

LEGAL ALERT

SELECTION OF LEGAL UPDATES

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Draft European Directive on Due Diligence in Business Sustainability (CSDD Directive): Corporate Responsibility for Supply Chains

This European directive establishes rules regarding the obligations of companies concerning the actual and potentially adverse impacts on human rights and the environment related to their own activities, the activities of their subsidiaries, and the activities of entities in the value chain with which the company has established a business relationship. In addition to the development and production of a product or the provision of services, this chain should also encompass the use and subsequent disposal of the product.

The proposed EU regulation also builds, among other things, on the EU's commitment to zero tolerance for child labor and efforts to ensure that the supply chains of companies in the EU do not exploit child labor.

Currently, the final form of the directive is being negotiated in the European Parliament as part of the submission of amendments.

Criteria for Determining the Employee's Regular Workplace: Can the Regular Workplace be Changed Unilaterally by the Employer?

The Supreme Court stated that if there are clear criteria for determining the employee's regular workplace according to the presumption set out in § 34a of the Labor Code (and the place of the employee's regular workplace was thus established), they can only be changed by amending the content of the employment contract, not by unilateral instruction from the employer designating a different place of work

from the employee's previous regular workplace.

The Supreme Court emphasized that the regulation of the regular workplace already takes into account that the practical realization of the employer's economic activity (operational needs) cannot be at the expense of the employees (thus it cannot be contrary to the principle that dependent work is performed at the expense of the employer). The Supreme Court further stated that if the place of the regular workplace was agreed upon in the employment contract as its optional content, such agreed place can only be changed by amending the content of the employment contract.

(according to the judgment of the Supreme Court of the Czech Republic, case no. 21 Cdo 2608/2023)

Possibility for Parties to Agree on a Longer Statute of Limitations

The Supreme Court stated in its judgment that the Civil Code does not prevent parties from agreeing on a longer statute of limitations for the right to claim unjust enrichment. Naturally, this is subject to the limitations arising from the provisions of § 630 of the Civil Code, as well as the general corrective content of legal acts.

The Supreme Court added that in light of the principles of autonomy of will and contractual freedom of the parties, the provision of § 630 of the Civil Code should be interpreted in such a way that the possibility for parties to agree on an extension of the statute of limitations is not limited solely to obligations arising from contracts, but can also be applied to obligations arising from other legal

reasons, within the limits established by § 630 of the Civil Code.

(according to the judgment of the Supreme Court of the Czech Republic, case no. 23 Cdo 2444/2023)

Rules regarding compensation for non-material damage remain unchanged.

At the end of March, the Constitutional Court dismissed a proposal to annul a part of the Civil Code concerning compensation for bodily harm and for impairment of social standing. The affected provision, § 2958 of the Civil Code, is deemed by the petitioner to be overly general, as it instructs judges to determine pecuniary compensation based on the somewhat indefinite concept of "principles of decency".

In 2014, the Supreme Court developed a methodology for compensating non-material damages, which is intended to provide judges with some guidance in determining compensation for pain and for impairment of social standing. However, this methodology is non-binding in nature, as affirmed by the Constitutional Court in the aforementioned decision, considering it a supportive rather than mandatory framework. The methodology is meant to serve as a sort of springboard for judges in determining the amount of compensation for pain and for impairment of social standing. As mentioned, the law leaves room for judges to make specific assessments in each individual case, stating that if such compensation cannot be easily determined (quantified), it shall be determined "based on principles of decency".

This methodology has been criticized by some judges and the public ombudsman for a long time. The petitioner, through their proposal to annul the relevant part of the Civil Code,

sought primarily to create space for new legal regulation.

Although the Constitutional Court has already expressed its opinion on this matter, the above remains a subject of debate, namely whether it is more appropriate to maintain the regulation in its current form, which allows judges discretion and consideration of specific circumstances when determining compensation, or to revert to the "previous" state, where this was directly stipulated by decree.

(according to the decision of the Constitutional Court of the Czech Republic, case no. Pl. ÚS 27/23)

Refusal to Provide So-called Futile Treatment to a Patient in the Terminal Phase of Treatment: Direct Discrimination or Not?

Refusing to provide additional medical care to a patient in the terminal phase of treatment, which is no longer medically indicated and only temporarily delays the moment of medically inevitable physical death, does not constitute a violation of equal treatment or the right to protection against discrimination on the grounds of disability. Therefore, the opinion that the failure to provide so-called futile treatment in the case of patients whose "revival" is deemed unnecessary due to an unfavorable overall prognosis constitutes direct discrimination cannot be upheld.

According to the Supreme Court, even invoking the prohibition of discrimination against persons with disabilities cannot compel a doctor to breach the obligation to provide medical care based on the best available knowledge, i.e., according to medical standards (*lege artis*), or violate the principles of medical ethics.

(according to the judgment of the Supreme Court of the Czech Republic, case no. 25 Cdo 1055/2023)

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