

Non-competition clause in the Czech Republic and in chosen states of the European Union

Resumé

The employee has a duty of faithful service and is obliged not to compete with his employer in the course of their labour relationship. Once the relationship has come to an end, the employer could have interest to protect his business and his proprietary rights, such as a trade secret, a secret process, confidential information or customer connections, since the disclosure of them by his ex-employee could damage his business and his position in the labour market. That is the reason why the contractual parties conclude the non-competition clause (or restrictive covenant) within a contract of employment (or within a special contract) whereby the employee undertakes that he will accept a restraint about where he works and for whom, for a period of time after he has left the employment relationship. Generally the employer has a duty to pay monetary compensation in order to compensate such a restraint of the employee.

The purpose of my thesis is primarily to provide readers with the legal background of basic principles related to the employee's duty of loyalty and prohibition of a concurrence in the course of the labour relation with his employer. Furthermore, to outline and describe the legal regulation of the non-competition clause among contractual parties. Both regulations will be described in the legal systems of the Czech Republic, France and England.

The thesis is composed of six coherent chapters. Chapter One is introductory and explains the meaning of the legal terms „concurrence“ and the „non-competition clause“ from the historical, general and economical point of view in the Czech legal system. Chapter Two is subdivided into four parts and describes the brief historical development concerning the Czech legislation of the employee's duty not to compete with his employer in the course of the employment, and the non-competition clause. The following part, Chapter Three, is composed of two main parts and examines the relevant Czech legislation of the employee's restraint during the employment, and the non-competition clause in the Labour Code. Chapter Four provides an outline of relevant regulation in France and contains two parts. Part One investigates the employee's duty of loyalty and the clause of exclusivity, whereas Part Two

deals with relevant French regulation of the non-competition clause. Following part of the thesis, Chapter Five, focuses on the regulation in England, being supported by relevant decisions issued by courts. This Chapter consists of two main parts, Part One illustrates the employee's duty of fidelity and duty of confidentiality, and explains the meaning of the Garden leave clause and the Springboard doctrine. The Second Part points out the restrictive covenant and its negotiation among contractual parties. The Last Chapter recommends changes to be made in Czech legislation related to the duty of employee's loyalty and the non-competition clause.

The legal comparison of the employee's duty of fidelity and the regulation of the non-competition clause in the Czech Republic, in France and in England, is drawn in the Conclusion.