

# Efforts of the Regional Office the Ministry of Law and Human Rights of West Sumatera in Encouraging Trademark Registration for MSMEs (Study on Rice Milling in Baso)

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Micro, Small, and Medium Enterprises (MSMEs) in Agam Regency face a significant gap in intellectual property protection, where out of 1,891 active units, only two have registered trademarks. This study aims to analyze the efforts of the Regional Office of the Ministry of Law and Human Rights (Kanwil Kemenkumham) of West Sumatera in encouraging trademark registration and to identify the specific barriers faced by rice milling businesses in Baso. This research utilizes an empirical legal method with a descriptive qualitative approach. Data were collected through in-depth interviews with government officials and business owners, as well as document studies. The results indicate that while the government has shifted its strategy towards an Intellectual Property-Based Region (KBKI) approach, these efforts have not been fully effective at the micro level. The primary barriers identified are structural, specifically "one-man show" management, technical barriers related to low digital literacy, and a strong cultural adherence to the "First to Use" principle which contradicts the "First to File" legal system. The study concludes that the digitalization of services currently acts as a barrier to entry for traditional MSMEs, necessitating a strategic shift from mass socialization to on-site technical assistance.

**Keywords:** Trademark Registration, MSMEs, Kanwil Kemenkumham, First to File, Digital Divide.

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## 1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) act as the primary engine of the national economy, yet their sustainability is frequently threatened by a lack of legal protection for their intellectual assets [1]. In Agam Regency, West Sumatera, a glaring disparity exists between business activity and legal compliance. Data from the Office of Cooperatives and SMEs reveals that while there are 1,891 active MSMEs operating across various districts, only two units have officially registered their trademarks [2]. The distribution of these enterprises is widespread across the regency, with the highest concentration found in Lubuk Basung (221 units), followed by Sungai Pua (189 units), Kamang Magek (176 units), Ampek Angkek (167 units), Baso (155 units), Malalak (155 units), Matur (140 units), and IV Koto (140 units). The remaining MSMEs are spread across Palembayan (109 units), Tanjung Mutiara (103 units), Ampek Nagari (75 units), Palupuh (72 units), Tanjung Raya (61 units), Tilatang Kamang (56 units), and Banuhampu (7 units). However, this high quantity of business units is inversely proportional to their legal awareness, leaving the vast majority of local economic actors vulnerable to trademark infringement and market exclusion.

The urgency of addressing this disparity is driven by the legal risks inherent in Indonesia's trademark system. The Trademark Law No. 20 of 2016 adopts the "First to File" principle, which grants exclusive rights solely based on the first registration, regardless of prior use [3]. This constitutive system poses a severe threat to traditional MSMEs that have used their brands for decades but failed to register them. Without immediate registration, these businesses risk losing their brand identity their most valuable

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intangible asset to newer registrants or bad-faith applicants, which could lead to fatal legal disputes and financial loss [4]. This legal reality necessitates immediate analysis, as the neglect of trademark registration not only endangers individual businesses but also hampers the overall competitiveness of the regional economy [5].

To provide a focused analysis, this study centers on the Rice Milling sector in Baso District as a case study. This sector represents the typical profile of rural micro-enterprises: deeply rooted in the community, operating with traditional management, and highly susceptible to the "digital divide." The research juxtaposes this micro-perspective with the macro-efforts of the Regional Office of the Ministry of Law and Human Rights (Kanwil Kemenkumham) of West Sumatra, which serves as the primary regulator responsible for intellectual property dissemination. By limiting the scope to the interaction between these specific entities, the study avoids broad generalizations and examines the practical disconnect between policy and implementation [6].

Based on this context, the primary objective of this research is to analyze the effectiveness of the efforts undertaken by Kanwil Kemenkumham West Sumatra in encouraging trademark registration and to identify the specific structural and cultural barriers faced by MSMEs. The study aims to evaluate why current government programs have not effectively penetrated the micro-sector and to formulate recommendations for more applicable policies, such as on-site technical assistance, to bridge the gap between regulatory frameworks and the reality of traditional businesses.

## 2. Literature Review and Problem Statement

Scholars have extensively debated the effectiveness of legal protection for MSMEs within the framework of the "First to File" principle. Rusmadiana (2021) argues that legal protection is often inaccessible to micro-enterprises due to a lack of understanding regarding the constitutive nature of trademark rights, where protection is only granted upon registration [7]. Previous studies by Hidayat, Muskibah, and Fathni (2022) identified that the primary barriers to registration are the perception of high costs and complex bureaucratic procedures [4]. Furthermore, Khasna and Yuliani (2024) highlighted that while the digitization of registration systems aims to increase efficiency, it often creates a new barrier for businesses with low digital literacy [8]. Meanwhile, Fitria and Irianto (2025) focused on the normative aspect, criticizing the inconsistency in the substantive examination process by the Directorate General of Intellectual Property (DJKI), which leads to legal uncertainty for applicants [9]. These studies collectively suggest that the hurdles are multidimensional, involving economic, administrative, and normative factors.

However, a critical research gap remains in addressing the specific disconnect between modern digital-based government services and the traditional "one-man show" management structure of rural micro-enterprises. Previous research has not adequately explored how the "First to Use" cultural mindset actively resists the "First to File" legal mandate, even when financial incentives are provided. There is a lack of empirical analysis on why government facilitation programs fail to penetrate sectors like rice milling, where the owner is inextricably tied to production duties and lacks the "opportunity time" to engage with online systems. Consequently, this research formulates the problem by questioning the effectiveness of the Regional Office's strategy in overcoming these specific structural and cultural barriers. The study aims to bridge this gap by analyzing the interplay between the government's Intellectual Property-Based Region program and the persistent "digital divide" faced by traditional actors in Agam Regency.

### 3. Method

This research employs an empirical legal research method, also known as socio-legal research, to analyze the effectiveness of the law in its implementation within society [10]. This method was chosen because it provides accurate results regarding the disparity between the *das sollen* (normative rules of the "First to File" principle) and the *das sein* (the reality of low trademark registration). The approach used is descriptive qualitative, which emphasizes understanding the meaning behind the data through the perspective of the subjects studied [11]. The underlying assumption of this method is that legal phenomena cannot be understood solely through text but must be viewed through the interaction between legal institutions and community behavior.

The data collection process was carried out through two main techniques: in-depth semi-structured interviews and document studies. Primary data were obtained directly from key informants selected through purposive sampling techniques to ensure the relevance and competence of the sources. The research samples consisted of two distinct categories:

1. Regulator Perspective: Officials from the Regional Office of the Ministry of Law and Human Rights (Kanwil Kemenkumham) West Sumatra, specifically the Head of Legal Services and the Head of the Intellectual Property Sub-Division, to obtain data on policy and implementation strategies.
2. User Perspective: A Rice Milling business owner in Baso District, Agam Regency. This sample was selected as a case study representing "micro" enterprises that have been operating for over a decade but have not registered their trademarks due to structural and cultural barriers.

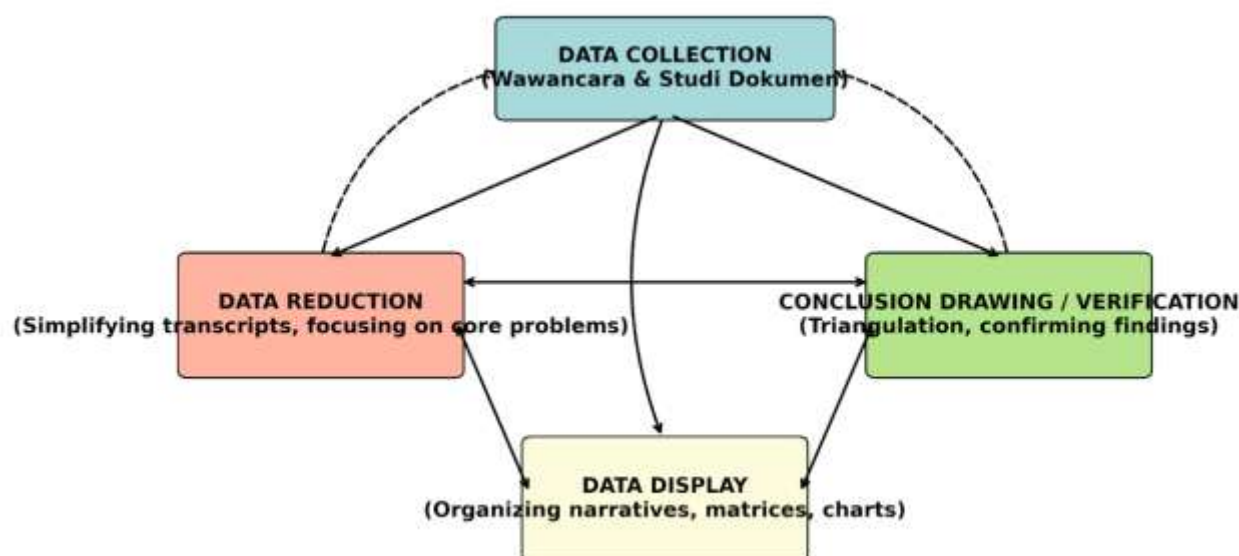


Fig. 1. Interactive Analysis Model (Miles, Huberman, & Saldana)

The data analysis technique follows the interactive analysis model developed by Miles, Huberman, and Saldana (2014) [12]. The process begins with Data Reduction, where interview transcripts and field notes are selected and simplified to focus on the research problem. The second step is Data Display, where the reduced data is organized into narrative texts to facilitate understanding of the causal relationships between the lack of socialization and low registration rates. The final step is Conclusion Drawing/Verification, where initial findings are verified through triangulation of sources (comparing statements from the government with the reality of MSMEs) to ensure the validity and stability of the final results [13].

## 4. Results and Discussion

### Findings

- a. **Shift in Government Strategy: From Casuistic to Ecosystem-Based Approach**  
The research identifies a fundamental shift in the strategy employed by the Regional Office of the Ministry of Law and Human Rights (Kanwil Kemenkumham) West Sumatra. Moving away from a partial, case-by-case approach, the government has adopted a regional ecosystem strategy known as the "Intellectual Property-Based Region" (KBKI) program. This top-down initiative aims to create economic growth centers where intellectual property is protected communally to minimize future disputes. As a concrete implementation, the Regional Office has successfully established three pilot areas in 2025, including the Rendang IKM Center in Payakumbuh and the Lake Maninjau Festival area [14]. These pilot projects serve as role models, demonstrating the government's commitment to protecting communal branding and geographical indications as a lever for regional economic competitiveness.
- b. **Cross-Sectoral Synergy and Quantitative Realization**  
To ensure these policies reach the grassroots level, Kanwil Kemenkumham has intensified cross-sectoral synergy with the Department of Cooperatives and SMEs of Agam Regency. This collaboration was manifested through a series of targeted socialization events, including a face-to-face dissemination on July 17, 2025, at the BUMN House in Bukittinggi, followed by a specialized webinar on "Collective Branding" on October 23, 2025 [14]. Despite facing fiscal challenges due to budget efficiency measures in the 2025 fiscal year, this inter-agency coordination yielded tangible results. The Department of Cooperatives and SMEs of Agam Regency successfully facilitated 16 trademark applications for local MSMEs. Although this figure represents a decrease from the 23 applications facilitated in 2023, it indicates a persistent effort by the local government to mitigate financial barriers for small businesses through subsidized registration programs.
- c. **The Reality of "Micro" Enterprise: The Macro-Micro Disconnect**  
While the government's macro-level efforts (KBKI and cross-sectoral synergy) appear structurally sound, this research uncovers a significant disconnection when viewed from the micro-perspective of rural enterprises. The case study of the Rice Milling business in Baso District reveals that these "macro" programs have not effectively penetrated the "micro" layer in rural areas. The owner of the Rice Milling business, who has operated for over 13 years, stated that he had never received a visit or specific socialization regarding trademarks from any government official. This finding suggests that the centralized socialization method focused on city venues and online webinars fails to reach grassroots actors who operate outside the digital and urban ecosystem. Consequently, a gap persists between the availability of government facilities and the actual access possessed by traditional business owners.

### Obstacles of Trademark Registration for Rice Milling MSMEs

The research identifies complex barriers faced by Rice Milling businesses in Baso District. These obstacles are not merely administrative but deeply rooted in cultural, structural, and technical realities.

- a. **Cultural Obstacles: The "First to Use" Mindset**  
The most fundamental barrier is the clash between the local legal culture and the state's positive law. The business owner operates under the customary "First to Use" principle, believing that being a pioneer (babat alas) automatically grants ownership rights. This mindset directly contradicts the "First to File" principle mandated by Law No. 20 of 2016. When asked about the risk of losing the brand to a registrant who files first, the Respondent (R-02) expressed a profound sense of moral injustice:

*"Awak nan babat alas, awak nan mambesarkan, trus urang lain nan dafta duluan inyo nan punyo? Taraso indak adil bana."*

This empirical evidence confirms that resistance to registration is often driven by a feeling that the law is unfair to traditional pioneers, rather than simple ignorance. Furthermore, the respondent misunderstood the scope of his business license, assuming it covered trademark protection:

*"Pikiran awak, itu lah sakalian sadoalahnyo."*

b. Structural Obstacles: "One-Man Show" Management

Unlike larger entities, the micro-enterprise studied operates with a "One-man show" management structure. The owner performs all tasks milling, lifting, and drying without any workforce. This creates a high opportunity cost for administrative compliance; leaving the factory means halting production. The Respondent described his operational constraints:

*"Ambo di siko karajo sarabutan. Manggiliang iyo, maangkek iyo, manjamua iyo... soalnya indak ado anggota... Giliangan ko indak bisa ditingga. Kalau ambo pai mangurus pai-pai... siapa nan ka manggantian?"*

This structural constraint explains why socialization events held in city centers are often unattended by micro-business owners.

c. Technical Obstacles: The Digital Divide (Gaptek)

While the government promotes online registration to improve efficiency, this research reveals that digitalization acts as a barrier to entry for older, rural business owners. The Respondent admitted to being technologically illiterate (gaptek) and psychologically intimidated by digital interfaces. Regarding the online application system, the Respondent candidly stated:

*"Kalau disuruh masuk masuk data ka internet, dulu paniang kapalo mancaliak layar tu, lagian Takuik salah takan."*

This "fear of pressing the wrong button" (takuik salah takan) represents a psychological blockade. Furthermore, the study found no support from the younger generation, as the owner's children have migrated for education, leaving him isolated from digital access.

d. Information Obstacles: Cost Asymmetry

Finally, the research uncovered severe information asymmetry regarding costs. A myth prevails among local actors that trademark registration costs millions of rupiahs. The Respondent was unaware of the specific subsidized rate for MSMEs (Rp500,000).

*"Iyo, itu ado ambo danga. Katonyo bisa habih 2 sampai 3 juta. Bagi ambo, pitih sagitu gadang aratinyo... O ndak tau ambo do. Alun ado urang dinas atau pemerintah nan manyampaian ka siko."*

This quote confirms that the incentives provided by the central government are rendered ineffective because the information does not reach the grassroots level.

### Technical Recommendations to Improve Implementation

Based on the empirical findings and the specific barriers identified in Agam Regency, this study proposes several technical recommendations to bridge the gap between policy and micro-enterprise reality. These recommendations aim to transform the government's approach from passive facilitation to active intervention.

a. Shift to On-Site Technical Assistance ("Jemput Bola" Strategy)

The Regional Office (Kanwil Kemenkumham) and local agencies must fundamentally change their socialization method. The current model of mass seminars in city centers is ineffective for "One-man show" business owners who cannot leave their production sites.

- 1) Action Plan: The government should deploy a mobile task force or facilitators equipped with laptops and internet modems directly to production centers (e.g., rice mills in Baso).
  - 2) Goal: To assist business owners in inputting data and uploading documents on-site. This ensures that the administrative process does not disrupt the owner's daily production activities, effectively removing the "opportunity cost" barrier.
- b. Collective Registration via Cooperatives
- To overcome the "Gaptek" (technological illiteracy) barrier and the fear of digital errors, registration should no longer be treated as an individual burden but as a collective effort.
- 1) Action Plan: The Department of Cooperatives should empower local cooperatives or community groups (paguyuban) to coordinate the registration process. A designated administrator from the cooperative can handle the online submission for multiple members simultaneously.
  - 2) Goal: This mechanism creates a support system where the technical burden is shifted from the individual owner to the group administrator, neutralizing the "fear of technology" and ensuring higher success rates in registration.
- c. Massive Dissemination of UMK Rates (Breaking the Cost Myth)
- There is an urgent need to correct the severe information asymmetry regarding registration costs. The myth that "branding costs millions" must be aggressively dismantled.
- 1) Action Plan: The government must launch a targeted campaign specifically highlighting the Rp500,000 subsidized rate for MSMEs. This information should be distributed through non-digital channels accessible to rural actors, such as banners at village halls, flyers distributed during market days, or direct distribution of UMK Recommendation Letters to districts.
  - 2) Goal: To ensure that the fiscal incentives provided by the central government (PP No. 28 of 2019) are actually known and utilized by the target beneficiaries at the grassroots level

## 5. Conclusion

Based on the research and discussion, it can be concluded that the implementation of strategies to encourage trademark registration for MSMEs by the Regional Office of the Ministry of Law and Human Rights West Sumatra has not been fully effective at the grassroots level. While the government has established structural programs such as the Intellectual Property-Based Region (KBKI) and cross-sectoral synergies that successfully facilitated 16 applications in 2025, these efforts remain centralized and fail to reach rural micro-enterprises like the rice milling sector in Baso.

The study identifies that the primary barriers are multifaceted. Culturally, there is a significant "legal gap" where business owners still adhere to the First to Use principle, believing that their status as pioneers grants them automatic legal protection. Structurally, the "one-man show" management style prevents owners from allocating time for administrative tasks due to high opportunity costs. Technically, the digital divide and a profound "fear of technology" (gaptek) create a psychological blockade against the current online-based registration system. Furthermore, severe information asymmetry persists regarding the subsidized registration fee, with many owners still believing in the myth that registration costs millions of rupiahs.

As a recommendation, the government needs to shift its orientation from mass socialization to on-site technical assistance ("jempot bola"). Direct intervention at production sites is essential to bridge the gap between regulatory frameworks and the reality of traditional businesses. Additionally, promoting collective registration through cooperatives or local community groups can serve as a practical solution to overcome individual technical and structural limitations, ensuring that legal protection for intellectual assets is accessible to all levels of MSMEs.

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