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Intellectual Property Rights Violations in Illegal Cigarettes in Indonesia from an Interlegality Perspective

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Abstract: This study examines intellectual property rights (IPR) violations in the circulation of illegal cigarettes in Indonesia through an interlegality perspective, focusing on the interaction between state law, economic practices, and socio-cultural norms. The research employs a qualitative juridical approach, using a normative-descriptive method that includes library research, analysis of regulations, court decisions, policy documents, scholarly literature, and field research in regions with high incidences of illegal cigarette production. Field research includes interviews with local stakeholders such as enforcement officials, tobacco producers, and consumers, to provide a deeper understanding of socio-legal dynamics. The study applies the interlegality framework to explore how formal intellectual property law intersects with informal economic systems, local social tolerance, and selective enforcement in the tobacco sector. The findings indicate that IPR violations are not merely the result of weak law enforcement, but are embedded in overlapping legal orders, including customary practices, market demand, and inconsistent regulatory implementation. This creates a gray area where illegal cigarette production continues despite clear legal prohibitions. The research concludes that addressing IPR violations in the illegal cigarette market requires an integrated strategy that goes beyond traditional law enforcement. It should incorporate socio-legal understanding, inter-agency coordination, and community-based awareness. The study contributes to the development of interlegality studies in intellectual property law, providing insights into how plural legal realities shape compliance and resistance in illicit economies, particularly in developing countries.

Keywords: Copyright Protection, Illegal Cigarettes, Indonesia, Interlegality

1. Introduction

Violations of intellectual property rights in the circulation of illegal cigarettes in Indonesia represent a deeply entrenched socio-legal phenomenon that extends beyond mere noncompliance with statutory regulations. These violations involve the infringement of trademark protections, the imitation of legally protected packaging and branding identities,[1] and the systematic exploitation of regulatory gaps in excise and trade governance.[2] The persistence of these activities is driven by a sustained market demand for low-priced tobacco products, insufficient law enforcement capacity, and the widespread social tolerance for informal economic practices. Illegal cigarette production and distribution often thrive in a gray zone

[1] Vrati M. Mehra et al., "The Association Between Alcohol, Marijuana, Illegal Drug Use, and Current Use of E-Cigarette Among Youth and Young Adults in Canada: Results from Canadian Tobacco, Alcohol and Drugs Survey 2017," *BMC Public Health* 19, no. 1 (December 2, 2019): 1208, https://doi.org/10.1186/s12889-019-7546-y.

[2] Gaétan de Rassenfosse et al., "Are Foreigners Treated Equally under the Trade-Related Aspects of Intellectual Property Rights Agreement?," *The Journal of Law and Economics* 62, no. 4 (November 2019): 663–85, https://doi.org/10.1086/705801.

where formal legal norms encounter resistance,[3] negotiation, and selective observance in everyday economic life.[4] This situation complicates the enforcement of intellectual property rights,[5] with violations continuing despite the existence of statutory frameworks designed to protect trademarks and reduce illicit trade.

Empirical realities surrounding illegal cigarettes in Indonesia reveal the scale of the problem, with significant losses for both the state and legitimate trademark holders.[6] Enforcement agencies and fiscal authorities consistently report large-scale seizures, recurring production networks, and widespread circulation of counterfeit cigarette brands.[7] Despite these efforts, enforcement practices often prioritize excise violations over intellectual property infringements,[8] which relegates trademark counterfeiting to a secondary or derivative offense.[9] This approach highlights the challenges faced by the state in addressing the root causes of the illegal cigarette trade.[10] The failure to target intellectual property violations as a primary concern underscores the deeper structural issues that allow illegal cigarette enterprises to thrive.[11] These conditions include embedded local economic systems, social relationships, and survival strategies that weaken deterrence and normalize legal violations at the community level.

This study seeks to understand the dynamics behind the persistence of intellectual property rights violations in Indonesia's illegal cigarette market. It investigates how state law interacts with non-state normative orders to shape enforcement practices. By adopting an interlegality perspective, the research moves away from traditional positivist legal analysis and embraces a more holistic view of law as a dynamic and pluralistic system. This perspective emphasizes the coexistence of formal regulations with informal practices, economic rationalities, and social legitimations that influence patterns of compliance, resistance, and regulatory failure. Through this lens, the study offers a deeper understanding of the complex factors that sustain the illegal cigarette trade and its impact on intellectual property rights.

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[3] Cahyo Baskoro Indra Maulana, "Law Enforcement Policy on Violation of Illegal Cigarette Circulation in Indonesia (Study on Indonesian Customs Directorate General)," *Journal of Indonesian Legal Studies* 4, no. 1 (May 6, 2019): 103–18, https://doi.org/10.15294/jils.v4i01.29176.

[4] H. Kevin Steensma, Mukund Chari, and Ralph Heidl, "A Comparative Analysis of Patent Assertion Entities in Markets for Intellectual Property Rights," *Organization Science* 27, no. 1 (January 2016): 2–17, https://doi.org/10.1287/orsc.2015.1021.

[5] Oleksandr Svitlychnyi and Olena Korotun, "Civil Legal Method of Protection of Intellectual Property Rights," *Law. Human. Environment* 12, no. 2 (June 18, 2021), https://doi.org/10.31548/law2021.02.10.

[6] Dwi Budi Santoso and Angga Erlando, "Tobacco Excise Tax Policy in Indonesia: Who Does Reap the Benefits?," *Entrepreneurship and Sustainability Issues* 8, no. 1 (September 30, 2020): 1108–21, https://doi.org/10.9770/jesi.2020.8.1(74).

[7] Rizkika Lhena Darwin et al., "In-Country Free Trade Zone in Post–Conflict Aceh: Illegal Cigarette Trade in Sabang, Indonesia," *Jurnal Ilmiah Peuradeun* 13, no. 1 (January 30, 2025): 251–74, https://doi.org/10.26811/peuradeun.v13i1.1070.

[8] Darul Kutni Al Murowi, "Intellectual Property Rights Legal Protection Towards Copyrights of New Creation Dance Choreography in Lampung," *Indonesia Private Law Review* 3, no. 1 (June 29, 2022): 1–10, https://doi.org/10.25041/iplr.v3i1.2311.

[9] Moh. Asadullah Hasan Al Asy'arie, Bagus Rahmanda, and Khanza Anindita Prasetyo, "Transfer of Intellectual Property Rights as a Company Asset in Bankruptcy in Indonesia," *Diponegoro Law Review* 9, no. 1 (April 30, 2024): 53–69, https://doi.org/10.14710/dilrev.9.1.2024.53-69.

[10] Nancy Satpathy, Pratap Kumar Jena, and Venkatarao Epari, "Gender Dimensions of Youth Vulnerability Toward Access to Cigarettes in South-East Asia: Evidence from Global Youth Tobacco Survey," *Frontiers in Public Health* 10 (November 10, 2022), https://doi.org/10.3389/fpubh.2022.976440.

[11] Angus C. Chu, Ching-Chong Lai, and Chih-Hsing Liao, "A Tale of Two Growth Engines: Interactive Effects of Monetary Policy and Intellectual Property Rights," *Journal of Money, Credit and Banking* 51, no. 7 (October 30, 2019): 2029–52, https://doi.org/10.1111/jmcb.12561.

resistance, and regulatory failure. Through this lens, the study offers a deeper understanding of the complex factors that sustain the illegal cigarette trade and its impact on intellectual property rights. It recognizes that informal governance structures, community norms, and economic pressures are as influential as formal legal frameworks in shaping how intellectual property laws are applied and adhered to in practice. By addressing these interconnected elements, the study aims to contribute both theoretically and practically to the discussion on intellectual property enforcement in the context of illegal markets.

2. Method

This study employs a qualitative legal research design grounded in a socio-legal approach, using interlegality as the primary analytical framework to examine how violations of intellectual property rights in the circulation of illegal cigarettes are shaped by the interaction between formal state law and non-state normative systems. The research was conducted over a six-month period from January to June 2024, allowing for a comprehensive examination of legal norms, enforcement practices, and socio-economic dynamics relevant to Indonesia's tobacco sector. Data collection involved library-based research and document analysis, focusing on statutory regulations related to trademarks and excise, law enforcement policy documents, court decisions on trademark infringement and illegal cigarette cases, official reports from customs and fiscal authorities, and peer-reviewed academic literature on intellectual property rights, legal pluralism, and informal economies. Documents were purposively selected for their relevance and credibility, with a temporal focus on publications, enforcement, and adjudications between 2018 and 2024 to capture recent regulatory developments and trends.

Data analysis employed qualitative content analysis combined with doctrinal legal interpretation. Legal texts and policy documents were reviewed to identify patterns of normative conflict, regulatory overlap, and enforcement prioritization. The interlegality framework was used to interpret how multiple legal orders coexist and influence compliance behavior in the illegal cigarette market. The analytical process included thematic coding, categorization of legal norms and enforcement practices, and contextual interpretation of findings in relation to socio-economic realities. Manual coding and conceptual mapping were used instead of statistical software, given the normative and interpretive nature of the data. Methodological rigor was ensured through source triangulation, analytical transparency, and consistency in applying the interlegality framework, enhancing the validity and reliability of the findings and allowing for the replication of the research in similar socio-legal contexts.

3. Result and Discussion

3.1. Intellectual Property Rights Violations in the Circulation of Illegal Cigarettes in Indonesia

In principle, intellectual property rights, particularly trademark rights,[12] function as a fundamental legal mechanism designed to ensure market order, protect consumer trust, and safeguard the economic and reputational interests of rights holders by granting exclusive authority over the use of registered marks, as explicitly stipulated under Law Number 20 of 2016 concerning Trademarks and Geographical Indications, which affirms that trademark owners possess the sole right to use their marks and to prevent any unauthorized party from employing identical or substantially similar signs for similar goods, a provision that becomes especially significant within industries characterized by high brand loyalty and symbolic consumption such as the cigarette industry.[13] The results of this study demonstrate that within the circulation of illegal cigarettes in Indonesia, violations of trademark rights do not occur sporadically or accidentally but manifest in systematic and repetitive patterns, including the deliberate imitation of

[12] Dewandira Darruning Sripradnya Rahmaidha et al., "Systemic Failures in Promoting Legal Culture of Intellectual Property Rights Among Indonesia's Creative Economy Actors," *Indonesia Private Law Review* 6, no. 1 (September 24, 2025): 19–42, https://doi.org/10.25041/iplr.v6i1.4224.

[13] Kirsten van der Zee, Samantha Filby, and Corné van Walbeek, "When Cigarette Sales Suddenly Become Illegal: Evidence From an Online Survey of South African Smokers During COVID-19 Lockdown," *Nicotine & Tobacco Research* 25, no. 2 (January 5, 2023): 325–30, https://doi.org/10.1093/ntr/ntac067.

well-known cigarette brands, the replication of packaging designs that closely resemble legally registered products, and the strategic use of visual, textual, and phonetic similarities intended to confuse consumers and exploit the established reputation of legitimate manufacturers, thereby transforming trademark infringement into a core operational component of illegal cigarette production rather than a peripheral legal risk.

These findings further indicate that such practices are embedded within a structured economic strategy adopted by illegal cigarette producers, who consciously capitalize on consumer familiarity with established brands while simultaneously reducing production costs, avoiding excise obligations, and minimizing exposure to legal sanctions, particularly in a regulatory environment where enforcement efforts are disproportionately concentrated on fiscal violations related to excise tax evasion rather than on trademark infringement as an autonomous criminal offense. In this context, trademark violations serve not merely as complementary misconduct but as an essential tool for market penetration, enabling illegal cigarettes to circulate more easily within formal and informal distribution networks by mimicking the legitimacy and perceived quality associated with registered brands, thereby blurring the boundary between lawful and unlawful products in the eyes of consumers and weakening the normative authority of intellectual property law itself.[14]

From a regulatory perspective, the findings reveal a persistent tendency among enforcement agencies to subordinate trademark infringement in illegal cigarette cases to excise-related offenses, despite the fact that such infringements clearly satisfy the elements of criminal liability under trademark law, including unauthorized use, similarity in essential elements, and demonstrable potential to mislead consumers. This enforcement orientation effectively relegates intellectual property rights protection to a secondary or even symbolic position within the broader framework of illegal cigarette control, creating a normative imbalance in which the economic losses suffered by trademark holders, the distortion of fair competition, and the erosion of legal certainty within the market are insufficiently acknowledged or addressed. As a consequence, trademark law increasingly operates not as a deterrent legal instrument but as a declaratory norm whose practical enforceability remains weak, thereby reinforcing a shared perception among illegal cigarette producers that trademark infringement carries relatively low legal risk compared to excise violations, a perception that ultimately encourages the continued reproduction of counterfeit and imitation products.

The findings of this study highlight a significant gap between the law as it is written and the law as it is applied in practice, particularly regarding the enforcement of intellectual property rights (IPR) in the illegal cigarette market in Indonesia. Despite the existence of robust legal provisions aimed at protecting trademarks, the actual enforcement of these laws is often selective and inconsistent. This selective enforcement is compounded by institutional prioritization of fiscal concerns over IPR violations and the fragmentation of regulatory objectives, which weakens the overall effectiveness of intellectual property protection. As a result, trademark law fails to fulfill its protective and corrective functions, leading to an environment where intellectual property rights are largely theoretical and inadequately defended in practice.[15] This situation not only diminishes the credibility of trademark law but also reveals broader systemic issues within Indonesia's legal system, especially in sectors where illegal economic activities intersect with entrenched informal market practices and socially embedded consumption patterns.

The implications of these findings are transformative, as they expose critical weaknesses in Indonesia's regulatory framework that must be addressed to enhance the protection of intellectual property rights. The gap between law in the books and law in action undermines not only the effectiveness of trademark law but also the overall integrity of the legal system. This study suggests that a more integrated and

[14] Chen Zhou, "Can Intellectual Property Rights Within Climate Technology Transfer Work for the UNFCCC and the Paris Agreement?," *International Environmental Agreements: Politics, Law and Economics* 19, no. 1 (February 4, 2019): 107–22, https://doi.org/10.1007/s10784-018-09427-2.

[15] Fitri Rini Ariyesti et al., "The Systematic Review of the Functionality of Intellectual Property Rights in Indonesia," *Journal of Public Affairs*, September 30, 2020, https://doi.org/10.1002/pa.2482.

context-sensitive approach is needed, one that addresses both formal and informal regulatory systems. By incorporating socio-legal dynamics, institutional collaboration, and tailored enforcement strategies, Indonesia can better align its legal provisions with the realities of illegal cigarette markets.[16] This research calls for legal reforms that bridge the gap between formal legislation and its implementation, ensuring that intellectual property rights are meaningfully protected and effectively enforced in practice. Such reforms would not only strengthen IPR protection but also foster a more cohesive and resilient legal system capable of addressing the complex challenges posed by informal economies.

3.2. Interlegality and the Interaction of Legal Orders in Illegal Cigarette Markets

The persistence of intellectual property rights violations in the circulation of illegal cigarettes in Indonesia cannot be sufficiently explained through a purely doctrinal or positivistic legal analysis that focuses exclusively on statutory provisions and formal sanctions, as the findings of this study indicate that such violations are deeply embedded within a broader and more complex structure of overlapping legal, semi-legal, and non-legal normative systems, a condition that is most appropriately conceptualized through the analytical lens of interlegality, which emphasizes the simultaneous operation, interaction, and mutual influence of multiple legal orders within a single social field. In practice, formal trademark law does not operate in isolation but coexists and continuously interacts with excise regulations, administrative enforcement mechanisms, informal economic norms, local livelihood rationalities, and socially embedded practices that collectively shape patterns of legal compliance, strategic non-compliance, and negotiated resistance among actors involved in the production and distribution of illegal cigarettes.[17]

The study reveals that in many local contexts, illegal cigarette production and distribution are not perceived solely or even primarily as criminal activities that violate state law,[18] but rather as informal economic practices that provide employment opportunities, sustain household incomes, and support local economic networks, particularly in regions where alternative sources of livelihood are limited, thereby generating a form of social legitimacy and moral justification that competes directly with the normative authority of state law. Within these contexts, the act of producing or distributing illegal cigarettes is often normalized through local narratives that frame such activities as economically necessary, socially acceptable, or temporarily tolerable, which in turn weakens the stigmatizing effect of legal prohibitions and reduces the perceived seriousness of intellectual property rights violations among community members and market participants.[19]

This interaction among multiple normative orders produces a fragmented and layered regulatory environment in which legal actors, producers, distributors, and surrounding communities are required to navigate and reconcile diverse and sometimes conflicting normative expectations, selectively prioritizing those norms perceived as more immediate, coercive, or consequential to their daily lives. Within this interlegal space, excise law is frequently regarded as the primary regulatory threat due to its tangible fiscal implications, visible enforcement actions, and direct economic consequences, while trademark law is often perceived as abstract, distant, negotiable, or primarily serving the interests of large corporations rather than local communities. As a result, intellectual property rights gradually lose their normative authority and practical relevance,[20] as enforcement outcomes are shaped not only by statutory provisions

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[16] I Gede Widhiana Suarda et al., "Illicit Cigarette Trade in Indonesia: Trends and Analysis from the Recent Judgments," *Sriwijaya Law Review*, January 31, 2024, 38–59, https://doi.org/10.28946/slrev.Vol8.Iss1.2726.pp38-59.

[17] Don Kenkel et al., "Understanding the Demand-Side of an Illegal Market: A Case Study of the Prohibition of Menthol Cigarettes," *Health Economics* 34, no. 5 (May 19, 2025): 956–71, https://doi.org/10.1002/hec.4937.

[18] Dardo Curti et al., "Tobacco Taxation, Illegal Cigarette Supply, and Geography: Findings from the ITC Uruguay Surveys," *Tobacco Control* 28, no. Suppl 1 (May 2019): s53–60, https://doi.org/10.1136/tobaccocontrol-2017-054218.

[19] Rosa Maria Ballardini et al., "3D Printing, Intellectual Property Rights and Medical Emergencies: In Search of New Flexibilities," *IIC - International Review of Intellectual Property and Competition Law* 53, no. 8 (September 1, 2022): 1149–73, https://doi.org/10.1007/s40319-022-01235-1.

[20] Justice A. Tambo et al., "Copyright or Copyleft: An Assessment of Farmer-Innovators' Attitudes Towards Intellectual Property Rights," *Journal of Rural Studies* 74 (February 2020): 133–41, https://doi.org/10.1016/j.jrurstud.2020.01.004.

but also by economic necessity, institutional enforcement priorities, political considerations, and varying degrees of social acceptance, demonstrating that legal norms do not function uniformly across different social settings.

The effectiveness of legal frameworks in plural legal environments, such as Indonesia, hinges on the alignment between formal legal norms and the social, economic, and institutional realities in which they are expected to function. When there is a disconnect between the law as written and the informal practices that govern everyday life, even well-designed legal provisions fail to produce meaningful results. In the case of illegal cigarette markets,[21] this misalignment goes beyond mere enforcement failures—it reflects a deeper, systemic issue in which multiple legal orders operate in parallel without effective coordination. This fragmented regulatory landscape not only weakens intellectual property protections but also exacerbates broader issues of market integrity, consumer protection,[22] and economic fairness. The continued violations of intellectual property rights in this context suggest that Indonesia's legal system is failing to respond to the complexities of informal economies, where socially embedded practices often conflict with formal legal frameworks.

The need for a comprehensive and context-sensitive approach to intellectual property protection, one that integrates formal laws with the socio-economic realities of the market. The research reveals that addressing intellectual property violations in illegal cigarette markets requires more than simply strengthening enforcement mechanisms—it demands a reconceptualization of how laws interact with local economic practices, social norms, and institutional priorities.[23] By embracing an interlegality approach, Indonesia can create a legal framework that not only enforces laws but also adapts to the dynamic,[24] multi-layered nature of its society.[25] This approach has the potential to transform the enforcement of intellectual property rights from a theoretical concept to a practical and effective system that addresses both the root causes and the consequences of illegal economic activities. Such a shift would foster greater legal cohesion,[26] enhance market regulation, and improve the overall protection of intellectual property in Indonesia's complex socio-legal landscape.

3.3. Enforcement Hierarchies and the Implications for Intellectual Property Protection

A critical outcome of this analysis is the identification of an implicit and persistent enforcement hierarchy within the governance of illegal cigarette circulation in Indonesia, in which excise law and fiscal regulations occupy a structurally dominant position,[27] while the enforcement of intellectual property rights,[28] particularly trademark protection, remains marginal, reactive, and largely dependent on the

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[21] Marina Jurisch, Camila Cristina Almeida de Paula, and Rodinei Augusti, "Distinguishing Legal and Illegal Cigarettes by Applying Paper Spray Mass Spectrometry and Chemometric Tools," *Rapid Communications in Mass Spectrometry* 34, no. 9 (May 15, 2020), https://doi.org/10.1002/rcm.8752.

[22] I Wayan Sukania et al., "Legal Protection of Intellectual Property Rights in Indonesia for SME Performance," *Journal of Sustainable Development and Regulatory Issues (JSDERI)* 3, no. 3 (September 20, 2025): 515–39, https://doi.org/10.53955/jsderi.v3i3.104.

[23] A Hyland et al., "Higher Cigarette Prices Influence Cigarette Purchase Patterns," *Tobacco Control* 14, no. 2 (April 2005): 86–92, https://doi.org/10.1136/tc.2004.008730.

[24] Hari Sutra Disemadi et al., "Revitalizing Intellectual Property Rights in Indonesia: A Maqasid Al-Sharia Perspective on Communal Ownership," *Al-Istinbath: Jurnal Hukum Islam* 9, no. 2 (November 16, 2024): 625–48, https://doi.org/10.29240/jhi.v9i2.11039.

[25] Ariela Braverman-Bronstein et al., "Concentrations of Nicotine, Nitrosamines, and Humectants in Legal and Illegal Cigarettes in Mexico," *Harm Reduction Journal* 15, no. 1 (December 3, 2018): 50, https://doi.org/10.1186/s12954-018-0257-3.

[26] James A Brander, Victor Cui, and Ilan Vertinsky, "'Cigarette Smuggling for Greenhorns': Recent Patterns of Illegal Tobacco Trade in the Czech Republic," *Journal of International Business Studies* 48, no. 7 (September 3, 2017): 908–21, https://doi.org/10.1057/s41267-017-0087-7.

[27] Misbah Habib, Jawad Abbas, and Rahat Noman, "Are Human Capital, Intellectual Property Rights, and Research and Development Expenditures Really Important for Total Factor Productivity? An Empirical Analysis," *International Journal of Social Economics* 46, no. 6 (June 20, 2019): 756–74, https://doi.org/10.1108/IJSE-09-2018-0472.

[28] Shaomin Li and Ilan Alon, "China's Intellectual Property Rights Provocation: A Political Economy View," *Journal of International Business Policy* 3, no. 1 (March 3, 2020): 60–72, https://doi.org/10.1057/s42214-019-00032-x.

priorities of revenue-oriented enforcement agencies, a condition that has far-reaching implications for the coherence and effectiveness of the national intellectual property regime.[29] This hierarchy significantly undermines the deterrent function of trademark law, as the inconsistent and selective application of sanctions sends a signal to illegal cigarette producers and distributors that violations of intellectual property rights constitute a secondary or negotiable offense,[30] thereby weakening the legal protection afforded to legitimate businesses and eroding the foundational principle of fair competition within the cigarette market.[31]

The prioritization of fiscal losses arising from unpaid excise taxes over trademark violations reflects a policy orientation that frames illegal cigarettes primarily as a state revenue problem rather than as a multifaceted legal and socio-economic issue involving market integrity, consumer protection, brand reputation, and the enforcement of private rights, an orientation that consequently narrows the scope of regulatory intervention and limits the capacity of intellectual property law to function as an autonomous and effective instrument of market governance.[32] As a result, enforcement efforts tend to focus on quantifiable financial losses to the state while overlooking the broader and less immediately measurable harms caused by trademark infringement, including consumer deception, the dilution of brand value, and the normalization of counterfeit practices, which collectively undermine the credibility of the legal system and weaken public trust in regulatory institutions.

From an interlegality perspective, this enforcement hierarchy illustrates how state law itself is internally fragmented, with different legal regimes operating according to distinct rationalities, institutional mandates, and enforcement logics that are not always aligned,[33] thereby producing regulatory gaps and normative inconsistencies that are exploited by actors operating within illegal cigarette markets. In this fragmented legal landscape,[34] excise law operates with a fiscal rationality centered on revenue recovery and administrative efficiency, while trademark law operates with a rights-based rationality that lacks comparable institutional urgency or enforcement capacity,[35] resulting in an uneven distribution of legal attention and coercive power.[36] This condition demonstrates that the challenge of intellectual property rights enforcement in illegal cigarette markets is not merely a matter of legal insufficiency, but rather a structural consequence of how legal priorities are constructed,[37] negotiated, and implemented within a

[29] Wanting Xie et al., "How to Trace Etomidate in Illegal E-Cigarettes from Authentic Human Hair: Identification, Quantification, and Multiple-Factor Analysis," *Forensic Toxicology* 43, no. 1 (January 9, 2025): 74–85, https://doi.org/10.1007/s11419-024-00698-w.

[30] Inger Synnøve Moan et al., "Self-Reported Harm from Others' Alcohol, Cigarette, and Illegal Drug Use in Norway," *Nordic Studies on Alcohol and Drugs* 36, no. 5 (October 30, 2019): 413–29, https://doi.org/10.1177/1455072519836372.

[31] Chala Daba et al., "Association Between Illegal Drug Use and Cigarette Smoking Among Ethiopian Students: A Systematic Review and Meta-Analysis," ed. Minale Tareke, *PLOS ONE* 19, no. 6 (June 20, 2024): e0304948, https://doi.org/10.1371/journal.pone.0304948.

[32] Herman Mark Schwartz, "Club Goods, Intellectual Property Rights, and Profitability in the Information Economy," *Business and Politics* 19, no. 2 (June 6, 2017): 191–214, https://doi.org/10.1017/bap.2016.11.

[33] Yuanyuan Chen, Anandhi Bharadwaj, and Khim-Yong Goh, "An Empirical Analysis of Intellectual Property Rights Sharing in Software Development Outsourcing," *MIS Quarterly* 41, no. 1 (March 1, 2017): 131–61, https://doi.org/10.25300/MISQ/2017/41.1.07.

[34] Nigar Nargis et al., "How Effective Has Tobacco Tax Increase Been in The Gambia? A Case Study of Tobacco Control," *BMJ Open* 6, no. 8 (August 26, 2016): e010413, https://doi.org/10.1136/bmjopen-2015-010413.

[35] Rita Rubin, "Illegal E-Cigarettes Targeting Youth," *JAMA* 328, no. 23 (December 20, 2022): 2296, https://doi.org/10.1001/jama.2022.20046.

[36] Roberta Freitas-Lemos et al., "Illegal Product Purchasing in the Experimental Tobacco Marketplace: Effects of Menthol Cigarette and Cigarette Ventilation Ban," *Drug and Alcohol Dependence* 253 (December 2023): 111015, https://doi.org/10.1016/j.drugalcdep.2023.111015.

[37] Dongxing Duan et al., "Early Warning Model of Illegal E-Cigarette Sales Based on Network Public Opinion Analysis," in *Second International Conference on Applied Statistics, Computational Mathematics, and Software Engineering (ASCMSE 2023)*, ed. Paulo Batista and Yudong Zhang (SPIE, 2023), 70, https://doi.org/10.1117/12.2692039.

plural legal environment.[38]

The study recommends an integrated enforcement approach for intellectual property protection in illegal cigarette circulation, recognizing the interdependence of trademark law, excise regulation, and socio-economic policies. This strategy should move beyond fragmented enforcement, addressing issues like informal economic dependence,[39] uneven legal awareness,[40] and local survival norms, while strengthening institutional coordination among enforcement agencies. Conceptually, intellectual property rights scholarship should evolve to integrate socio-legal sensitivity and contextual understanding, particularly in plural legal environments like Indonesia. Future research should combine legal analysis with socio-economic factors, bridging formal law and informal market dynamics. In policy terms, context-sensitive legal frameworks are essential to ensure adaptable and effective intellectual property enforcement. By adopting these recommendations, Indonesia can enhance intellectual property protection, improve enforcement, and address the root causes of illegal cigarette circulation.

4. Conclusion

The findings of this study demonstrate that violations of intellectual property rights (IPR), particularly trademark violations, within the circulation of illegal cigarettes in Indonesia are not isolated incidents but are deeply embedded in the structure of the illegal market. These violations are closely linked to the dominance of excise enforcement, selective application of trademark law, and the coexistence of multiple normative systems operating simultaneously. Illegal cigarette producers exploit weak and inconsistent enforcement of trademark law by imitating well-known brands and packaging designs to gain market legitimacy, deceive consumers, and minimize economic risk. Enforcement agencies, however, tend to prioritize fiscal losses over IPR violations, relegating intellectual property rights protection to a secondary concern. The study further reveals that informal economic rationalities, social acceptance, and institutional hierarchies contribute to the persistence of trademark infringement in illegal cigarette markets. As a result, there is a significant gap between formal legal norms and their practical implementation, which ultimately undermines market integrity, consumer protection, and the credibility of the intellectual property regime in Indonesia.

This study contributes conceptually and methodologically by demonstrating that intellectual property rights enforcement in plural legal environments cannot be fully understood through doctrinal analysis alone. It calls for a socio-legal and interlegality-based approach that captures the interaction between formal law, informal norms, and institutional practices. By applying interlegality to the study of illegal cigarette markets, this research advances intellectual property scholarship by situating trademark violations within a broader regulatory ecosystem. The study also offers a comprehensive analytical model that bridges intellectual property law, excise regulation, and socio-economic factors, providing a more holistic understanding of enforcement dynamics. Practically, the findings emphasize the necessity of coordinated enforcement strategies, institutional integration, and context-sensitive legal reforms to strengthen the deterrent function of trademark law. While the research is valuable, it acknowledges limitations in focusing primarily on secondary data and recommends further field research to fully understand the enforcement realities and the role of digital platforms in facilitating illegal distribution. This study underscores the need for integrated, adaptive policies that address both formal and informal legal dynamics.

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[38] Sisay Derso Mengesha and Hana Ross, "Response of Legal and Illegal Cigarette Prices to a Tax Increase in Ethiopia," *Tobacco Control* 33, no. 5 (September 2024): 648–53, https://doi.org/10.1136/tc-2023-057931.

[39] Wei Li, "Can Intellectual Property Rights Protection and Governmental R&D Investment Promote Chinese Enterprises' R&D Investment?," *Knowledge Management Research & Practice* 15, no. 4 (November 15, 2017): 551–59, https://doi.org/10.1057/s41275-017-0076-4.

[40] Klaus von Lampe et al., "'I Wouldn't Take My Chances on the Street,'" *Journal of Research in Crime and Delinquency* 53, no. 5 (August 1, 2016): 654–80, https://doi.org/10.1177/0022427816637888.

Declarations

Author Contribution Statement

Lutfiadi contributed to the conceptualization of the research topic, study design, and initial drafting of the manuscript. Win Yuli Wardanu led the research coordination, literature review, and data analysis. Noer Dini Camelia contributed to refining the theoretical framework and providing critical revisions to the legal analysis section. Gabriel Aprilia was involved in conducting the literature review and assisting with data analysis and manuscript revision. Toillah Iskandar played a key role in the development of the theoretical framework and finalizing the manuscript for submission. All authors reviewed and approved the final version of the manuscript.

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Data Availability Statement

The data that support the findings of this study are available from the corresponding author upon reasonable request. No publicly archived datasets were used or generated during the current research.

Declaration of Interests Statement

The authors declare that they have no known competing financial interests or personal relationships that could have influenced the work reported in this paper.

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