

Summary

The aim of my thesis is to explain the meaning of the expression “*non-competition clause*” and to analyse its legal regulation in Czech labour law.

The reason why I chose this topic is that non-competition clause is a very dynamic subject with a lot of changes in a historical point of view as you can see above.

First of all, non-competition clause is an instrument of labour law which protects an employer against the abuse of the company’s confidential information, knowledge and other know-how by the employee. According to the Czech legislation, non-competition clause means a voluntary agreement between employer and employee whose purpose is to protect employer’s interests by reducing employee’s job opportunities which would have a competitive character to the employer after the determination of an employment with the employee.

There are several conditions need to be achieved in order to conclude a valid non-competition clause. For example, this contract needs to be agreed in writing. Secondly, the non-competition clause may be valid for only a certain period of time, not exceeding one year. Moreover, an employer is obliged to pay the employee some kind of a financial compensation every month. The amount of this compensation needs to be at least one average monthly salary of the employee.

This thesis is composed of five chapters, each of them dealing with different aspects of the topic. Chapter One is introductory and defines basic terminology used in the thesis, especially the expression of “*non-competition clause*”. In this chapter I also try to define other basic concepts which typically occur in connection with the non-competition clause and whose understanding is very useful and important for reading this thesis.

The following chapter analyses the non-competition clause in a historical point of view. According to that, we can see that the non-competition clause at the very beginning of the 20th century was a part of Czech labour law. However, after the Second World War there has been no competition between companies or between employers and employees because the only employer between 1948 and 1989 was basically a state. After the famous revolution in 1989 there has been a progress in a business atmosphere

which was connected with the renewal of the non-competition clause, both in commercial and labour law.

Chapter Three is focused on the current legislation of the non-competition clause in labour law. In Chapter Four I also briefly refer to the legislation of this instrument in commercial law. Chapter Five focuses on a comparison of Czech legislation and legislation in other European countries. The final chapter recommends changes to be made in Czech legislation in order to ensure effective functioning of the non-competition clause. In this chapter I also suggest several things need to be changed in a legal regulation of the non-competition clause.