Indonesia - Regulation on Implementation of Patents by Patent Holders

This is a follow-up to our previous client alert issued in September 2017 on Draft Presidential Regulation on Implementation of Patents by Patent Holders.


Article 20 of the Patent Law requires patent holders to either manufacture their patented products in Indonesia or to use their patented processes in Indonesia. The manufacturing of the products or the use of the processes should support the transfer of technology, drive investment absorption and/or provide job opportunities.

Under the new implementing regulation, if a patent holder is not yet able to implement its patent in Indonesia as referred to in the Patent Law above, the patent holder may request the Minister to postpone the implementation of the patent for a maximum of within five years.

More specific procedures are as follows:

- The request for postponement of implementation of a patent must be filed to the Minister within three years after the date the patent is granted.

- The postponement of the manufacture of patent products or the use of patent processes in Indonesia is granted starting from the date of the decision of the Minister and it can be extended with a reason.

Even though the implementing regulation does not set out any sanctions for not filing a request for postponement, or for not doing so within the timeline provided, we encourage patent holders to comply with this regulation if they are not able to implement their patents in Indonesia.