

spectively devote their entire time to the business of plaintiffs, and that they should not engage their services or be interested directly or indirectly with any other company, firm, or person, carrying on a similar business to that of the plaintiffs, and in the event of their so doing it was a provision of the contracts that the same might be immediately terminated at the option of plaintiffs. Defendant Hoose was assistant foreman of the machine shop.

The defendant company was incorporated under the laws of the Dominion of Canada; the defendants other than Hoose are members and directors of the same, Trout being vice-president, King managing director, and Archibald secretary-treasurer.

Plaintiffs and their predecessors in title first introduced the loose leaf system of book and account keeping in Canada, and have spent large sums in perfecting and protecting the same and for special machinery and tools to turn out the same, and in procuring customers for their product, the result of which has been to build up a large business connection throughout Canada.

Defendant King, as head of his department, became intimately acquainted with plaintiffs' business, the cost of manufacture, list of customers, and the profits of the business. Defendants King, Trout, Harcourt, and Archibald also had knowledge of plaintiffs' list of customers in Toronto; all of which knowledge was of a confidential character, and not to be communicated to third parties or used against plaintiffs' interests. The machinery and appliances used by plaintiffs in turning out their product are of a special character, devised and made for the purpose. Defendants Baird and Hoose had full knowledge of this and of the special tools to make the same, and they perfectly well understood this knowledge to be of a private and confidential nature.

Defendants King, Baird, Harcourt, Trout, and Archibald, during the early part of 1905, and while in the employment of plaintiffs, decided to form a new company and carry on a business similar to that of plaintiffs, and the time and manner and object of their doing so gave rise to this action.

It is charged that during February, March, April, and May, and the early part of June, 1905, the defendants, other