

## Fact-finding Survey on Business Practices of Start-ups

November 27, 2020

Japan Fair Trade Commission

### 1. Purpose

As start-ups have the potential to greatly contribute to the productivity improvement of the Japanese economy by promoting innovation, importance has been placed in recent years on improvement of productivity through open innovation in which start-ups form business partnerships with large companies, etc. Under such circumstances, it is crucial for future Japanese economic development to ensure an environment in which start-ups can compete fairly and freely.

The Japan Fair Trade Commission (JFTC) published the “Report on the Fact-Finding Survey on the Status of Abuse of Superior Bargaining Position involving Intellectual Property and Know-How of Manufacturers” on June 14, 2019. In this report, the JFTC has confirmed cases of transactions relating to know-how and intellectual property rights by small- and medium-sized enterprises (SMEs) in the manufacturing sector which could constitute problems under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (hereinafter referred to as the “Anti-monopoly Act”).

In addition, start-ups are important not only in terms of promotion of innovation, but also in terms of creation of new jobs.

In view of the above, the JFTC conducted a survey to clarify the actual conditions of business practices of start-ups, not only in the manufacturing industry, but in a wide range of industries, from the perspective of promoting fair and free competition in start-ups' business activities.

### 2. Method of Study

The survey was conducted from November 2019 by the following methods.

#### (a) Questionnaire survey, sent to

The JFTC selected the targets for the questionnaire survey based on conditions such as being in business for 10 years or more and being unlisted, and sent the questionnaire to 5,593 start-ups.

#### (b) Voluntary interview

Total of 144 parties (126 start-ups, five investors, 10 experts, and three trade

associations)

### 3. Results

Please see the report as attached.