

it is founded, and the various phases of its development. The circumstances which gave rise to the case were as follows: The defendant, being interested in several businesses, including that of a manufacturer of guns and ammunition, sold the latter business, with several patents for invention, to a limited company in 1886, whose business was in 1888 taken over by the plaintiffs, another limited company; and the plaintiff company had entered into an agreement with the defendant, whereby he was to act as their managing director at a fixed salary, the defendant, who was then 46 years of age, covenanting that he would not, during the twenty-five years from the date of the incorporation of the company, if it should so long carry on business, engage, except on behalf of the company, either directly or indirectly, in the trade or business of a manufacturer of guns or ammunition, or in any business competing or liable to compete in any way with the plaintiffs' business; but other businesses in which the defendant was interested were excepted from the restriction. Under this agreement the defendant acted as managing director of the plaintiff company until 1890, when he ceased to be such director, and he afterwards joined a rival gun and ammunition company. The present action was brought for an injunction to restrain the defendant from so acting. Romer, J., held that the restriction was unreasonable, and therefore void; but the Court of Appeal (Lindley, Bowen, and Smith, L.JJ.) unanimously reversed his decision. That court held that the covenant was severable, and as far as it related to the manufacture of guns and ammunition was valid, though unlimited as to space, because the covenant was part of a transaction for securing for an English company the inventions and business of a foreigner, and therefore tended to encourage trade in England: and the covenant, as restricted to the manufacture of guns and ammunition, was not wider than was reasonably necessary for the protection of the interests of the covenantor. After an elaborate review of the authorities, Bowen, L.J., thus sums up the result of them: "General restraints, or, in other words, restraints wholly unlimited in area, are not, as a rule, permitted by the law, although the rule admits of exceptions. Partial restraints, or, in other words, restraints which only involve a limit of places at which, of persons with whom, or of modes in which, the trade is to be carried on, are valid when made for a good consideration, and where they do not extend further than is necessary for the reasonable