

**RESTRAINT OF TRADE—REASONABLENESS OF COVENANT—PUBLIC POLICY.**

*Underwood v. Barker* (1899) 1 Ch. 300, is an action brought to restrain the breach of a covenant in restraint of trade, whereby the defendant warranted that he would not, for the space of twelve months after leaving or being dismissed from the plaintiffs' employment, enter the service of anyone carrying on a business of the same nature as the plaintiffs' in the United Kingdom, France, Belgium, Holland, or Canada. The defendant having quitted the plaintiffs' employment, within twelve months entered the service of a firm in England carrying on a like business to that of the plaintiffs. The majority of the Court of Appeal (Lindley, M.R., and Rigby, L.J.,) thought the covenant was valid and not contrary to public policy, so far as England was concerned, and affirmed the interlocutory injunction granted by Kekewich, J. Williams, L.J., however, dissented, being of opinion that the covenant was unreasonable and invalid, and ought not to be enforced by injunction. The majority of the court lay it down that a covenant of this kind which is not wider than is reasonably required for the protection of the covenantee, will not be held void on the ground of its being contrary to public policy, unless some specific ground therefor is made out; whereas, Williams, L.J., maintained that the old rule is still in force that all covenants in restraint of trade are *prima facie* (if there is nothing more) contrary to public policy and void, and that in considering the legal effect of such covenants, their effect as a matter of public policy must be taken into account, in addition to the question of their reasonableness for the protection of the covenantee. Notwithstanding Lord Justice Williams to the contrary, the modern cases seem to have made considerable inroads upon the ancient doctrine.

**MORTGAGE—SUBJECT TO LEASE—SURRENDER OF LEASE TO MORTGAGOR—GOODWILL OF BUSINESS—LOCKE KING'S ACT (17 & 18 VICT. C. 113) — (R.S.O. C. 128, s. 37.)**

*In re Bennett, Clarke v. White* (1899) 1 Ch. 316, was a summary application to the court (North, J.) on a point arising in the administration of an estate. The testator had in 1871 mortgaged a public house in fee to secure £1,507. The mortgagor was then the owner in fee of the premises subject to a lease for 31 years, and as underlessee he was at the time of the mortgage occupying the premises and carrying on business as a licensed victualler. The