2. Suppose that the Y Company knew the facts in the case or paid no value for the secret. Would there be any remedy against them?

The proper solution of any of these problems involves a consideration of the nature of a trade secret.

A trade secret consists of information which is valuable because it is known only to a few. The term, in its broader interpretation, may include a secret process, recipe, or formula; a list of customers, the contents of a book upon which no copyright has been obtained, or even private information as to stock quotations.

It has been established by a reputable line of decisions in this country, beginning with *Peabody* v. *Norfolk*, that a trade secret is property. In that case the Massachusetts court, citing the English cases of *Yovatt* v. *Wingard*, and *Morrison* v. *Moat*, held that one who invents or discovers and keeps secret a process of manufacture whether or not a proper subject of patent, has in it an exclusive property which a Court of Chancery will protect against anyone who, in violation of contract and in breach of confidence, undertakes to apply it to his own use or to disclose it to third persons. This idea has been consistently followed in the later cases cited elsewhere in this article.

Likewise, it has been held that a trade secret is the proper subject of sale and that the sale of the secret carries with it the right of protection against disclosure.

Again, a contract to convey a trade secret is one which will be specifically enforced in equity. In cases of this kind the question is often raised as to whether contracts entered into by the seller not to disclose, etc., are in restraint of trade. It seems to have been well settled that such a contract cannot be attacked on that score. Nor is such a contract by an employee contrary to public policy.

Part I.—Being property of a peculiar kind, for the loss of which money damages would be inadequate and hard to estimate, it would seem to follow that a confidential agent or