a and b of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK.
10. Pursuant to and based on the description above, the Plaintiff’s arguments in points 8, 9 and 10 of its motion should have been more precisely to be directed to the application for registration of the mark “SUBWAY” filed by the Plaintiff on January 22, 2009 under Agenda No. J00.2009.002022 for class 43 (previously Class 42).
11. Since the Plaintiff has no legal ground and reason to cancel the MARK CERTIFICATE Registered under No. 457365 dated December 12, 2000 as contemplated in Articles 4 and 5 clause (1) point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK the provision of Article 68 should have not been applied in this case.
12. In this case, the Plaintiff as a foreign investor interested to the use of the Mark “SUBWAY” for class 43 (formerly 42) registered by the Defendant in the



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Legal State of the Republic of Indonesia for the first time, the Plaintiff should have respected the Defendant's rights regulated and protected by the legal system and procedures applicable in the sovereign Legal State of the Republic of Indonesia by observing the ethics and good faith, since the Laws provide chance and opportunity for such purpose (see Articles 40 to 55 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK).

13. According to and based on the description above, the Plaintiff's arguments in points 11, 12 and 13 of its motion that are not reasonable and has no legal grounds should have been rejected, consequently, the Plaintiff's motion in this case should be rejected or at least be pronounced unacceptable as described in the Demurrers above.
14. By the issuance of the Mark Certificate "SUBWAY", the Defendant's application had been declared satisfying the requirements for registration pursuant to the legal provisions and procedures applicable in the Legal State of the Republic of Indonesia that must be protected by the sovereign Government of the Republic of Indonesia to provide legal certainty for its citizens pursuant to the ideology and constitution of the Republic of Indonesia that must also be respected by the Plaintiff as a Foreign Investor pursuant to the Principles of Mark Protection which is "CONSTITUTIVE" in nature, namely Legal Protection to the First Registrant of the Mark, not "DECLARATIVE" or legal protection to the First User.
15. The DEFENDANT has the right to file complaint and objection to the the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property against the application for registration of the MARK "SUBWAY" dated January 22, 2009 under Agenda No. J00.2009.002022 for class 43 (previously class 42), therefore it is evident



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that the Plaintiff's registration has not had absolute force in laws to be used as a basis for cancellation of the MARK CERTIFICATE Registered under No. 457365 dated December 12, 2000.

16. According to and based on the provisions of Article 28 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, the Mark "SUBWAY" registered in the name of the Plaintiff should have a LEGAL PROTECTION for ten (10) years commencing from its registration date which may be extended upon expiration of the period and (according to and based on the provisions of) Article 36 point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property must approve the application for extension thereof is the Mark "SUBWAY" is still be used by the Defendant.

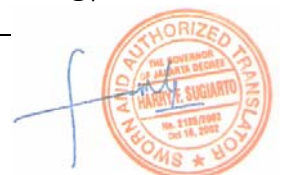
17. According to and based on the aforesaid LEGAL FACTS, it is evident that the Plaintiff's motion is not reasonable and has no legal grounds, therefore the Plaintiff's motion in the present case should be totally rejected by the Panel of Judges of the Central Jakarta Commercial Court investigating and administering justice to this case.

18. According to and based on the arguments of this reply as supported by the authentic evidences, the Plaintiff's motion in the present case should be rejected or at least be pronounced unacceptable.

IN COUNTERCLAIM:

In the Merit of the Case:

1. The arguments of the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION in the CLAIM (Demurrer and Merit of the Case) should be



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considered included and important and integral part of this COUNTER CLAIM.

2. Since the motion of the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION, it is not reasonable and not legally grounded, allow us, the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION to file a counterclaim in the present case.
3. Since the Mark “SUBWAY” registered by the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION on January 22, 2009 under Agenda No. J00.2009.002022 for class 43 (previously 42) is substantially or totally similar to the MARK of another party that has been registered in advance for similar goods and/or services, according to the provisions of Article 6 clause (1) point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property should reject the motion of the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION.
4. Since such application for registration has been used by the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION to file a motion for cancellation of the MARK CERTIFICATE “SUBWAY” Registered under No. 457365 dated December 12, 2000, such action has, materially and immaterially, damaged the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION as a Registrant of such Mark .
5. In addition, the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION has no right to use the Mark “SUBWAY” for class 43 (previously class 42) in the Legal State of the Republic of Indonesia, therefore the use



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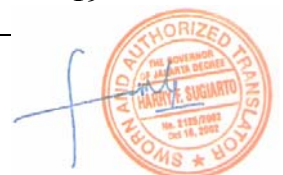
and/or registration of the MARK “SUBWAY” filed by the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION on January 22, 2009 under Agenda No. J00.2009.002022 are against the provisions of Article 4 and Article 6 clause (1) point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK.

6. In such connection, according to and based on the provisions of Article 4 and Article 76 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK, the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION may demand the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION who illegally uses the MARK “SUBWAY” that is substantially or totally similar to and for the similar services of the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION:

To pay indemnification and/or

To cease any action related to the use of the MARK;

7. Since there is evidence of any action or infringement against the Mark by the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION, it is reasonable that the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION should be liable to pay the losses suffered by the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION with the following details:
- a. MATERIAL damage, being the expenses that should not supposedly incurred by the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION in the absence of this case of one hundred thousand United States of American Dollars (USD 100,000-);
 - b. IMMATERIAL damage due to the embarrassment by being brought to the court which cannot actually be assessed in any currency, but however to



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ease and to provide a certain value of indemnity, the immaterial losses the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION has suffered is one million United States of American Dollars (USD 1,000,000.-);

Pursuant to and based on the LEGAL FACTS disclosed in the hearings of the present case by the Central Jakarta District Court, the DEFENDANT-IN-MOTION / PLAINTIFF-IN-COUNTERCLAIM hereby requests the Panel of Judges of Central Jakarta Commercial Court investigating and administering justices to the present case to consider all arguments and evidences submitted by the DEFENDANT-IN-MOTION / PLAINTIFF-IN-COUNTERCLAIM including the legal consequences under the applicable Laws.

Grounded on the reasons above, the Defendant requests the Panel of Judges of Central Jakarta Commercial Court to pass the following decisions:

The fairest justice with the following injunctions:

IN CLAIM

In Demurrer

To accept the DEFENDANT'S DEMURRER

In the Merit of the Case

- a. To totally reject the PLAINTIFF'S MOTION or at least to pronounce the Plaintiff's motion unacceptable
- b. To tax the costs according to the Laws;

IN COUNTERCLAIM

In the Merit of the Case



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1. To totally accept the COUNTERCLAIM of the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION;
2. To pronounce the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION a Registrant of the Mark “SUBWAY” for Class 43 with bad faith
3. To pronounce the registration of the Mark “SUBWAY” for class 43, filed by the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION on January 22, 2009 under Agenda No. J00.2009.002022 is against the provisions of Article 4 and Article 6 clause (1) point a of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK;
4. To pronounce the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION convicted of MARK INFRINGEMENT as provided for in the provisions of Article 76 of the Laws of the Republic of Indonesia No. 15 of 2001 regarding MARK
5. To sentence the DEFENDANT-IN-COUNTERCLAIM / PLAINTIFF-IN-MOTION to pay the losses the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION has suffered with the following details:
 - a. MATERIAL losses of one hundred thousand United States of American Dollars (USD 100,000-);
 - b. IMMATERIAL losses of one million United States of American Dollars (USD 1,000,000.-);
6. To order all parties interested to the MARK “SUBWAY” particularly those related to the Class 43 registered in the name of Yohanes Wendy Tjioe with the Laws and Human Rights Department of the Republic of Indonesia cq. the Directorate General of Intellectual Property, to abide by the JUDGMENT of the present case.



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7. To tax the cost of the hearing

Or

Should the Panel of Judges of Central Jakarta Commercial Court investigating and administering justices to the present case is of other opinion, the PLAINTIFF-IN-COUNTERCLAIM / DEFENDANT-IN-MOTION asks for a fairest decision.

Considering, that against the Defendant's Reply, the Plaintiff submitted a Replication dated June 18, 2009 and further against the Replication, the Defendant submitted a Rejoinder dated June 25, 2009;

Considering, that to support the arguments of its motion, the Plaintiff submitted documentary evidences in the form of copies of document, duly stamped and verified against the original copies as true copy, further marked Exhibit P-1 to P-25 as follows:

1. Exhibit P-1 : Affidavit of the Plaintiff legalized by a Public Notary of the State of Connecticut, USA dated January 15, 2009; original;
2. Exhibit P-2 : Certificate of Registration of the Plaintiff's mark in USA, in Class 42, No. 1,174,608 dated October 20, 1981 legalized by the Certifying Officer under the authority of the Secretary of Chamber of Commerce of the Intellectual Property of USA and the Director of US Patent and Trademark Office; Copy, verified in accordance with the original;
3. Exhibit P-3 : Certificate of Registration of the Plaintiff's mark in USA, in Classes 30 & 32, No. 1,307,341, dated November 27, 1984 legalized by the Certifying Officer under the authority of the Secretary of Chamber of Commerce of the Intellectual Property of



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USA and the Director of US Patent and Trademark Office; Copy, verified in accordance with the original;

4. Exhibit P-4 : Certificate of Registration of the Plaintiff's mark in USA, in Class 42, No. 1,524,986 dated February 14, 1989 legalized by the Certifying Officer under the authority of the Secretary of Chamber of Commerce of the Intellectual Property of USA and the Director of US Patent and Trademark Office; Copy, verified in accordance with the original;
5. Exhibit P-5 : Certificate of Registration of the Plaintiff's mark in UK, in Class 43, No. 5814 dated December 27, 1989 legalized by the Patent, Design and Trademark General Commissioner of the British Intellectual Property Office; Copy, verified in accordance with the original;
6. Exhibit P-6 : Certificate of Registration of the Plaintiff's mark in UK, in Classes 30, 32 & 43, No. 6270 dated February 26, 1999 legalized by the Patent, Design and Trademark General Commissioner of the British Intellectual Property Office; Copy, verified in accordance with the original;
7. Exhibit P-7 : Certificate of Registration of the Plaintiff's mark in Australia, in Class 42, No. 469418 dated July 22, 1987 legalized by the Leader of Examination and Sales Support Team of Australia Trademark Office; Copy, verified in accordance with the original;
8. Exhibit P-8 : Certificate of Registration of the Plaintiff's mark in Australia, in Class 42, No. 469419 dated July 22, 1987 legalized by the Leader



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of Examination and Sales Support Team of Australia Trademark Office. Copy, verified in accordance with the original;

9. Exhibit P-9 : Certificate of Registration of the Plaintiff's mark in New Zealand, in Class 42, No. 194752, dated July 17, 1989 legalized by the Commissioner of Patent, Trademark and Design of New Zealand Intellectual Property Office. Copy, verified in accordance with the original;
10. Exhibit P-10 : Certificate of Registration of the Plaintiff's mark in New Zealand, in Class 42, No. 295067, dated July 13, 1998 legalized by the Commissioner of Patent, Trademark and Design of New Zealand Intellectual Property Office. Copy, verified in accordance with the original;
11. Exhibit P-11 : Certificate of Registration of the Plaintiff's mark in Singapore , in Class 42, No. T95/08869Z, dated September 18, 1995 legalized by the Trademark Registrar of Singapore Trademark Registry Office. Copy, verified in accordance with the original;
12. Exhibit P-12 : Certificate of Registration of the Plaintiff's mark in Malaysia, in Class 43, No. 97018852, dated December 01, 1997 legalized by the Trademark Registrant of Malaysia Intellectual Property Agency. Copy, verified in accordance with the original;
13. Exhibit P-13 : Certificate of Registration of the Plaintiff's mark in Papua New Guinea, in Class 42, No. A 59,517, dated May 28, 1996 legalized by the Trademark Registrant of Papua New Guinea Intellectual Property Office. Copy, verified in accordance with the original;



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14. Exhibit P-13 : Certificate of Registration of the Plaintiff's mark in Philippine, in Class 42, No. 49768, dated January 28, 1991 legalized by the Director of Trademark Bureau of The Philippines Intellectual Property Office. Copy, verified in accordance with the original;
15. Exhibit P-15 : Certificate of Registration of the Plaintiff's mark in the Republic of Indonesia, in Class 30, Registration No. 280548, dated October 05, 1992, extended on October 28, 2002 under Extension No. 519178 and verified as a true copy by the Head of Mark Administration Sub-Section (on behalf of the Director of Mark), Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia. Copy;
16. Exhibit P-16 : Certificate of Registration of the Plaintiff's mark in the Republic of Indonesia, in Class 32, Registration No. 280548, dated October 05, 1992, extended on October 28, 2002 under Extension No. 519179 and verified as a true copy by the Head of Mark Administration Section (on behalf of the Director of Mark), Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia. Copy;
17. Exhibit P-17 : All international registrations of Plaintiff's trademark and service mark "SUBWAY" in some countries, verified as true copy and legalized by a Public Notary of the State of Connecticut, USA, on September 22, 2008. Original;
18. Exhibit P-18 : Application for "SUBWAY" trademark registration, Agenda No. J00.2009.002022, dated January 22, 2009 filed by the Plaintiff with the Directorate General of Intellectual Property, Law and



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Human Rights Department of the Republic of Indonesia to protect the services included in Class 43, namely the services of providing foods and beverages, temporary accommodation. Copy, verified in accordance with the original;

19. Exhibit P-19 : The Defendant's Mark Registration Certificate in the Republic of Indonesia, Class 42 (currently Class 43), Registration No. 457365, Registration Date December 12, 2000 verified as true copy by the Head of Mark Administration Sub-Section (on behalf of the Director of Mark), Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia. Copy;
20. Exhibit P-20 : Advertisements of Plaintiff's trademark & service mark "SUBWAY" in various printed media. Original;
21. Exhibit P-21 : Circular Letter of the Supreme Court of the Republic of Indonesia No. 6 of 1994 dated October 14, 1994 regarding Special Power of Attorney. Copy, verified in accordance with the original;
22. Exhibit P-22 : Article 68 clause (1) and clause (2) and Article 4 and Article 6 clause (1) points a and b of the Law No. 15 of 2001 regarding Mark and explanation thereof; Copy;
23. Exhibit P-23 : License Agreement, Assignment Agreement and Sub-License Agreements legalized by a Public Notary of the State of Connecticut, USA dated February 05, 2009. Copy;
24. Exhibit P-24 : Circular Letter of Franchise Offer for Prospective Franchisee pursuant to the Regulation of the Federal Trade Commission legalized by a Public Notary of the State of Connecticut, USA



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dated February 05, 2009 specifying the list of "SUBWAY" restaurants or counters in many countries in the world. Original;

25. Exhibit P-25 : Page 20 of the book *Hukum Acara Perdata dalam Teori and Praktek* (Civil Procedural Codes in Theory and Practices) by Ny. Retnowulan Sutantio, S.H. and Iskandar Oeripkartawinata, S.H., published by CV. Mandar Maju; Copy, verified in accordance with the original;

Considering, that to support the arguments of its opposition, the Defendant submitted also the documentary evidences in the form of photocopies of documents, duly stamped and further marked T-1 to T-4 as follows:

- Exhibit T-1 : Mark Certificate "SUBWAY" registered in the name of YOHANES WENDY TJIOE, Service Class 42, dated December 12, 2000. Copy verified in accordance with the original.
- Exhibit T-2A: Photograph of the mark "SUBWAY" on the Cafeteria at JL. R.E. MARTADINATA NO. 49, BOGOR 16114. Copy verified in accordance with the original;
- Exhibit T-2B: Photograph of Cafeteria "SUBWAY" at JL. R.E. MARTADINATA NO. 49, BOGOR 16114. Copy verified in accordance with the original.
- Exhibit T-3A: Photograph of the Mark "SUBWAY" on the Hostel at JL. RAYA DRAMAGA NO. 55, BOGOR . Copy verified in accordance with the original.
- Exhibit T-3B: Photograph of Hostel "SUBWAY" at JL. RAYA DRAMAGA NO. 55, BOGOR. Copy verified in accordance with the original.



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Exhibit T-4: Application for Registration of the mark SUBWAY, ex 457365 in the name of YOHANES WENDY TJIOE dated June 3, 2009 for Service Class 42 under Agenda No. 700.2009018591; Copy;

The Exhibits T-1 to T-3B have been verified against the original, while the Defendant did not produce the original copy of Exhibit T-4 before the court.

Considering, that further the Plaintiff and the Defendant have offered their respective Conclusion on July 23, 2009 and finally the parties asked for a decision;

Considering, that to make the description of this decision brief, anything took place and contained in the Minutes of Proceedings of this case should be considered included and integral part of this Decision;

REGARDING THE LEGAL CONSIDERATION

IN MOTION / CLAIM:

IN DEMURRER:

Considering, that the objectives and purposes of the Plaintiff are as specified above;

Considering, that the Defendant in its Reply submitted demurrers which substantially are as follows:

I. Demurrer of obscure identity of the Plaintiff and legal stranding of the authorization in filing the motion for cancellation in this Case;

- The Plaintiff in its motion fails to specify clearly the identity and legal standing of the Plaintiff in the authorization contemplated in the Special Power of Attorney dated September 2, 2009 in filing this motion;



II. Demurrer on Lack of Party in the Motion

- The Plaintiff fails to name the Directorate General of Intellectual Property, Law and Human Rights Department of the Republic of Indonesia as a Defendant, since the Mark Certificate “SUBWAY” under Registration No. 457365 dated December 12, 2000 is a product issued by the Justice and Human Rights Department of the Republic of Indonesia cq. Directorate General of Intellectual Property cq. The Directorate of Mark;

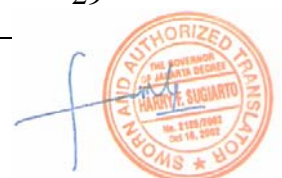
III. Demurrer on Non-Competency of the Plaintiff in Filing the Present Motion.

- The Plaintiff is not the owner, user or registrant of the mark “SUBWAY” for class 42 (currently class 43) in Indonesia, therefore the registration made by the Plaintiff on January 22, 2009 cannot be used as evidence of the Plaintiff’s ownership over the mark “SUBWAY”;
- The registration of the mark by the Plaintiff in Indonesia has only been for Classes 30 and 32, which is substantially not similar to the services specified in Class 42 (currently Class 43); In addition, it has failed to satisfy the provisions of Article 11 and Article 12 of the Law No. 15 of 2001 regarding Mark;

IV. Demurrer on Plaintiff’s Motion Elapse the Time Limit Specified by the Laws

- The motion for cancellation filed by the Plaintiff has elapsed the time limit of 5 years from the mark registration as may be provided for in Article 69 clause (1) of the Law on Mark, therefore the Mark Certificate “SUBWAY” under Registration No. 457365 dated December 12, 2000 for Class 42 could no longer be cancelled;

Considering, that the Panel will consider the Defendant’s demurrers above as follows:



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Considering, that with respect to the first demurrer of the Defendant, after the Panel carefully observed and examined the Plaintiff's motion and the Special Power of Attorney from the Plaintiff, the identity and legal standing of the Plaintiff is clear and understandable; That the Plaintiff is Doctor's Associates Inc., a Limited Liability Company established and operating under the laws of the United States of America, domiciles at 300 South Pine Island Road, Suite 306, Plantation, Florida, 33306 U.S.A, and based on the Special Power of Attorney dated September 2, 2008 has elected a legal domicile at the office of its legal representatives, Office Law Dwipo, Lubis & Partners, of Gedung Anakida, Lantai 6, Jalan Prof. Dr. Soepomo, S.H., No. 27, Tebet - Jakarta;

The Special Power of Attorney made by the APPELLEE-IN-CASSATION has also satisfied the formal and material requirements of validity of a Power of Attorney as provided for in Article 123 of the HIR (Hindie Indische Reglement). Therefore, the demurrer of the APPELLANT-IN-CASSATION is not legally reasonable, therefore must be rejected

Considering, that with respect to the second demurrer of the Defendant regarding Plaintiff's motion lacks of party, in Panel's opinion, according to the provisions of Article 70 clause (3) and Article 71 of the Law No. 15 of 2001 regarding Mark, the Directorate General's obligation is only to execute the cancellation of the mark registration, therefore the Directorate General of Intellectual Property may not be brought as a defendant, since administratively it is obliged to execute any decision of judiciary court namely executing the cancellation of a mark registration; Therefore the Defendant's demurrer is not legally reasonable, therefore must be rejected also;

Considering, that further, with respect to the third demurrer of the Defendant, the followings are the Panel's considerations:



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A demurrer or objection is a reply not dealing with the merit of the case but a reply disputing the formality of a legal claim / motion;

After the Panel has examined the demurrer of the Defendant, the Panel of Judges is of opinion that the reasons of the demurrer offered by the Defendant deal with the merit of the case, in which to determine whether or not the Plaintiff is the owner of the present mark, further evidencing process should be needed, and consequently must be considered together with the merit of the case. Therefore, this third demurrer of the Plaintiff must also be rejected;

Considering, that with respect to the fourth demurrer, that the Plaintiff's motion elapses the specified time limit, the Panel of Judges will consider as follows:

According to the provisions of Article 69 clause (1) of the Law No. 15 of 2001 regarding Mark, a motion for cancellation of a mark registration may only be filed within 5 years from the registration date of the mark;

Further Article 69 clause (2) of the Law No. 15 of 2001 regarding Mark provides for that a motion for cancellation may be filed without observing any time limit should the disputed mark contravene the religious norms, morality or public order;

The explanation of the Article 69 clause (1) among others determines that "included also in the definition of contravening the public order is bad faith";

Considering, that the Plaintiff in its motion offered that this motion might be filed without time limit by reason of the Defendant's bad faith in registering its mark; while the Defendant in its demurrer argued that the Defendant registered its mark with good faith;

Considering, that to determine whether the Defendant had registered its mark with good faith or bad faith, in connection with the demurrer of the Defendant above,



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the Panel of Judges is of opinion that the matter relates to the merit of the case which must be proved based on existing evidences, therefore the demurrer will be considered together with the merit of the case. In addition, it is not a valid reason for a demurrer as may be provided for in the applicable Procedural Laws;

Considering, that based on the consideration above, the fourth demurrer of the Defendant is not legally reasonable and therefore must be rejected

Considering, that based on the considerations above, the Defendant's demurrers must be completely rejected;

IN THE MERIT OF THE CASE:

Considering, that the objectives and purposes of the Plaintiff's motion substantially are requesting the Commercial Court at the Central Jakarta District Court to cancel the registration of the mark "SUBWAY" Reg. No. 457365 in the name of the Defendant including legal consequences thereof;

Considering, that the Plaintiff's motion is based on the reason that the mark "SUBWAY", registered by the Defendant to the Directorate General of Intellectual Property and already registered on December 12, 2000 under Registration No. 457365 to protect the services formerly classified in Class 42 (presently in Class 43), is substantially and totally similar to the well-known mark "SUBWAY" of the Plaintiff protecting similar services, which may create unfair, deceiving or misleading condition to the public;

The other reason of the Plaintiff is that the mark "SUBWAY" was registered by the Defendant based on a bad faith of the Defendant;

Considering, that against the arguments of the Plaintiff's motion, the Defendant expressly denied the arguments, by arguing that the objection filed by the Plaintiff in the motion was not legally reasonable and grounded, since the mark



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“SUBWAY” registered by the Defendant for the first time was for class 42 (presently 43), while the mark “SUBWAY” registered by the Plaintiff was for Classes 30 and 32, therefore the provisions of Article 4 and Article 6 clause (1) points a and b of the Law No. 15 of 2001 regarding Mark could not apply in this case;

In addition, by the issuance of the mark certificate “SUBWAY” to the Defendant, pursuant to the principles of mark protection adopted in Indonesia, namely “Constitutive”, the Defendant who had registered its mark for the first time, under the legal procedures applicable in Indonesia, must have legal protection; The Plaintiff as a foreign investor must have respected the Defendant’s rights regulated and protected by the legal system and procedures applicable in Indonesia;

The registration of the mark “SUBWAY” for Class 42 (currently 43) was a part of the Defendant's rights as an Indonesian citizen regulated by the laws of the Republic of Indonesia, which must be protected by the State, therefore the Defendant needed not any prior consent from any party whatsoever;

Considering, that since the Plaintiff’s motion has been denied by the Defendant while the Defendant in its arguments imply its rights, the burden of proof must be borne by both parties;

Considering, that to support the arguments of its motion, the Plaintiff submitted documentary evidences marked P-1 to P-25 while the Defendant to support the arguments of its denial submitted documentary evidences marked T-1 to T-4;

Considering, therefore before the Panel of Judges considers the Plaintiff’s motion, it is necessary to consider firstly the formality of the Plaintiff’s motion, whether it has satisfied the requirements set out by the Law No. 15 of 2001 regarding Mark or not;



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Considering that Article 68 clause (1) of the Law No. 15 of 2001 regarding Mark regulates clearly that: “A motion for cancellation of a registered mark may be filed by an interested party based on the reasons specified in Article 4, Article 5 or Article 6”;

Considering, that separated from the accuracy of the Plaintiff’s arguments, since the Plaintiff in its motion has argued that the Plaintiff is the sole owner and first user of the mark “SUBWAY” in the world which also has been registered in some countries, on the other hand, the Plaintiff also argues that the Defendant has registered a mark “SUBWAY” substantially and totally similar to the mark “SUBWAY” of the Plaintiff, therefore grounded on the Plaintiff’s arguments, conclusion may be drawn that the Plaintiff is an interested party in filing this motion for cancellation of the mark “SUBWAY” registered with the Directorate of Mark under REg. No. 457365 in the name of the Defendant;

Considering, that further Article 68 clause (2) of the Law No. 15 of 2001 regarding Mark substantially provides for “The owner of unregistered mark may file the motion specified in clause (1) after filing an application to the Directorate General”;

Considering, that based on argument at point 6 of the Plaintiff’s motion which is in accordance also with the Exhibit P-18, namely Application for Registration of the Service Mark “SUBWAY” in the name of the Plaintiff, it is evident that before the Plaintiff filed this motion for cancellation of this mark registration, the Plaintiff had filed an application for registration of the mark “SUBWAY” with the Directorate of Mark on January 22, 2009 under Agenda No. J002009002022, to protect the services included in Class 43;



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Considering, that further based on the provisions of Article 69 clause (1) of the Law No. 15 of 2001 regarding Mark, it is provided for that “a motion for cancellation of a mark registration may only be filed within 5 years from the registration date of the mark”;

Considering, however, that Article 69 clause (2) of the Law No. 15 of 2001 regarding Mark provides also that a motion for cancellation may be filed without observing any time limit should the disputed mark contravene the religious norms, morality or public order;

That the explanation of the Article elaborates the definition of “contravening the religious norms, morality or public order is bad faith” in which included among others in the definition of contravening the public order is bad faith;

Considering that after the Panel has carefully examined the motion of the Plaintiff, the Plaintiff’s motion is substantially based on the bad faith of the Defendant in registering the mark SUBWAY whether or not the argument may be proved or not, therefore the Plaintiff’s motion may be filed without time limit;

Considering, consequently, based on the consideration above, the motion of the Plaintiff in this case has satisfied the formal requirements set out in Article 68 clause (1), Clause (2), Clause (3) and Article 69 Clause (1) of the Law No. 15 of 2001 regarding Mark;

Considering, that since the formal requirements have been satisfied, further the Panel will materially consider the motion in this case, as follows:

Considering, that with respect to the second petition requesting pronouncement that the Plaintiff is the only owner and first user of the internationally well-known mark “SUBWAY”, so that the Plaintiff has the sole right to use the mark “SUBWAY”, the followings are the considerations:



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Considering, that with respect to the second petition of the Plaintiff, the Panel of Judges will consider whether or not the Plaintiff's mark "SUBWAY" is a well-known mark;

Considering, that registration of a mark under Article 3 and Article 28 of the Law No. 15 of 2001 regarding Mark is the fact that the mark is registered in the Mark Register for a certain period of time and may be extended;

Considering, that grounded on the Exhibits P-15 and P-16, namely Mark Certificates in the name of the Plaintiff respectively bearing Reg. No. 519178 dated October 08, 2002 and Reg. No. 519179 dated October 08, 2002, it is evident that the Plaintiff has registered the mark "SUBWAY" in Indonesia in classes of good 30 and 32;

Therefore it is evident that the Plaintiff is the proprietor of the mark "SUBWAY" in goods / service classes 30 and 32;

Considering, that the definition of well-known mark according to the explanation of Article 6 clause (1) point b of the Law No. 15 of 2001 regarding Mark is based on the public awareness of the mark in the relevant industry, reputation of a mark gained by intensive and massive promotion, invention in some countries of the world by the proprietor and enclosed with mark registration evidences in many countries;

To prove the argument of the second petition, the Plaintiff submitted Exhibits marked P-1 to P-14, the registrations of the Plaintiff's mark "SUBWAY" in some countries and Exhibit P-20, brochures and catalog promoting the Plaintiff's service mark "SUBWAY";

Considering, that grounded on the Exhibits P-1 to P-12 above, it is proven that the Plaintiff's mark "SUBWAY" has been registered in some countries, among others



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in USA, Australia, England (United Kingdom), New Zealand, Malaysia, Singapore, Philippine, Papua New Guinea and Indonesia, respectively for service classes 30, 32, 42 and 43;

Considering, that based on Exhibit P.20 it is evident that the Plaintiff has been promoting its service mark "SUBWAY" by using brochures and catalogs demonstrating the use of the mark SUBWAY. Therefore it is evident that the mark SUBWAY belongs to the Plaintiff as a well-known mark;

Considering, that grounded on the described consideration above, the Panel of Judges is of opinion that the second petition is legally reasonable and may be granted;

Considering, that further the Panel will consider the third petition, the pronouncement that the mark "SUBWAY" under Reg. No. 457365 in the name of the Defendant is substantially and totally similar to the Plaintiff's mark "SUBWAY";

Considering, that grounded on the provisions of Article 1 point 1 of the Law No. 15 of 2001 regarding Mark, the definition of mark is an indication in the forms of drawings, names, words, letters, numbers, color compositions or combination of such elements that has distinctive feature and used in the trading or service provision activities; Therefore a mark must have distinctive feature from one product to another in similar class of goods, save for a well-known mark, the provision applies even in different classes;

Considering, further according to the explanation of Article 6 of the Law No. 15 of 2001 regarding Mark, the substantial similarity is resemblance due to conspicuous elements between one mark to another, which may create the impression of similarity from the aspects of shape, layout, font style or combination of the elements and similarity to the pronunciation in such marks;



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Considering, therefore to determine whether the two marks are substantially similar one must observe:

- the layout of the characters / words or combination of the noticeable elements;
- similarity of sound or pronunciation;
- creating confusion to the public and reminding the public to another mark well-known to the public;
- protecting similar goods;

Considering, that Exhibit P-19, the Mark Certificate “SUBWAY” in the name of the Defendant, under Reg. No. 457365 dated December 12, 2000 for class of goods/services 42, depicts the specimen of the etiquette of the mark “SUBWAY” written in capital letter, with description of colors: black white, the meaning of the word / characters / numbers in the etiquette of the mark “SUBWAY” = underground passage, while Exhibits P-15, P-16 and P-18, namely Mark Certificates “SUBWAY” Reg. No. 519178 and No. 519179 dated October 28, 2002 and Application for Registration of Mark “SUBWAY” in the name of the Plaintiff, dated January 22, 2009 under Agenda No. J002009002022 depict the etiquette of the mark “SUBWAY” with etiquette colors of black and white, in classes 30, 32 and 43; where the Exhibits P-15, P-16 and P-18 conform with Exhibits P-1 to P-14 namely the Mark Certificates “SUBWAY” from various countries as long as Exhibit P-20, the brochures and catalog of the Plaintiff promoting the mark “SUBWAY”;

Considering that if the exhibit P.19 is compared to the Exhibits P.1 to P.4, P.15, P.16, P.18 and P.20, its is evident that the two marks have similar shape and layout of letters, namely consisting of capital letters and with similar pronunciation, creating an impression of similar sound and pronunciation between the two, namely SUBWAY;



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Considering, that based on the description of the consideration above, the Panel is of opinion that the Defendant's mark is totally similar to the Plaintiff's mark, therefore the third petition of the Plaintiff's motion should also be granted;

Considering, the Panel of Judges is to consider the fourth petition of the Plaintiff's motion, requesting the cancellation, by the operation of the laws, the registration of the mark "SUBWAY" in the name of the Defendant under Reg. No. 457365;

Considering, that since the registration of the mark "SUBWAY" by the Defendant with the Directorate of Mark has been proved as based on bad faith, since the mark SUBWAY of the Defendant is evidently similar to the internationally well-known mark SUBWAY of the Plaintiff, there have been sufficient reasons according to the Law to pronounce the cancellation of the registration of the mark SUBWAY under Registration No. 457365 in the name of the Defendant. Therefore, the fourth petition of the Plaintiff should also be granted;

Considering, that based on the considerations above, without necessarily considering the other exhibits, the Panel is of opinion that the Plaintiff's motion must be completely granted;

Considering, that the objectives and purposes of the Counterclaim are as specified above;

Considering, that in the counterclaim, the Plaintiff-in-Counterclaim substantially argues that the Defendant-in-Counterclaim is the applicant for registration of the Mark "SUBWAY" in class 43 with bad faith, therefore the registration of the mark "SUBWAY" in the name of the Defendant-in-Counterclaim dated January 22, 2009 under Agenda No. J002009002022 is against the provisions of Article 4 and Article 6 clause (1) point a of the Law No. 15 of 2001 regarding Mark;



AUTHORIZED TRANSLATION

Considering, in addition that the Plaintiff-in-Counterclaim argues that since the Defendant-in-Counterclaim has infringed the rights over a mark, its is proper that the Defendant-in-Counterclaim should be sentenced to indemnify the losses suffered by the Plaintiff-in-Counterclaim, being material loss of one hundred thousand United States of American Dollars (US\$ 100,000.-) and immaterial loss of one million United States of American Dollars (US\$ 1,000,000.-);

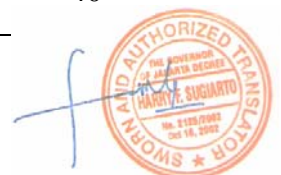
Considering, that after the Panel examined carefully the Counterclaim, this Counterclaim turns to be closely related to the claim (Motion), therefore in considering this Counterclaim, the Panel relies on the legal considerations in the claim (Motion) and (such legal considerations are) considered completely included herein;

Considering, that the decisions on the motion / claim have considered that the Plaintiff-in-Counterclaim / Defendant-in-Claim had a bad faith in registering the mark "SUBWAY", since its mark "SUBWAY" is totally similar to the mark "SUBWAY" of the Defendant-in-Counterclaim / Plaintiff-in-Claim, therefore the registration of the mark "SUBWAY" in the name of the Plaintiff-in-Counterclaim / Defendant-in-Claim must be cancelled;

Considering, that based on the considerations above, the Panel of Judges is of opinion that this Counterclaim has no legal basis and therefore must be completely rejected;

IN CLAIM (MOTION) AND IN COUNTERCLAIM:

Considering, that since the motion of the Plaintiff-in-Claim / Defendant-in-Counterclaim has been granted and the Defendant-in-Claim / Plaintiff-in-Counterclaim is on the losing side, the Defendant-in-Claim / Plaintiff-in-Counterclaim must bear the costs of this dispute;



AUTHORIZED TRANSLATION

In view of and by observing the provisions of Article 68 clause (1) and clause (2), Article 69 clause (1) of the Law No. 15 of 2001 regarding Mark and the other provisions of the relevant laws and regulations:

ADMINISTERING JUSTICES

IN CLAIM / MOTION

IN DEMURRER

- To reject the demurrers of the Defendant;

IN THE MERIT OF THE CASE

1. To totally grant the motion of the Plaintiff.
2. To pronounce the Plaintiff the sole owner and the first registrant of the internationally well-known mark "SUBWAY" so that the Plaintiff has the sole right to use the mark "SUBWAY".
3. To pronounce the mark "SUBWAY" registered under No. 457365 in the name of the Defendant is totally similar to the mark "SUBWAY" of the Plaintiff.
4. To pronounce the cancellation of the mark "SUBWAY" registered under No. 457365 in the name of the Defendant including the legal consequences thereof.
5. To order the Directorate General of Intellectual Property, Laws and Human Rights Department, to record the cancellation of the mark "SUBWAY" registered under No. 457365 in the name of the Defendant from the mark register and further to announce the cancellation in the Mark Gazette.

IN COUNTERCLAIM:

- To totally reject the counterclaim of the Plaintiff-in-Counterclaim;



IN MOTION / CLAIM AND COUNTERCLAIM

- To tax the Defendant-in-Claim / Plaintiff-in-Counterclaim the costs of investigation of six hundred and forty one thousand Rupiahs (Rp. 641,000.-);

Passed in the assembly of the Panel of Judges of the Commercial Court at the Central Jakarta District Court on Tuesday, August 11, 2009 by us, M. ELY MARIANI SH. M.Hum as the Presiding Judge, MAKMUN MASDUKI SH MH., and MARYANA SH. MH. respectively as Member Judge, which decision was pronounced in the hearing open for public on Thursday, August 13, 2009 by the Presiding Judge accompanied by the Member Judges assisted by WAHMUADI SH, Acting clerk of the Commercial Court at the Central Jakarta District Court in the presences of the Legal Representative of the Plaintiff and Legal Representative of the Defendant.

MEMBER JUDGES,

(signed)

MAKMUN MASDUKI SH. MH

(signed)

MARYANA SH. MH

PRESIDING JUDGE,

(signed)

M. ELY MARIANI SH. M.Hum

ACTING CLERK

(signed)

WAHMUADI SH

