

Table of Contents

Preface	V
Préambule	VII
List of Contributors	IX

Part 1 Comparative Law & Unification of Laws

Complexity of Transnational Sources

Bea Verschraegen

A. Introduction	1
B. International Mandatory Law	6
C. Rules of Conduct	16
I. Introduction	16
II. Terminology	20
III. Austrian Case Law – Some Examples	26
D. Summary	30

Part 2 Civil Law

Austrian (Natural-)Catastrophe Law

Ferdinand Kerschner • Erika Wagner • Rainer Weiß

A. Introduction	37
B. Linguistic Definition: The Term »Catastrophe Damage« in Austrian Legal Terminology	37
C. Prevention	40
I. Creation of an integrated Catastrophe Prevention Concept	40
1. Division of Prevention Responsibility between State and Private Entities	40

2. The Priority of Passive Preventive Measures over Active Measures	41
3. Expansion and Reconciliation of Active Preventive Measures as a Supplement to and in Conjunction with Passive Measures	41
II. Division of Prevention Responsibility between State and Private Entities	42
III. Duty of Individuals to take Precautionary Measures	42
IV. Co-ordination of Planning Acts to Prevent Catastrophes from a Material and Formal Perspective ..	43
V. Improvements in the Water Resources Law 1959	45
VI. Improvements in the Forestry Law 1975	45
VII. Improvements in Regional Planning	46
VIII. Need for Supraregional Prevention of Natural Catastrophes	46
IX. Making Active Catastrophe Protection Effective	47
D. Defense	47
E. Liability for Natural Catastrophe Damage	49
I. Types of Liability for Natural Catastrophe Damage	49
1. Criminal Responsibility	49
2. Public Law Responsibility	49
3. Civil Law Responsibility	50
4. Labour Law Responsibility	52
II. Extent of Liability for Natural Catastrophes	52
III. Contributory Causes in Liability for Catastrophe Damage	53
IV. Admissibility of Class Actions	53
V. Admissibility of »Direct Claims« against the Insurer	54
VI. Extent of Compensation	54
VII. Exception of the Development Risk	55
VIII. Administrative accessoriness in Austrian Law	55
F. Insurability of Natural Catastrophe Damage	56
I. General	56
II. Treatment of Accumulated Losses	57
III. Important Risk Exclusions	58
1. Insurance of Persons	58
2. Property Insurance	59
IV. Catastrophe Funds	60

V.	Effects of Risk Concentration and Extent of the Risk on Insurance Contracts and Premiums	61
VI.	The Influence of Global Catastrophes on Legal Development	61
G.	Summary	62

Registered Partnership for Same-Sex Couples

Daphne Aichberger-Beig

A.	The Austrian Legal System	63
B.	Constitutional law cases regarding same-sex partnerships ...	65
I.	Marriage	65
1.	Case B 777/03, 12.12.2003	65
2.	Case B 1512/03, 14.10.2004	65
II.	Non-marital cohabitation	66
1.	Karner v. Austria	66
2.	Case G 87–88/05, 10.10.2005	66
C.	Law before 1.1. 2010	67
D.	Law since 1.1.2010	68
I.	Introduction	68
II.	Differences between the registered partnership and marriage	70
1.	Registration	70
2.	Surnames	71
3.	Personal rights and obligations	71
4.	Adoption	73
5.	Artificial Reproduction	73
6.	Stepchildren	73
7.	Termination of the Registered Partnership	74
8.	Private International Law	75
9.	Future Prospects	75

Part 3 Private International Law

The Austrian IPRG as a Recent Codification

of Private International Law

Christiane C. Wendehorst

A.	Introduction	79
I.	The Federal Law of 15 June 1978 on Private International Law (IPRG)	79
1.	Structure and content	80
2.	Historical development	80
II.	PIL outside the IPRG	82
B.	The »style« of Austrian PIL	83
I.	The guiding principle of the »strongest connection«.....	83
1.	The basic norm of IPRG § 1(1)	83
2.	The »strongest connection« test as a connecting factor	85
3.	The escape clauses in §§ 35 and 48	86
II.	Types of conflict rules	89
1.	The paradigm conflict rule	89
2.	Unilateral choice-of-law rules	89
3.	Règles d'application immédiate	90
4.	Mandatory rules in the field of consumer protection	92
III.	Conflicts justice versus material justice	93
1.	Content-oriented elements in Austrian PIL	93
2.	Critical assessment	96
C.	Standard problems of general PIL and their solution in Austria	98
I.	Classification	98
1.	Primary classification	98
2.	Secondary classification	99
3.	Dépeçage	99
II.	Incidental questions	100
III.	Ordre public	101
D.	Austrian policy decisions and Europeanization of PIL	103
I.	The personal law	103
1.	Natural persons: nationality principle	103
2.	The personal law of companies and other legal entities	104

II.	The role of parties' autonomy	105
1.	Contracts in the field of civil and commercial matters	105
2.	Non-contractual obligations	106
3.	Other issues	107
4.	Choice of law and arbitration clauses	108
III.	Filling the gaps of Rome I and Rome II	110
1.	Contractual obligations	110
2.	Non-contractual obligations	111
IV.	Renvoi	113
E.	Conclusions	114
	APPENDIX – Text of the IPRG	116

Part 4 Civil Procedure

Cost and Fee Allocation in Austrian Civil Procedure Law

Marianne Roth

A.	The Basic Rules: Who Pays?	133
I.	What is the basic rule of cost and fee allocation? Does each party bear its own costs or does the loser pay all? Are attorneys' fees and court costs treated differently? What is the principal justification for this rule?	133
II.	If the loser pays all, are all of the winner's costs and fees reimbursed or just a part (e.g., a reasonable amount)?	134
III.	Are there special rules for appeals? How are the additional costs and fees allocated?	134
IV.	Who pays for the taking of evidence, especially the costs of (expert and other) witnesses? Are such costs a significant factor in the overall costs of litigation?	134
V.	How are costs and fees typically allocated if the parties settle their dispute? What percentage of civil suits is typically settled?	135
B.	Exceptions and Modifications	136
I.	Are there exceptions (statutory or otherwise) to the basic rule (e.g., for specific kinds of situations, cases, or parties)?	136

II.	Are there any mandatory pre-litigation procedures (e.g., mandatory mediation) with an impact on cost and fee allocation?	136
III.	Are party agreements (in a contract) allocating costs and fees in case of litigation common? To what extent are such agreements enforceable (e.g., even against consumers)?	137
IV.	Are parties allowed to represent themselves? If they are, can they do so in all cases or only in some? How common is self-representation?	137
C.	Encouragement or Discouragement of Litigation	139
I.	Are the rules governing cost and fee allocation designed to encourage or to discourage litigation in general, or in particular kinds of cases?	139
II.	How much do parties (especially plaintiffs) typically have to pay up front, e.g., in the form of court costs (in court), as attorneys' fees (retainer), or as costs for taking evidence? Do up-front payment requirements have a deterrent effect on potential litigants?	139
D.	Determination of Costs and Fees	140
I.	What factors determine the amount of court costs – the type of court, the amount in dispute, or other factors?	140
II.	Are attorneys' fees determined by statute (schedule), or by the market? If determined by statute, are the rates binding, or can clients and their attorneys agree to increase or decrease them? If determined by the market, what are the main criteria?	140
III.	Who finally determines the concrete amount to be awarded to the party/parties? Does the decision-maker have discretion? What form does the decision take (integral to the judgment, separate court order, etc.)?	141
E.	Special Issues: Success-Oriented Fees, Class Actions, Sale of Claims, and Litigation Insurance	142
I.	Are success-oriented fees allowed – in particular, contingency fees (a percentage of the sum won), no win-no fee arrangements, success premiums (higher fees in case of a victory), or other fees	

depending on the outcome of the litigation? If allowed, are such fees a recent development (since when), are they regulated by law (e.g., capped), does the loser have to pay the enhanced (success) fee? Are such fees common across the board or in particular cases only?	142
II. Is it permissible to sell claims for purposes of litigation (i.e., can a plaintiff subrogate his claim to an attorney, a law firm, or an entrepreneur who finances the litigation and thus assumes the litigation risk)?	142
III. Are there special rules for class actions, group litigation, or other types of lawsuits (e.g., actions brought by consumer organizations)?	143
IV. Can one insure against the costs (including fees) of litigation, such as by buying specific litigation insurance or by buying coverage in other policies (e.g., automobile liability or homeowners insurance)? Is such insurance common? How does it work in practice?	144
F. Legal Aid	145
I. Is there a publicly funded legal aid system? If so, how does it generally work (through financial support, court-appointed counsel, or otherwise)?	145
II. Is there privately organized help for indigent or other clients (e.g., through pro bono work)?	145
III. Is legal aid generally available to all parties in need, or is it awarded/available selectively?	146
IV. Are litigation costs and fees considered a serious barrier excluding certain parties from access to justice?	146
V. Are litigation costs a barrier to bringing certain kinds of cases (e.g., because the amount in controversy is too low to make litigation economically feasible)?	146
G. Examples	147
I. Please state, or provide a good faith estimate of, the sum total (for each party) of costs and fees of litigating a routine private or commercial case (e.g., contract, tort, or property) to final judgment in a court of first instance	147

II.	If a plaintiff loses a \$ 100,000 claim after litigation, what would his/her cost and fee liability roughly be? ...	149
III.	If a defendant loses a \$ 100,000 claim after litigation, what would be a rough estimate of his/her cost and fee liability?	149
H.	Current Developments and Future Perspectives	149

Class Actions

Walter H. Rechberger

A.	Introduction	151
B.	Traditional civil procedural devices	151
	I. Joinder	151
	II. Consolidation of cases	153
	III. Prozessstandschaft	154
C.	Representative actions	156
	I. Action on behalf of collective interests (<i>Verbandsklage</i>)	156
	II. Test case (<i>Musterprozess</i>)	159
	III. Prerequisites for actions by representative bodies	161
D.	The Austrian model of the class action (<i>Sammelklage österreichischer Prägung</i>)	162
E.	»Group Litigation« as envisaged	166
	I. The way to the draft bill	166
	II. Main content of the draft bill	167
F.	Collective remedies at European Union level	170
G.	General issues in regard to mass proceedings	171
	I. Right to be heard and res iudicata	171
	II. »Opt-in« vs »opt-out« debate	174
	III. Jurisdiction	174
	1. Jury trial	175
	2. Forum shopping	175
	IV. Case management	175
	1. Preliminary decisions	176
	2. Expert evidence	176
V.	Duty to disclose	177
VI.	Review proceedings	178
VII.	Enforcement	179

VIII.	Regulation as to costs	180
1.	Contingent fees	180
2.	Legal aid	181
3.	Security for Costs	182
IX.	Recoverable damages in mass proceedings	182
1.	Quantification of damages	183
2.	Punitive damages	184
3.	Division among the class/group members	184
X.	Class action in the context of criminal proceedings	184
XI.	Time limits	185

Part 5 Commercial Law

Insurance Contract Law between Business Law and Consumer Protection in Austria

Martin Schauer

A.	Economic aspects	189
I.	Economic importance of consumer insurance and business insurance	189
II.	Expectations for further developments	190
B.	Academic perception of the field	191
I.	Insurance law as part of academic education	191
II.	Insurance law in the field of academic publications	192
1.	Insurance contract law	192
2.	Insurance supervisory law	192
III.	Insurance law in the field of academic research	192
C.	Procedural aspects	193
I.	Insurance law and court organisation	193
II.	Dispute resolution in consumer cases	193
III.	Availability of pre-emptive actions (injunctions) and class actions	194
IV.	Activity of the supervisory agency with regard to commercial and consumer insurance	195
D.	Legislation	195
I.	Statutory law	195
II.	Application of the Insurance Contract Act to commercial and consumer insurance	196

E.	»Consumer« and »Commercial« risks	197
I.	Distinction between »consumer« from »commercial« risks?	197
II.	Protection for the policyholder with regard to various kinds of risks	198
F.	Substantive aspects	199
I.	Protection of the policyholder with regard to special areas of insurance contract law	199
1.	Precontractual information	199
2.	Delayed payment of the premium	200
3.	Exclusion clauses in general conditions of insurance	201
4.	Termination of contract	202
II.	Instruments of protection in consumer insurance law ..	203
III.	Relevance of consumer policy	207

Part 6 Intellectual Property

Conflict of Laws in Intellectual Property: An Analysis of Rome I, Rome II and domestic Austrian conflict rules

Thomas Petz

A.	Introduction	211
B.	The law applicable to intellectual property rights	212
I.	Introduction	212
II.	The law applicable to the infringement of intellectual property rights (Rome II)	214
1.	The general rule of the <i>lex loci damni</i> and the special rule of the <i>lex loci protectionis</i>	214
2.	The main differences between the general rule and the special rule	215
3.	The law applicable to contracts relating to intellectual property rights (Rome I)	220
4.	The law applicable to the property aspects of intellectual property rights	231
5.	Choice of law	246
C.	Case studies	251
I.	Principle of territoriality	251

1.	The application of Austrian patent law to infringing activities that occur abroad	252
2.	The application of foreign patent law to infringing activities in Austria	256
II.	Infringement of intellectual property rights	259
1.	Direct infringement	259
2.	Contributory infringement	260
	3. Ubiquitous infringement	265
III.	Applicable law to initial ownership	267
1.	Initial ownership of a patent	267
2.	Initial Ownership in case of a joint collaboration ...	271
3.	Initial authorship and initial title to trademark	274
4.	Reasonable compensation for use in several countries	277
IV.	The law applicable to the transfer of rights agreements	278
1.	Enforceability of a choice of law clause	278
2.	Transferability	281
	3. Absence of choice of law	282

Part 7 Public International Law

International Law in the Austrian Legal System

Elisabeth Handl-Petz

A.	Constitutional texts	287
I.	Constitutional provisions referring to international treaties	287
	1. Article 3, paragraph 2 Federal Constitution	288
	2. Article 9, paragraph 2 Federal Constitution	288
	3. Article 10 Federal Constitution	290
	4. Article 14, paragraph 10 Federal Constitution	291
	5. Article 16 Federal Constitution	291
	6. Article 18, paragraph 1 and 2 Federal Constitution ..	294
	7. Article 48 Federal Constitution	294
	8. Article 49, paragraph 2 Federal Constitution	294
	9. Article 49a Federal Constitution	296
	10. Article 50 Federal Constitution	296

11. Article 65, paragraph 1 Federal Constitution	300
12. Article 66, paragraph 2 and 3 Federal Constitution ..	301
13. Article 67 Federal Constitution	302
14. Article 89 Federal Constitution	302
15. Articles 130 and 131 Federal Constitution	303
16. Article 139 Federal Constitution	303
17. Article 139a Federal Constitution	304
18. Article 140 Federal Constitution	304
19. Article 140a Federal Constitution	304
20. Articles 144 and 144a Federal Constitution	306
21. Article 145 Federal Constitution	306
22. Article 149, paragraph 1 Federal Constitution	307
II. Constitutional provisions referring to customary international law	307
III. Constitutional provisions referring to other sources of international law	307
IV. Constitutional provisions calling for the application of international law	309
V. References to international law in the constitutions of the Constituent States	309
VI. Constitutional provisions addressing authority over matters concerning international law	310
1. Division of authority between federal and state level	310
2. Division of authority between the branches of federal government	312
B. »State Treaties«	314
I. Definition of »State Treaty«	314
II. Constitutional procedures for the conclusion of international treaties	316
III. Acceptance of treaties into domestic law	318
IV. Doctrine of self-executing treaties	320
V. Invocation and enforcement of treaties in litigation by private parties	322
1. Public law litigation	322
2. Private law litigation	324
VI. Treaty interpretation	325
VII. Role of courts in relation to treaty reservations	325
VIII. Relevance of treaties to which Austria is not a party	326

C. Customary international law	327
I. Incorporation of customary international law	327
II. Application of customary international law by courts ...	327
III. Role of the executive branch in determining the existence/content of customary international law ...	328
IV. Burden of proof concerning customary international law	329
V. Primary subject areas of customary international law application/invocation	329
D. Hierarchy	330
I. Rank of customary international law and international treaties	330
1. The Austrian hierarchy of legal norms	330
2. Customary international law in the Austrian hierarchy of legal norms	331
3. International treaties in the Austrian hierarchy of legal norms	331
II. Reconciling domestic law with international law	332
III. Doctrine of <i>jus cogens</i>	333
IV. Role of international law in the interpretation of constitutional provisions	334
V. Courts and the recognition of a higher status of specific parts of international law	334
E. Jurisdiction	335
I. Universal criminal jurisdiction	335
II. Universal civil jurisdiction	337
F. Other international sources	340
I. Role of non-binding texts in interpreting domestic law ..	340
II. Enforcement of decisions of international courts/tribunals	340
III. Enforcement of decisions/recommendations of non-judicial treaty bodies	341

Part 8 Constitutional Law

Constitutional Courts as »Positive Legislators«

Konrad Lachmayer

A.	Introduction: Constitutional Justice in Austria	345
B.	Brief Description of the Judicial Review method applied in Austria	346
	I. Introduction	346
	II. Access to constitutional justice	348
C.	Judicial Questions on Matter of Judicial Review	350
	I. Judicial decisions on judicial review	350
	II. Effects of judicial decisions on constitutional matters ..	351
D.	Important developments and decisions of the Constitutional Court	353
	I. Developing the contents of the fundamental principles of the Austrian constitution	353
	II. Concrete Guidelines for the legislator	354
	III. Creating Constitutional Systems	355
	IV. Principle of equality	357
E.	Conclusion – Opening up constitutional potentials and value-based judgments	357

Constitutional Court of the Slovak Republic as »Positive Legislator« when applying and interpreting the Constitution

Ján Svák · Lucia Berdisová

A.	Introduction.....	359
B.	Interpretation of the Constitution	361
C.	Abstract control of constitutionality	363
D.	Concrete control of constitutionality	368

Part 9 Tax Law

Comparative Regulation of Corporate Tax Avoidance

Sabine Kirchmayr

A.	General Legal Framework	377
B.	Enforcement of Corporate Income Tax	378
C.	Tax Mitigation	380
D.	Tax Evasion	381
E.	Tax Avoidance	382
	I. The Relevant Provisions of Corporate Tax Avoidance	382
	II. General Anti Abuse Regulation: Sec 22 TPA	382
	1. General	382
	2. Example: Shell Companies	383
	III. Specific anti-abuse provision: switch-over for dividends covered under Sec 10(4) CITA	385
	IV. 4. Specific anti-abuse provision: switch-over for portfolio dividends under Sec 10(5) CITA	386
V.	Anti-Abuse Relations and EC law	386
	1. Legal background	386
	2. The concept of abuse as developed by the ECJ	387
	3. General anti-abuse provision under Sec 22 BAO and EC law	388
	4. Specific anti-abuse provisions and EC law	389
VI.	Anti-abuse Regulations and Double Tax Treaties	392
F.	Miscellaneous	394
	I. Penalties	394
	1. Tax Evasion	394
	2. Other »Penalties«	394
	II. Statutory Interpretation/Substance Over Form Clause ..	395
	III. Specific Disclosure Requirements	395
	IV. Professional Responsibility	396
	V. Tax Shelter	396