

The JFTC Issued a Cease and Desist Order to MC Data Plus, Inc.

December 24, 2024
Japan Fair Trade Commission

The Japan Fair Trade Commission today issued a cease and desist order against MC Data Plus, Inc. (hereinafter referred to as “MC Data Plus”) pursuant to the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”).

In this case, MC Data Plus has been committing an act that violates the provision of the Article 19 (falling under paragraph (14) [Interference with a Competitor’s Transactions] of Unfair Trade Practices) of the Act.

1. Overview of MC Data Plus’s Cloud Services for Construction Industry

(1) Since July 1, 2015, MC Data Plus has been offering cloud services for construction industry (Note 1) called the “kensetsu-site series.” Among its key services, the company provides a labor safety service (Note 2) called “GREEN-site.”

(Note 1) “Cloud services for construction industry” refers to services provided to construction companies and related entities via the internet. These services are designed to streamline various operations at construction sites by supporting the sharing and management of information related to these tasks.

(Note 2) “Labor safety service” refers to service designed to improve operational efficiency at construction sites by facilitating the exchange of labor safety documents which are mandated by laws such as Construction Business Act and Industrial Safety and Health Act, between prime contractors (users) and subcontractors (users) via the internet.

(2) Users of GREEN-site are required to register their employee information (Note 3) and other data to utilize the service. However, if they choose to switch to a different labor safety service, they must re-enter and register the same employee information and other data on the new platform. The employee information required for registration may exceed 100 items per employee, making the process a significant burden for users managing a large workforce.

(Note 3) “Employee information” refers to the personal information of construction workers that subcontractors (users) register.

(3) The employee information and other data registered by users on GREEN-site is utilized for creating labor safety documents. Users can output these documents as forms of

electronic records (hereinafter referred to as “forms”) when necessary. However, MC Data Plus has designed GREEN-site to prevent the direct export of their registered employee information and other data as electronic records, except when generating them as forms through GREEN-site.

2. Outline of Violations

MC Data Plus believes that safeguarding the employee information and other data registered on GREEN-site from new entrants into the labor safety service market is critical to maintaining the advantage of its services. To address this, the company implemented the following measures to discourage GREEN-site users from switching to alternative services.

(1) MC Data Plus has designed GREEN-site to prevent the direct export of registered employee information and other data as electronic records. As a result, some users have requested the company to provide employee information in a format compatible with other labor safety services they opt to use. However, MC Data Plus started rejecting such requests from GREEN-site users, no later than around 2020, citing reasons such as personal information protection. This refusal continues despite the fact that the data was originally registered by the users themselves, and there is no reasonable reason for denying the data transfer.

(2) On September 9, 2019, MC Data Plus revised the terms of service for the “kensetsu-site series.” The revision was intended to make Shelfy Co., Ltd. (hereinafter referred to as “Shelfy”), a provider of labor safety services, remove an article related to service transfers (Note 4) on Shelfy’s website. From that date forward, the updated terms of service explicitly prohibited GREEN-site users from sharing forms generated from GREEN-site or printed forms derived from those records with other companies.

(Note 4) “An article related to service transfers” refers to an article published on Shelfy’s website that describes methods for transferring employee information to Shelfy’s labor safety service by sharing forms generated from GREEN-site with Shelfy.

(3) On October 21, 2019, MC Data Plus sent a certified mail notification to Shelfy, asserting that an article on service transfers published by Shelfy encouraged GREEN-site users to engage in actions violating the terms of service. MC Data Plus also warned that the article could lead to disadvantages for users, including the suspension of their “GREEN-site” accounts, and requested Shelfy to remove the article.

(4) Around September 2020, MC Data Plus discovered instances where GREEN-site users had provided forms generated from GREEN-site or printed forms derived from those records directly to other companies, specifically RVSTA, Inc. (hereinafter referred to as “RVSTA”) for use in RVSTA’s labor safety service. In response, MC Data Plus aimed to caution GREEN-site users against engaging in similar activities. On October 7 of the same year, MC Data Plus published a notice on the portal screen of the “kensetsu-site series,” stating that such actions constituted a violation of the terms of service. Additionally, the company sent emails containing the same content as the notice to the users on three occasions: October 20, 23, and 28 of the same year.

* This announcement is a tentative translation.

Please refer to the original text written in Japanese for more details.