# IRDH International Journal of Social Sciences and Humanities

<u>https://irdhjournals.com/ijsch</u> Vol 2, No 1 (2025): February. E-ISSN: 3032-2294

# The Intellectual Property Rights in Sharia Economic Law and the Fatwa of the Indonesian Ulema Council (MUI)

M. Ainul Muwaffiq<sup>1</sup> and Muhammad Sartibi<sup>2</sup>

\*Correspondence Author: <u>berau.kaltim01@gmail.com</u>

<sup>1,2</sup>Nahdlatul Ulama Nusantara College of Sharia (STISNU Nusantara), Tangerang, Indonesia

INDEXING	A B S T R AC T
Keywords:	Intellectual Property Rights (IPR) hold global importance as ownership
Keyword 1; Intellectual Property	rights. A wealth of research on Intellectual Property Rights (IPR) has been
Rights	conducted from both positive legal and economic perspectives. This study
Keyword 2; Fatwa	employs normative juridical research with a legislative approach. In the
Keyword 3; Sharia Economic Law	context of Sharia economics, intellectual property rights (IPR) are seen as
Keyword 4; MUI	individual rights that must be protected and used in accordance with Sharia
•	principles, as they are regarded as gifts from Allah, the ultimate rights owner.
	During the VII MUI National Conference from July 19-22, 2005, the
	Indonesian Ulema Council issued Fatwa No. 1/MUNAS VII/MUI/5/2005 to
	address the rise in Intellectual Property Rights (IPR) violations In Islam,
	intellectual property rights are considered property (mal) that must be
	safeguarded. Taking such rights without permission is deemed haram
	(forbidden).

#### **Article History**

Received 23 January 2025; Revised 30 January 2025; Accepted 13 February 2025 Publish 20 February 2025

#### INTRODUCTION

Intellectual Property Rights (IPR) hold global importance as ownership rights. They are essential for the development of the creative industry on both national and international scales. Identified as economically valuable innovations (Gupta, 2024), IPR requires protection. The government encourages the public, especially those in the creative sector, to understand the significance of IPR (Townley et al., 2019; Farina & Jinan, 2023).

A wealth of research on Intellectual Property Rights (IPR) has been conducted from both positive legal and economic perspectives, with notable contributions by Kahn and Wu (2020), Chen (2022), and Le et al. (2023). Accordingly, this study aims to examine IPR through the lens of Sharia economic law and its relationship to the current state of digitalization. The advanced development of digitalization facilitates the use of technology for diverse activities, which in turn presents opportunities for the misuse of IPR.

#### LITERATURE REVIEW

In the context of Sharia economics, intellectual property rights (IPR) are seen as individual rights that must be protected and used in accordance with Sharia principles, as they are regarded as gifts from Allah, the ultimate rights owner, as mentioned by Ratnawati and Al Farizi (2023). The main goal of IPR is to provide optimal economic benefits to rights holders and society, ensuring distributive justice, legal compliance, public benefit, and transparency in their use (Braga et al., 2000). In

practice, applying IPR within the Sharia economy must reflect Sharia economic principles, following a fair and ethical framework to maximize economic benefits for rights holders and society, as described by Marwal et al. (2024).

Violations of Intellectual Property Rights (IPR) can lead to disruptions in economic relationships and trigger political tensions between nations. IPR is a unique production factor due to its intangible nature (non-competitive) and is only recognized where laws permit. However, these laws are territorial rather than global. Consequently, a country is not obligated to extend patent protection to foreign inventors, as studied by Palangkaraya et al. (2017) and Gmeiner and Gmeiner (2021).

## RESEARCH METHOD

This study employs normative juridical research with a legislative approach. This approach aims to identify legal regulations derived from the legal materials prevalent and evolving in Indonesia, particularly Islamic law, which has been integrated into the national legal system and has become established as positive law in the realm of Intellectual Property Rights. The methodology follows the works of Halim et al. (2019) and Hamzani et al. (2023).

# RESULT AND DISCUSSION

## **Intellectual Property Rights in Sharia Economic Law**

Islam allows individuals to create and express ideas to meet their needs and maximize benefits and usage (Wahid et al.; Ahyani & Slamet, 2021; Adrian & Junanah, 2023). This illustrates that Islam encompasses universal, global, and comprehensive values for all. These principles are reflected in the Qur'an, Surah Ar-Rum, verse 22, which signifies (Ramdani et al., 2024):

"And among the signs of his dominion are the creation of the heavens and the earth, the multitude of your tongues and the colors of your skin. Indeed, in such things, there are signs of His dominion for those who know."

In Islam, property is defined as the control or ownership of something, allowing an individual to legally act upon it through buying, selling, renting, waqfing, or lending it to others (Asmuni et al., 2023). This notion leads to the understanding that Islam does not recognize absolute mastery over possessions, particularly in the realm of knowledge. Instead, Islam encourages the dissemination and sharing of knowledge, as all things are ultimately owned by Allah, as mentioned in the Quran, Surah Al-Baqarah, verse 189 (Zaman, 2015).

"To God belongs the kingdom of heaven and earth, and God is Almighty."

In summary, everything in the universe is owned by God, and humans were created in a state of weakness and ignorance, lacking in ability and strength. However, Allah has endowed humans with reason and intellect, enabling them to create and discover. This ability is granted by Allah's will and love. Consequently, the right to intellectual property, which represents human capability, must be protected and shared for humanity's benefit. Conversely, humans cannot use another's intellectual property without the owner's consent, as it is a right bestowed by Allah. Hence, protection is crucial. In Islam, intellectual property rights, known as Iftikhar, encompass both economic value (the right to obtain economic benefits) and moral rights (rights inherent to the creator) and should not be underestimated (Farina & Jinan, 2023).

One of these guidelines is contained in the Qur'an Surat An Nisa verse 29, which reads (Aslami *et al.*, 2021):

"O you who believe, do not falsely eneighbor's ighbor's treasure, except by a mutually beneficial trade between you, and do not kill yourselves. Indeed, Allah is Most

Merciful to you."

This is further emphasized by the theory of maqashid asy-sharia, which states that Islamic sharia aims to benefit humanity by preserving religion, soul, intellect, honor, and property. In light of this, the Indonesian Ulema Council (MUI) issued Fatwa Number 5 in 2005, which prohibits violations of others' intellectual property rights (Ma'ruf Ma'ruf, 2023).

#### Intellectual Property Rights in the Fatwa of the Indonesian Ulema Council

During the VII MUI National Conference from July 19-22, 2005, the Indonesian Ulema Council issued Fatwa No. 1/MUNAS VII/MUI/5/2005 to address the rise in Intellectual Property Rights (IPR) violations. The Anti-Counterfeiting Society (MIAP) had requested this fatwa to clarify the Islamic legal stance on IPR. Based on the Qur'an, hadith, and scholarly opinions, this fatwa classifies IPR into categories such as plant varieties, trade secrets, industrial design rights, integrated circuit layout design rights, patents, trademarks, and copyrights (Al Khanis & Adly, 2024).

In 2005, the MUI issued a fatwa that explicitly prohibited these violations. According to an online legal article, this fatwa is deemed stricter than positive law, as it addresses not only those who copy and distribute works but also those who use such infringements. Interestingly, the fatwa stipulates that IPR can be considered contractual objects and can be donated or inherited (Hasyim, 2016). Although the fatwa from the Indonesian Ulema Council does not have the same binding authority as laws and regulations, it offers moral guidance and a strong religious foundation for many Muslim businesspeople and consumers (Wardhani, 2023).

## **CONCLUSION**

Intellectual Property Rights (IPR) have contributed significantly to the economy in the context of globalization and technological advancement. It is important to monitor and address the illegal or unlawful use of others' IPR. Therefore, creating a mechanism to enforce existing provisions is essential for providing maximum protection to IPR owners. In Islam, intellectual property rights are considered property (mal) that must be safeguarded. Taking such rights without permission is deemed haram (forbidden). Efforts to enhance understanding and awareness of the importance of Intellectual Property Rights should be accompanied by the development of an IPR protection system that adheres to Sharia principles. Additionally, there is a need to foster cooperation among Muslim countries to protect and utilize Global Intellectual Property Rights effectively.

#### REFERENCES

## **Authored Book**

- Braga, C. A. P., Fink, C., & Sepulveda, C. P. (2000). *Intellectual property rights and economic development* (Vol. 412). World Bank Publications.
- Lim, H. (2008). *Land, law and Islam: property and human rights in the Muslim world.* Bloomsbury Publishing.
- Townley, B., Roscoe, P., & Searle, N. (2019). *Creating economy: Enterprise, intellectual property, and the valuation of goods*. Oxford University Press.

#### **Journal Articles**

Adrian, A., & Junanah, J. (2023). The Implications of Rahmatan Lil'Alamin in the Islamic Economics Context: A Study at an Islamic University in Indonesia. *Borneo International Journal of Islamic Studies (BIJIS)*, 13-30.

- Ahyani, H., & Slamet, M. (2021). Building the Values of Rahmatan Lil'Alamin for Indonesian Economic Development at 4.0 Era from the Perspective of Philosophy and Islamic Economic Law. *Al-Ihkam: Jurnal Hukum & Pranata Sosial*, 16(1), 111-136.
- Al Khanis, N. Y., & Adly, M. A. (2024). Protection of Trademark Rights from the Perspective of MUI Fatwa Number: 1/MUNAS/VII/MUI/5/2005 (Case Study of Mie Gacoan and Mie Gacok). *Dinasti International Journal of Education Management And Social Science*, 5(5), 1120-1127.
- Aslami, N., Izzah, N., & Tarigan, A. A. (2021). The Concept Of Taradin In Online Buying The study of surah an-Nisa'Version 29. *Al-Masharif: Jurnal Ilmu Ekonomi dan Keislaman*, 9(2), 235-250.
- Asmuni, A., Yusdani, Y., & Arfaizar, J. (2023). Dynamics Response of Indonesian Islamic Law to the Protection of Intellectual Property Rights. *Ulumuna*, 27(2), 876-904.
- Chen, H. (2022). The impact of intellectual property protection on the development of digital economy and regional entrepreneurial activity: Evidence from small and medium enterprises. *Frontiers in Psychology*, 13, 951696.
- Gmeiner, R., and Gmeiner, M. (2021). Encouraging domestic innovation by protecting foreign intellectual property. *International Review of Law and Economics*, 67, 106000.
- Gupta, M. (2024). Intellectual Property Rights: A Comprehensive Review of Concepts, Challenges, and Implications. *Challenges, and Implications (May 27, 2024)*.
- Halim, Y., Sudewo, F., & Justian, J. (2019). Transformative-Participatory Legal Research Method for Harmonizing The Existence of The Living Law in Indonesia. *Jurnal Media Hukum*, 26(2), 146-157.
- Hamzani, A. I., Widyastuti, T. V., Khasanah, N., & Rusli, M. H. M. (2023). Legal Research Method: Theoretical and Implementative Review. *International Journal of Membrane Science and Technology*, 10(2), 3610-3619.
- Hasyim, S. (2016). The Council of Indonesian Ulama (MUI) and 'aqīda 1-Based Intolerance: A Critical Analysis of Its Fatwa on Ahmadiyah and 'Sepilis'. In *Religion, law and intolerance in Indonesia* (pp. 211-233). Routledge.
- Kahn, A., & Wu, X. (2020). Impact of digital economy on intellectual property law. *J. Pol. & L.*, 13, 117.
- Le, H. T. T., Luong, T. T. D., Nguyen, T. T. T., & Van Nguyen, D. (2023). Determinants of intellectual property rights protection in Asian developing countries. *Journal of the Knowledge Economy*, 14(4), 4780-4806.
- Ma'ruf, A., Hamdi, M. F., & Rosyadi, I. (2023). Implementation And Effectiveness of Copyright In Law No. 28 of 2014 And MUI Fatwa No. 5 of 2005. *al-Afkar, Journal For Islamic Studies*, 6(3), 846-859.
- Marwal, M. I., Amir, S., & Farah, R. (2024). Patent Law in Islamic Economics Challenges and Opportunities. *Sharia Oikonomia Law Journal*, 2(3), 209-220.
- Palangkaraya, A., Jensen, P. H., and Webster, E. (2017). The effect of patents on trade. *Journal of International Economics*, 105, 1-9.
- Ramdani, D., Hilwa, D. L., & Muzani, F. F. (2024). Islam and Pluralism in the Qur'anic Perspective: Thematic Interpretive Studies: Islam dan Pluralisme dalam Perspektif Al-Qur'an: Kajian Tafsir Tematik. *Bulletin of Islamic Research*, *2*(1), 113-130.
- Ratnawati, E. T. R., & Al Farizi, R. S. (2023). Protection of Intellectual Property Rights in the Perspective of Islamic Law. *Millah: Journal of Religious Studies*, 337-408.
- Savale, S. K., & Savale, V. K. (2016). Intellectual property rights (IPR). World J Pharm Pharm Sci, 5(6), 2529-59.

- Utami, S. S. (2010). Pengaruh teknologi informasi dalam perkembangan bisnis. *Jurnal Akuntansi dan Sistem Teknologi Informasi*, 8(1).
- Wahid, R., Ismail, N., Saidin, K., & Mat, B. (2019). Sustaining innovative informal education through intellectual property. *UUM Journal of Legal Studies*, *10*(2), 79-101.
- Wardhani, N. E. (2023). Existence of Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI) No. 108/DSN-MUI/X/2016 Concerning Guidelines for Organizing Tourism Based on Sharia Principles: Between Spiritual and Regulatory. *Journal of Social Research*, 2(9), 3162-3168.
- Zaman, Q. (2015). Memahami makna hilal menurut tafsir Al-Qur'an dan sains. *Universum*, 9(01), 103-115.
- Zemer, L. (2006). What copyright is: Time to remember the basics. *Buff. Intell. Prop. LJ*, *4*, 54.