



Research Paper

# Intellectual Property Rights (IPR) in Village-Owned Enterprises (BUMDes) Products: The Overlooked Legal Protection

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## Abstract

*Intellectual Property Rights (IPR) are a crucial aspect in the development and protection of products produced by Village-Owned Enterprises (BUMDes) that possess high economic value and local wisdom. Although Indonesian legislation provides a legal framework for IPR protection, the implementation of such protection in the context of BUMDes faces various challenges, including limited legal awareness, complex administrative procedures, and high costs. This article analyzes key regulations related to IPR, such as Law No. 20 of 2016 on Trademarks and Geographical Indications, Law No. 28 of 2014 on Copyrights, and Law No. 6 of 2014 on Villages and its implementing regulations, focusing on how these regulations can be effectively applied to protect BUMDes products. The study also highlights best practices and obstacles in the IPR registration process at the village level, as well as policy recommendations to strengthen inclusive and sustainable legal protection. The analysis reveals the need for regulatory harmonization and an enhanced role for local governments and legal assistance institutions to improve access and legal awareness among BUMDes managers, enabling village products to be legally protected and competitive in both national and international markets. This research is essential as a foundation for the development of legal policies that support village economic empowerment through intellectual property protection.*

**Keywords:** Intellectual Property Rights, Village-Owned Enterprises (BUMDes), Legal Protection, Regulation, Economic Empowerment, Indonesia

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## I. Background

Village-Owned Enterprises (BUMDes) are entities established by village governments to manage local economic potential and improve community welfare. Since being regulated in Law Number 6 of 2014 on Villages, BUMDes have grown rapidly and become an important pillar of rural economic development. However, despite their significant potential, BUMDes often face legal protection challenges, especially regarding Intellectual Property Rights (IPR).

IPR grants exclusive rights to creators or owners over their intellectual creations, such as trademarks, patents, industrial designs, and copyrights. IPR protection aims to prevent unauthorized use by other parties and provide legal certainty for the rights holder. In the context of BUMDes, many products that have the potential to be registered as IPR—such as local food products, traditional crafts, and unique design works—have yet to receive adequate legal protection (Dewi & Landra, 2019).

One of the main reasons for the lack of IPR protection for BUMDes products is the limited understanding and awareness among BUMDes managers about the importance of IPR registration. Additionally, the registration process is often perceived as complicated and costly. In fact, by registering IPRs, BUMDes can protect their products from external claims and improve their competitiveness in the market (Yudhistira & Dewi, 2023).

Government Regulation Number 11 of 2021 on BUMDes provides a strong legal foundation for their business development, including in managing assets and operations. However, this regulation does not specifically address IPR protection for BUMDes products. This indicates a legal vacuum that needs to be addressed so that BUMDes can utilize IPR as a tool to protect and promote their products (Sianipar & Aisyah, 2021).

Therefore, it is important to conduct an in-depth legal study on IPR protection for BUMDes products. Such a study is expected to offer policy recommendations that can be implemented by local governments and BUMDes managers to raise awareness of IPR importance, and to facilitate the registration of IPRs for village-based superior products.

## **II. Research Method**

This study uses a normative juridical approach by analyzing legislation related to Intellectual Property Rights (IPR) and the management of Village-Owned Enterprises (BUMDes). Data were obtained from legal documents, academic literature, and other secondary sources. Qualitative analysis was conducted to identify the conformity of regulations with field practices and to uncover obstacles in the protection of BUMDes product IPR.

## **III. Discussion**

Protection of Intellectual Property Rights (IPR) for Village-Owned Enterprise (BUMDes) products is a strategic legal effort that requires serious attention from policymakers as well as BUMDes managers themselves. Law Number 20 of 2016 concerning Trademarks and Geographical Indications provides a clear legal basis to protect products with regional characteristics, where BUMDes products often possess cultural value and unique local characteristics. Geographical indications, as part of IPR, function as a protection tool for products produced in certain regions and have qualities or reputations derived from their place of origin. This is highly relevant for BUMDes products that rely on authenticity and local uniqueness as their competitive advantage.

However, although this regulation is stipulated in the law, the implementation of geographical indication protection for BUMDes products is still far from optimal. Regulatively, the Trademark and Geographical Indications Law does not specifically regulate BUMDes involvement in geographical indication registration, so the existing mechanism tends to be general and makes it difficult for BUMDes managers to easily access this protection.

Furthermore, Law Number 6 of 2014 concerning Villages and Government Regulation Number 11 of 2021 concerning BUMDes provide the legal basis for the establishment and management of BUMDes as business entities managed by village governments to drive village economies. However, these regulations emphasize financial management and business governance aspects without addressing legal protection of intellectual property rights attached to BUMDes products. The absence of such technical regulations creates a legal gap causing BUMDes managers to have limited understanding and utilization of intellectual property rights as strategic assets. This also results in legal uncertainty concerning the intellectual property status of products produced, which potentially leads to disputes or product imitation by others without adequate legal protection. Therefore, there is an urgent need to strengthen supporting regulations that explicitly regulate intellectual property rights in the context of BUMDes.

Analysis of Law Number 28 of 2014 concerning Copyright shows that BUMDes products such as artworks, packaging designs, logos, and even simple technological innovations have potential for copyright protection. However, in practice, copyright registration by BUMDes is very limited. Most BUMDes managers lack education and technical assistance in the copyright registration process, which requires specific knowledge and costs (Yudhistira, 2023). This reflects weak synergy between legal regulations and village economic empowerment policies. In this context, central and regional governments need to develop special facilitation programs so that BUMDes can access IPR registration with simpler procedures and affordable costs. This approach also fulfills the mandate of Law Number 11 of 2020 concerning Job Creation, which emphasizes simplification of legal procedures to support ease of doing business for micro, small, and medium enterprises including BUMDes (Sianipar, 2021).

From the institutional perspective, the Directorate General of Intellectual Property (DJKI), as the technical institution managing IPR registration in Indonesia, needs to expand assistance and education programs at village and sub-district levels, optimizing the role of Community and Village Empowerment Offices at the regional level. This synergy model has begun to be developed in several regions, such as the IPR assistance programs in Soppeng and Bali regencies that successfully increased awareness among BUMDes managers to register IPR for their superior products. However, the scope and intensity of these programs remain very limited and have yet to reach most BUMDes across Indonesia with diverse characteristics. Therefore, strengthening regional government roles through development of regional regulations that regulate incentives and funding for IPR registration is an important strategy. This aligns with the decentralization principle that grants authority to regional governments to regulate and foster village potential (Ramani, 2020).

Moreover, in comparative legal studies, countries such as India and Malaysia have developed special regulations that facilitate IPR protection for micro and small enterprises, including those originating from remote areas or indigenous communities. For instance, India regulates collective trademark registration procedures specifically for local community products and village micro-enterprises, allowing village-level entrepreneurs to obtain collective legal protection with lower costs. Malaysia also implements IPR facilitation programs for rural

micro-enterprises facilitated by relevant ministries with structured financing and legal education support. This model can serve as an important reference for Indonesia to develop IPR regulations and protection programs oriented towards empowering BUMDes (Prasetyo, 2019).

Furthermore, the aspect of legal protection against IPR violations also requires special attention. Criminal and civil provisions in the Trademark and Geographical Indications Law and Copyright Law provide strict sanctions against IPR violations. However, in practice, law enforcement at the village level remains minimal. This is due to limited understanding by law enforcement officers of the BUMDes context and village product characteristics, as well as limited access for village communities to pursue legal channels. Therefore, strengthening the capacity of village officials, law enforcement officers, and providing dispute resolution mechanisms that are friendly to village entrepreneurs is an urgent need. Development of alternative dispute resolution mechanisms, such as community-based mediation, can be a practical solution to expedite IPR dispute resolution and maintain social harmony at the village level.

Equally important is the need for cross-sector synergy in managing and protecting BUMDes IPR products. Involvement of the Ministry of Villages, Development of Disadvantaged Regions and Transmigration, Ministry of Law and Human Rights, and Ministry of Trade, together with regional governments and non-governmental organizations, is very strategic to create a conducive legal and economic ecosystem for developing BUMDes products. This collaboration can be realized through integrated training programs, facilitation of IPR registration, funding provision, as well as monitoring and evaluation of IPR protection implementation. Thus, legal protection of BUMDes products becomes not only an administrative obligation but also part of a sustainable local economic development strategy (Nawawi, 2022).

From a legal economic perspective, IPR protection for BUMDes products can increase product added value, expand markets, and attract investment. Products that already have clear intellectual property rights tend to be more trusted by consumers and gain broader market penetration opportunities, including exports. This certainly contributes significantly to village economic development and supports national goals in poverty alleviation and equitable development. Therefore, enforcement and strengthening of IPR protection on BUMDes products are concrete steps to actualize the Village Law mandate in optimally empowering local potential through professional and sustainable village enterprise governance.

#### **IV. Conclusion**

The protection of Intellectual Property Rights (IPR) for products of Village-Owned Enterprises (BUMDes) is an important but often overlooked aspect. Although Indonesian regulations provide an adequate legal framework, the implementation of IPR protection at the village level faces challenges such as low legal awareness, complex registration procedures, and limited resources. Therefore, better regulatory harmonization, increased legal education for BUMDes managers, and active roles from local governments and support institutions are needed to strengthen legal protection. This will enable BUMDes products to be optimally protected and competitive in both national and international markets, while also promoting sustainable village economic empowerment.

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