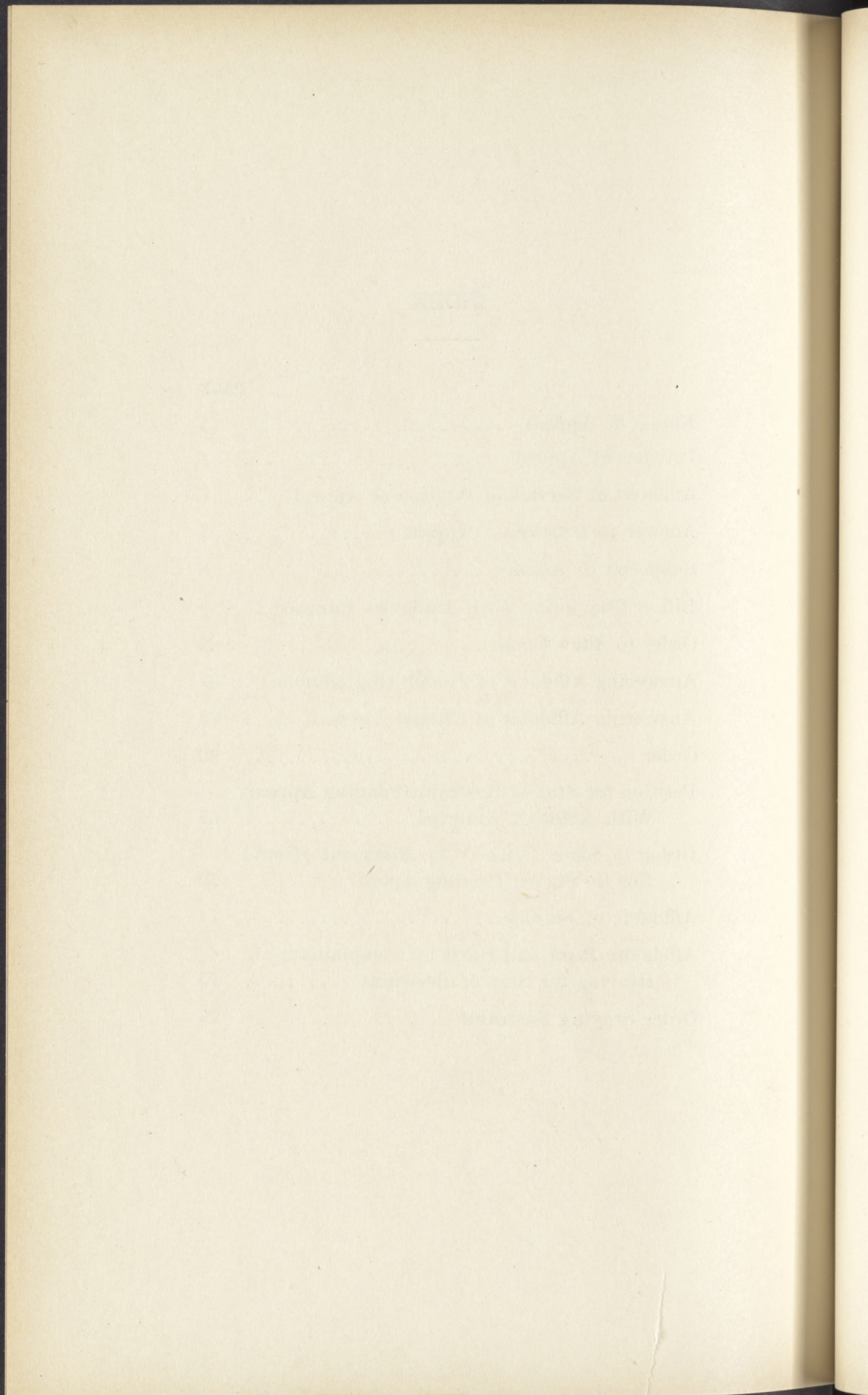


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Notice of Appeal.

(Filed January 4th, 1930.)

77/38

IN CHANCERY OF NEW JERSEY

Between	}	On Bill etc.	10
IDEAL LAUNDRY COMPANY,			
a corporation,			
Complainant,			
and			
JOSEPH GUGLIELMONE,			
Defendant.			

The defendant, Joseph Guglielmone, hereby appeals from the interlocutory decree and order made in the above entitled cause on the 2nd day of January, 1930, by the Chancellor on the advice of Vice Chancellor James F. Fielder, and from the whole and every part thereof, to the Court of Errors and Appeals in the last resort in all causes. 20

Dated, January 3rd, 1930.

LICHTENSTEIN, SCHWARTZ & FRIEDENBERG,
Solicitors for and of counsel with Defendant.

I conceive there is good cause for appeal in the above entitled cause. 30

HARRY SCHWARTZ,
Of counsel with Defendant.

Service of a copy of the within notice of appeal is hereby acknowledged, this 3rd day of January, 1930.

WOLBER & GILHOOLY,
Solicitors for and of counsel with Complainant. 40

Petition of Appeal.

(Filed January 15th, 1930.)

NEW JERSEY COURT OF ERRORS AND APPEALS.

10

Between

IDEAL LAUNDRY COMPANY,
Complainant-Appellee,

and

JOSEPH GUGLIELMONE,
Defendant-Appellant.

On Appeal
from the Court
of Chancery.

20

To the Honorable The Court of Errors and Appeals in the Last Resort in All Causes:

The petition of Joseph Guglielmone, the appellant in the above entitled cause, respectfully shows that:

30

1. Petitioner finds himself aggrieved by an interlocutory order made in the Court of Chancery by his Honor Edwin Robert Walker, Chancellor of the State of New Jersey, on the advice of Honorable James F. Fielder, Vice Chancellor, bearing date January 2nd, 1930, in a certain cause in said Court of Chancery wherein the said Ideal Laundry Company, a corporation, was complainant, and the said Joseph Guglielmone was defendant, in this respect, to wit: that the said order adjudges that until the final hearing of the said cause in Chancery, or the further order of the said Court of Chancery, the said defendant, Joseph Guglielmone, desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or

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otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire counties of Hudson and Bergen, in the State of New Jersey.

2. The said order was made pursuant to an Order to Show Cause dated December 10th, 1929, which, among other things, ordered the defendant, Joseph Guglielmone, to show cause before the Chancellor, at the Chancery Chambers in the City of Jersey City, why an order should not be made enjoining and restraining him, pending the determination of said cause and the further order of said Chancery Court, from entering into, managing, engaging in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, either as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire counties of Hudson and Bergen, in the State of New Jersey.

3. And petitioner appeals from the said order of the Chancellor dated January 2nd, 1930, which decrees as aforesaid, upon the ground that the same is erroneous in the following respects:

(a) Said decree adjudges "that until the final hearing of the said cause in Chancery, or the further order of the said Court of Chancery, the said defendant, Joseph Guglielmone, desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire

Petition of Appeal.

Counties of Hudson and Bergen, in the State of New Jersey," whereas, said decree ought to have been, that until the final hearing of the said cause in Chancery, or the further order of the said Court of Chancery, the said defendant, Joseph Guglielmone, is not so commanded to desist and refrain
10 from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey.

(b) Said decree adjudges "that until the final
20 hearing of the said cause in Chancery, or the further order of the said Court of Chancery, the said defendant, Joseph Guglielmone, desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of
30 New Jersey," whereas, said decree ought to have been, that the defendant, Joseph Guglielmone, is permitted and allowed to enter into, manage, engage himself in, concern himself in, operate or conduct, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey.

(c) Said decree adjudges "that until the final
40 hearing of the said cause in Chancery, or the fur-

Petition of Appeal.

ther order of the said Court of Chancery, the said defendant, Joseph Guglielmone, desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey," whereas, said decree ought to have been, that the said Order to Show Cause dated December 10th, 1929, above-mentioned, be, and the same is thereby, discharged. 10

Petitioner, therefore, prays that the said Order of the Chancellor dated January 2nd, 1930, may be wholly reversed, set aside and for nothing holden, and that your petitioner may have such other relief in the premises as to this court shall seem proper. 20

LICHTENSTEIN, SCHWARTZ & FRIEDENBERG,
Solicitors for and of Counsel
with Defendant-Appellant.

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Affidavit of Service of Petition of Appeal.

(Filed January 17th, 1930.)

**NEW JERSEY COURT OF ERRORS AND
APPEALS.**

10	Between IDEAL LAUNDRY COMPANY, Complainant-Appellee, and JOSEPH GUGLIELMONE, Defendant-Appellant.	}	On Appeal from the Court of Chancery.
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State of New Jersey, }
 County of Hudson, } ss. :

20 Joseph N. Fisher, of full age, being duly sworn according to law, upon his oath deposes and says:

1. I am a clerk in the employ of Lichtenstein, Schwartz & Friedenbergs, solicitors for and of counsel with defendant-appellant in the above-entitled cause.

30 2. On January 16th, 1930, at 10:50 A. M., I served upon Wolber & Gilhooly, Esqs., solicitors for the complainant-appellee in the above-entitled cause, a copy of the Petition of Appeal of Joseph Guglielmone, the appellant in the above-entitled cause, by serving the same upon John H. Yauch, Jr., Esq., who was then in charge of the office of the said Wolber & Gilhooly, Esqs., at Nos. 901-905 Prudential Building, 763 Broad Street, Newark, New Jersey.

JOSEPH N. FISHER.

Sworn to and subscribed before me
 this 16th day of January, 1930.

40 ~~MATTHEW~~ RICHARD W. GUTHEIL,
 Notary Public of New Jersey.

Answer to Petition of Appeal.

(Filed January 23rd, 1930.)

NEW JERSEY COURT OF ERRORS AND
APPEALS.

Between

IDEAL LAUNDRY COMPANY,
Complainant-Appellee,

and

JOSEPH GUGLIELMONE,
Defendant-Appellant.On Appeal
from the
Court of
Chancery.

10

The answer of Ideal Laundry Company, a corporation, the above-named appellee, to the Petition of Appeal of Joseph Guglielmone, the above named appellant.

20

This appellee, not admitting the truth of all or any of the matters in the said petition of appeal contained, for answer thereto, nevertheless, admits that as Interlocutory Order was upon the 2d day of January, 1930, made and entered in the Court of Chancery of New Jersey in the above entitled cause for the purposes in said petition mentioned and as therein set forth; but as to the substance and form of said Interlocutory Order this appellee begs leave to refer thereto when the same shall be produced.

30

This appellee is advised and believes that the said order is agreeable to equity; and it prays that the same may be affirmed with costs to be taxed in favor of this appellee.

WOLBER & GILHOOLY,
Solicitor of Complainant-Appellee.

MERRITT LANE,
Of Counsel.

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Subpoena to Answer.

(Filed December , 1929.)

NEW JERSEY, to wit:—The State of New Jersey
to JOSEPH GUGLIELMONE.

10 GREETING: Whereas a bill of complaint has
lately been exhibited against you in our Court of
Chancery by IDEAL LAUNDRY COMPANY, to be re-
lieved touching the matters therein contained;

20 THEREFORE WE COMMAND YOU, if you in-
tend to make a defense, that you file an answer to
said bill in the office of the Clerk of our said Court
at Trenton, on or before the expiration of twenty
days from and after the twentieth day of Decem-
ber, 1929, and in default thereof such order or de-
cree will be made against you as the court shall
think equitable and just.

WITNESS, his Honor, Edwin Robert Walker,
Chancellor of our said State, at Trenton, the tenth
day of December, in the year of our Lord, One thou-
sand nine hundred and twenty-nine.

WOLBER & GILHOOLY, Sol'r.

30

FERD. GARRETSON,
Clerk.

A True Copy,

WILLIAM V. O'DRISCOLL,
Sheriff.

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Bill of Complaint with Affidavits Annexed.

(Filed December 10th, 1929.)

IN CHANCERY OF NEW JERSEY.

To his Honor, Edwin Robert Walker, Chancellor
of the State of New Jersey :

Complainant, Ideal Laundry Company, a corporation organized and existing under the laws of State of New Jersey, having its principal office at No. 517-527 Palisade Avenue in the City of West New York and County of Hudson and State of New Jersey, respectfully shows :

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1. It is and has been for the past 23 years engaged in the general laundry business throughout the Counties of Hudson and Bergen in the State of New Jersey.

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2. Since its organization your orator has established and developed methods of doing business by creating various departments within its establishment for the performance of different kinds of work such as "Float-ironed Department," "Rough Dry and Thrift Department," "Washing Department," "Ideal Ironed Department" and that it places in charge of the various departments a floor supervisor and assistant floor supervisor.

30

3. That on or about July 1st, 1926, your orator employed one Joseph Guglielmone as a wrapper at a salary of Twenty five (\$25.00) Dollars a week and on or about May 23rd, 1927, the said Joseph Guglielmone was appointed as an assistant floor supervisor of the "Float-ironed Department" at a weekly salary of Thirty five (\$35.00) Dollars and that from that time to the present date his salary

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Bill of Complaint with Affidavits Annexed.

was consistently raised until he was receiving the sum of Forty three (\$43.00) Dollars a week on or about November 25th, 1929, and had been given notice that his salary would be raised on January 1st, 1930, to Forty eight (\$48.00) a week.

10 4. In the "Float-ironed Department" by your orator at the times hereinafter stated, were employed eighty two (82) persons engaged in the operations conducted within said department which involved a combination of machinery, personal knowledge and skill and the use of machinery especially adapted to the work performed within said department which is assembling, preparing for machinery, machine ironed, hand retouching, finished assembly, control, packing and conveying
20 to deliver department of a highly specialized laundry service.

5. The work performed within the "Float-ironed Department" aforesaid is such that a delay or interference with the performance of its work would seriously affect the smooth running of the entire plant of your orator.

30 6. That through years of experience it has developed means and methods of doing business with said "Float-ironed Department" and the other departments which it maintains which are unique and known only to it and which is specialized in by it. Such methods and means of doing business were perfected through great expense and effort and by a combination of the service of the officers of your orator and a graduate civil engineer and a force of skilled craftsmen who set up such means and methods of carrying on the work of the "Float-ironed Department" and other departments.
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Bill of Complaint with Affidavits Annexed.

7. Your orator shows that during the last fiscal year it expended a sum of approximately \$20,000.00 in improving its methods of doing business in the "Float-ironed Department" and its experience in attempting to perfect methods of doing business have covered a long period of years and have been very costly and on the average has involved an annual expenditure of about \$20,000.00, and that such experiments not only involved the use of highly paid help, but also the use of a considerable quantity of goods and materials and experiments with machinery and specially designed conveying equipment. 10

8. The improvement in the methods and processes used in the operation of the "Float-ironed Department" was gradual and has at this date reached a high state of development and the sum total of all these improvements in the "Float-ironed Department" and other departments was and is that your orator is able to produce a process of complete laundry service more quickly, better and cheaper by far, than by its competitors. The methods developed and practiced by your orator are peculiarly a secret process. 20

9. The methods and processes of performing the work of the "Float-ironed Department" of your orator is known to the officers of the company, supervisors, assistant supervisors and plant superintendent and the persons employed in the aforesaid capacities were acquainted with the various improvements developed from time to time in the conduct of the various departments and of the unique and secret methods in use in the establishment of your orator and the persons engaged in the capacity of assistant floor supervisors were often cautioned of the necessity for the requirement of secrecy and 30
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Bill of Complaint with Affidavits Annexed.

that the methods of your orator of doing business be not divulged and it was known to them that the processes employed by your orator were unique and different from that used in other establishments.

10 10. In order to have an employee qualify for a position as an assistant floor supervisor of the "Float-ironed Department" it was necessary to give him personal instructions concerning the various phases of the department and one of the management of your orator is required to spend considerable time with him, and to go into full detail of every operation in divulging its secret and unique methods and allowing said employee to become fully familiarized with any subsequent improvements and changes and said employee is permitted to attend meetings of all supervisors and assistant supervisors when held, at which time the policies and methods of the conduct of the business of your orator are discussed in full and said employee also has access to the records of the particular department which he is supervising showing its cost of operation and efficiency.

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30 11. In view of the facts aforesaid and in order to more fully protect it your orator enters into contracts with its employees of the nature of the contract, a copy of which is hereto annexed, and made a part hereof, and which said contract was made between complainant and the defendant Joseph Guglielmone.

40 12. On or about the 28th day of September, 1928, the said complainant, as a condition for the continuance of the said Joseph Guglielmone in its employ and in consideration thereof made a contract, a copy of which is hereto annexed and made a part hereof and in pursuance of which said contract the

Bill of Complaint with Affidavits Annexed.

said defendant agreed that he would not in the event of the termination of said contract for any cause whatsoever enter into, manage, engage, concern himself, operate or conduct, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant, within the entire Counties of Hudson and Bergen in the State of New Jersey, for a term of two years from the date of the termination of said agreement. 10

13. In pursuance of said contract the said Joseph Guglielmone was employed by complainant as an assistant floor supervisor in charge of the "Float-ironed Department" until November 25, 1929, when he voluntarily resigned his employment with complainant. Almost immediately the said defendant went to work for the Holland Laundry, a corporation of the State of New Jersey and is at the present time working for that company in a similar capacity as he was employed by complainant. 20

14. The Holland Laundry is a competitor of complainant and has its plant at No. 807 Garfield Avenue, Jersey City, and is engaged in the general laundry business over the same territory covered by complainant. The businesses are identical and there is keen competition between the two companies. 30

15. Your orator shows that by reason of the employment of defendant by it in the capacity as an assistant floor supervisor and placing absolute faith and trust in the said defendant he was allowed to have free hand in the running of his department and given the fullest information of a confidential nature of complainant's business methods and especially in connection with the operation of the 40

Bill of Complaint with Affidavits Annexed.

“Float-ironed Department” in which he was in charge and that by virtue of his said employment there was confided to him the various processes and methods used by complainant in the conduct of its business as hereinbefore set forth, and that if the said defendant is permitted to continue at work in
10 the establishment where he is working at present to wit: the Holland Laundry Company, a corporation, that the value of its secret processes and methods of conducting business will be greatly destroyed because the value of said methods and processes to complainant lies in the fact that it will no longer have the advantage over said competitor afforded it by the conduct of its business pursuant to said methods and processes which resulted in an
20 efficient and economical operation and that such harmful result will occur to complainant if the said defendant is permitted to continue in the employ of said competitor and make available the information obtained by him while in the employ of complainant which should be held by him in confidence in accordance with equity and good conscience; and that the said defendant Joseph Guglielmone is using such information in violation of his said contract and that it is absolutely impossible for complainant to determine the amount of the damage
30 sustained thereby and that unless said defendant is restrained by this court that further and irreparable damage will be suffered by this complainant which will be irreparable.

Complainant is without adequate remedy in the courts of law and therefore prays:

1. That Joseph Guglielmone, who is the defendant to this suit, may answer this bill of complaint
40 and each statement therein made, but without oath.

Bill of Complaint with Affidavits Annexed.

2. That the defendant Joseph Guglielmone, may be enjoined and restrained for a period of two years, after the 25th day of November, 1929, from entering into, managing, engaging, concerning himself, and operating and conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant, in the entire counties of Hudson and Bergen in the State of New Jersey. 10

3. That the defendant Joseph Guglielmone be perpetually enjoined and restrained from disclosing to any person, firm or corporation whatsoever the name, the methods and processes employed by complainant in the operation of its business and particularly the operation of its "Float-ironed Department," and from divulging any other information that he may have acquired during his period of employment with complainant. 20

4. That complainant may have such further and other relief as may be justified under all of the circumstances of the case.

5. That a writ of subpoena may issue commanding the said defendant to answer this bill of complaint, and each statement therein made, and to abide by such decree as this court may make in the premises. 30

And your complainant will ever pray, etc.

WOLBER & GILHOOLY,
Solicitors of Complainant.

MERRITT LANE,
of Counsel. 40

Bill of Complaint with Affidavits Annexed.

State of New Jersey, }
County of Hudson, } ss.:

David B. Mazur, of full age being duly sworn according to law upon his oath deposes and says:

10 I am the general manager of the Ideal Laundry Company, a corporation of the State of New Jersey, having its principal office at 517-528 Palisade Avenue, West New York, Hudson County, New Jersey. The company was organized in the year 1906 and conducts a general laundry business throughout Hudson and Bergen Counties, New Jersey, and has established a business of great value and has invested in the operation of said business a large sum of money.

20 Since the organization of the Ideal Laundry Company, there has been developed and perfected methods of doing business by establishing various departments for the performance of different kinds of laundry work, such as "Float-ironed Department" "Rough Dry and Thrifty Department," "Washing Department" and "Ideal-ironed Department." It is the practice of the company to place in charge of the department a floor supervisor and an assistant floor supervisor and in accordance with such policy there was in charge of the department
30 known as the "Float-ironed Department" a floor supervisor and an assistant floor supervisor, who had charge of eighty-two (82) employees within that department. The work done in the "Float-ironed Department" involves a combination of machinery, personal knowledge and skill and the use of machinery especially adapted to the work in question which is assembling, preparing for machinery, machine ironed, hand retouching, finished assembly, control, packing and conveying to deliver
40 department of a specialized laundry service.

Bill of Complaint with Affidavits Annexed.

The "Float-ironed Department" performs work which is of such a nature that any delay or interference in said department would seriously affect the smooth running of the entire plant.

Through the years of experience secured by the representatives of the Ideal Laundry Company there has been developed means and methods of doing business in the "Float-ironed Department" and other departments which are unique and known only to this company and which is specialized in by the company, and through those means the large business which it conducts at present was secured. The development of such means and methods has come with great expense and effort and there has been employed in setting up the particular methods a graduate civil engineer, who is steadily in the employ of the company and a score of skilled craftsmen, and with their cooperation with the officers of the company have developed the means and methods of carrying on the work of the "Float-ironed Department" and the other departments operated.

Last year the Ideal Laundry Company expended a sum of about \$20,000.00 in improving its method of doing business in the "Float-ironed Department." Experiments in perfecting methods and processes of carrying on business have covered a long period of years and have been very costly, on the average involving an annual expenditure of about \$20,000.00. These expenditures not only involve the use of highly paid help, but also the use of a considerable quantity of goods and material and experiments with machinery and specially designed conveying equipment. The improvement in the method of the conduct of carrying on the work in such department was gradual and has had this date reached a high stage of development and the

sum total of all these improvements in the "Float-iron Department" and the other departments was and is that the company is able to produce a process of completing laundry service more quickly, better and cheaper by far than can be by its competitors. The methods and processes of the company are peculiarly a secret process of the company and as far as I know, not in any respect used by other laundries.

10 The methods and processes of doing business in the "Float-ironed Department" were known to the officers of the company, supervisors and assistant supervisors and the plant superintendent, and among whom were included Joseph Guglielmone who held the position as assistant floor supervisor in the "Float-ironed Department," and he by reason of his position learned of the various improvements developed from time to time in such department and of the unique and secret method in use in the establishment.

20 Joseph Guglielmone was employed by the Ideal Laundry Company on July 1st, 1926, as a wrapper at \$25.00 a week and subsequently on May 23, 1927 was advanced to the position of assistant floor supervisor of the "Float-ironed Department" and his earnings were increased to \$35.00 a week and from that time until the present date his earnings have been consistently increased until on November 25, 1929 he was earning \$43.00 a week, and prior to that time had been given notice that his salary would be increased on January 1st, 1930 to \$48.00 a week.

30 The supervisors and assistant supervisors were often cautioned of the necessity for the requirement of the company that its methods of doing business be not divulged and it was known to them that

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the methods of the company were unique and different from that used in other establishments and that the information concerning the operation of their departments was confidentially confided to them.

For a considerable time prior to the date when Joseph Guglielmone was appointed assistant floor supervisor it was necessary to give him personal instructions concerning the various phases of the "Float-ironed Department." One of the management spent considerable time with him and went into full detail of every operation and divulged its secrets and unique methods and allowed him to become thoroughly familiarized with any subsequent improvements and changes, permitting him to attend meetings of all supervisors when held at which time the policies and methods of the company were discussed and made known in full, and he had access to the records of his particular department showing its cost of operation and state of efficiency.

My knowledge of the work done by Joseph Guglielmone as assistant floor supervisor of the "Float-ironed Department" and the methods and processes used in said department justifies me saying that if Joseph Guglielmone is permitted to go out and use the methods of the Ideal Laundry Company, that from the standpoint of business competitors it will greatly destroy the value of such methods to the Ideal Laundry Company, in that it will lose the advantage of exclusively using such methods.

Joseph Guglielmone and other floor supervisors and assistants before taking the position were required to study a book of technique that has been in the process of preparation since the time the company was organized. The book contains the complete description of the details of operation of the various departments operated by the Ideal Laundry Company and that portion of the book

Bill of Complaint with Affidavits Annexed.

10 dealing with the "Float-ironed Department" consists of twenty pages of 8" x 11" and covers numerous descriptions of the detail of operation of that department and from time to time when improvements are made and changes made to the book of technique, floor supervisors and the assistant floor supervisors are required to familiarize themselves with such changes.

20 In view of the facts aforesaid relating to the matter of the methods and processes employed by the Ideal Laundry Company in the conduct of its business and the necessity for keeping such methods and processes secret and confidential, and in order to more fully protect the Ideal Laundry Company, it entered into contract with its employees of the nature of the contract, a copy of which is annexed and made a part hereof, and which said contract was made between the Ideal Laundry Company and Joseph Guglielmone on September 28th, 1929 and on or about that date the Ideal Laundry Company as a condition for the continuance of the said Joseph Guglielmone in its employ and in consideration thereof made the aforesaid contract and acting in pursuance of which the said Joseph Guglielmone agreed that he would not, during his employment or for a period of two years after the termination of the agreement, for any reason whatsoever, enter into, manage, engage, concern himself, operate or conduct directly or indirectly either personally or otherwise or as an employee in the laundry business or similar business as that conducted by the Ideal Laundry Company within the entire counties of Hudson and Bergen, in the State of New Jersey.

40 I know that the Holland Laundry Company is a corporation of the State of New Jersey and con-

Bill of Complaint with Affidavits Annexed.

ducts a general laundry business at No. 807 Garfield Avenue, Jersey City, New Jersey, and is engaged in the general laundry business within the same territory covered by the Ideal Laundry Company and the businesses are identical and said company is a competitor of the Ideal Laundry Company.

10

I am informed and believe by reason of information given to me and investigation made that the said Joseph Guglielmone after quitting his employment with this company on November 15, 1929 entered into the employ of said Holland Laundry Company, and is personally engaged by said company as an employee, and is performing the same type of work for said company as he did for the Ideal Laundry Company while in its employ, and I firmly believe that the said Joseph Guglielmone was employed by the Holland Laundry Company because of the experience and knowledge that he obtained while in the employ of the Ideal Laundry Company, and for the information that he can give to them of the methods employed by the Ideal Laundry Company in its business and particularly in the conduct of its "Float-ironed Department," all of which conduct on the part of the said Joseph Guglielmone is in violation of his said contract and I believe that it is impossible to determine the amount of damage that the Ideal Laundry Company has suffered by reason of such breach of contract and that if the said Joseph Guglielmone is permitted to continue in violating the terms of said agreement that irreparable damage will be suffered by the Ideal Laundry Company.

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I have read the foregoing bill of complaint and such matters as are within my own personal knowledge I say them to be true and as to all other alle-

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Bill of Complaint with Affidavits Annexed.

gations made therein which are not within my personal knowledge, I believe them to be true.

DAVID B. MAZUR.

10 Subscribed and sworn to before me this
9th day of December, A. D. 1929.

JOSEPH A. RAFFERTY,
Notary Public,
of New Jersey.

My Commission expires June 7, 1934.
(Seal)

20 State of New Jersey, }
County of Hudson, } ss.:

William Borgos, of full age, being duly sworn according to law on his oath deposes and says:

I am the plant superintendent of the Ideal Laundry Company and have general supervision for the operation of the entire plant and I believe that I am entirely familiar with such operations. The Ideal Laundry Company has organized and developed methods of doing business by creating various departments for the performance of different kinds of work such as "Float-ironed Department," "Rough Dry and Thrift Department" "Washing Department" and "Ideal Ironed Department."

It is the policy of the company to place in charge of each department a floor supervisor and an assistant floor supervisor and in the "Float-ironed Department" such supervisors have under their direct control eighty-two employees. I have been engaged in the laundry business for a number of years and I know that the work in the "Float-ironed Department" of the Ideal Laundry Company in-

volves a combination of machinery, personal knowledge and skill and the use of machinery especially adapted to the work in question which is assembly, preparing for machinery, machine ironed, hand re-touching, finished assembly, control, packing and conveying to delivery department of a specialized laundry service.

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The nature of the work of the "Float-ironed Department" is such that any delay or interference with it would greatly affect the smooth running of the entire plant, and it is closely allied with the general operation of the plant.

I know that means and methods of doing business have been perfected by the company in the "Float-ironed Department" which are unique and known only to that company and which is specialized in by them and which in my opinion has resulted in the securing by it of the great volume of business which it does at present, and I know that great expense and efforts must have been employed in setting up such means and methods of carrying on the work of the "Float-ironed Department" and other departments and such means and methods have been developed and set up by the combined efforts of a graduate civil engineer who is constantly in attendance at the plant, and of scores of skilled craftsmen and also by the experience of the officers who have the conduct of the business directly in charge, and I know that there must have been considerable expenditure in improving the methods of doing business and perfecting the processes from time to time because such experience not only involved the use of highly paid help but also of the use of a considerable quantity of goods and material and also experiments with machinery and specially designed conveying equipment, all of which has contributed to the smooth

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Bill of Complaint with Affidavits Annexed.

running of the "Float-ironed Department" and others operated.

Such means and methods of the conduct of the business has been gradual and has this date reached a high state of development and as a result of which the company is enabled at present to produce a
10 process of completing laundry service more quickly, better and cheaper by far than its competitors and such methods as practiced by the Ideal Laundry Company are peculiarly a secret process of that company and as far as I know is not in any respect used by other laundries.

Of necessity the methods and processes of doing business in the "Float-ironed Department" were made known to the floor supervisor and assistant floor supervisor and particularly were they made
20 known to Joseph Guglielmone in his capacity as an assistant floor supervisor. In his position he was aware of the various improvements developed from time to time, and of the unique and secret methods now in use in the establishment, and I know that the assistant supervisors in the plant including Joseph Guglielmone were often cautioned of the necessity of the requirement of keeping such methods and processes confidential and that they must not divulge the methods of doing business of
30 the Ideal Laundry Company.

In order to properly train an assistant floor supervisor it is necessary to give him personal instructions concerning the various operations of the department and it takes a considerable length of time before an individual can be properly trained to take over such a position because he must be instructed by those in charge of the plant as to the full details of every operation and there must be
40 divulged to him those secret and unique methods and he is thereby allowed to become thoroughly

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familiarized with any subsequent improvements and changes and he is also permitted to attend all meetings of supervisors and assistant supervisors when held at which time the policies and methods of the company were discussed in full and the supervisors and assistant supervisors also had access to the records of their department showing its cost of operation and state of efficiency. 10

I am firmly of the opinion that if Joseph Guglielmone is permitted to remain in the employment of a competitor of the Ideal Laundry Company that said company will lose the benefit and advantage which it now holds by reason of the methods and processes that it employs in the conduct of its business because such methods and processes will then be divulged to its competitor.

I know that there is in existence in the plant of the Ideal Laundry Company a book of technique which completely and in detail describes the operations of the various departments and a section of said book is devoted to the details of operation of the "Float-ironed Department," which section of the book covers twenty-eight pages of the size of 8" x 11" wherein there is completely set forth a description of the various phases of the operations within said department. Joseph Guglielmone before entering upon his duties as assistant floor supervisor was required to completely familiarize himself with the contents of said book, and all improvements that were made from time to time during the operation of the business are entered in said book and the supervisors are required to continually refer thereto so that they are familiar with the improvements as they are perfected. 20 30

On November 22, 1929, Joseph Guglielmone came to me and said that he had an opportunity to go to another plant and make a good deal more money. 40

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and that he was going to investigate the plant the next day to determine whether it would be wise for him to make the change. He asked me as to his prospects with the Ideal Laundry Company and I informed him that I could give him no promise, but that if he worked he would be advanced and I told
10 him that he had for a short time in the past been at various times in charge of another department as a test and that if he were successful in the operating of said department that he would most likely be placed in charge thereof, which would involve a further increase in salary.

In view of the fact that Joseph Guglielmone stated that he contemplated entering the employ of another company I asked him if he had in mind that he had a contract with the company restraining
20 ing him from working for another laundry within Hudson and Bergen Counties. He stated that he did and he said that his prospect was not within Bergen or Hudson County, and I told him that I would not hold him back if he had an opportunity of advancement and as long as he kept his contract that I would assist him to get located in another plant.

I asked Joseph Guglielmone to inform me as to the name of the plant that he had in mind and he
30 stated that at that time he would not let me know but that he would the following Monday. On the following Monday morning I met him at the plant and he informed me that he was leaving and had accepted the new prospect. I asked him for the name of the company and he again refused to give it to me and I again warned him that he had no right to work in Hudson and Bergen Counties and he promised me that he would comply with the terms of the agreement and he thereupon left the
40 employ of the company on November 25, 1929.

Bill of Complaint with Affidavits Annexed.

I am familiar with the Holland Laundry Company which conducts a general laundry business at its plant located at No. 807 Garfield Avenue, Jersey City, New Jersey and said company performs the same services as the Ideal Laundry Company and operates within the same territory and is a direct competitor of the Ideal Laundry Company. 10

WILLIAM BORGOS.

Subscribed and sworn to before me
this 9th day of December, 1929.

JOSEPH A. RAFFERTY,
Notary Public of New Jersey.

(Seal)

My Commission expires June 7, 1934. 20

—

A G R E E M E N T.

EMPLOYMENT CONTRACT, between IDEAL LAUNDRY COMPANY and JOSEPH GUGLIELMONE as follows:

The IDEAL LAUNDRY COMPANY hires and Joseph Guglielmone accepts employment in the plant of the IDEAL LAUNDRY COMPANY at West New York, Hudson County, New Jersey, and the employee is hereby designated as Assistant Floor Supervisor. 30

The employment is on the following terms:

1. From this date to September 28, 1930, at a salary of not less than thirty-nine dollars per week, payable each week.

2. The employment is to be to the satisfaction of the employer and the employee agrees to devote 40

Bill of Complaint with Affidavits Annexed.

all of his time and attention to the business of the employer.

10 3. It is further agreed that in the event of the termination of this agreement for any cause whatsoever (employer being the sole judge as to whether this said agreement is terminated) that the employee should not enter into, manage, engage, concern himself, operate or conduct, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey, for a term of two years from the date of the termination of this agreement.

20 Dated, September 28, 1928.

IDEAL LAUNDRY COMPANY,
By BORIS MAZUR,
President.

Attest:

D. B. MAZUR,
Secretary.

JOSEPH GUGLIELMONE.

30 Witnesseth:

ABRAHAM EDELSON,
Notary Public of N. J.

Order to Show Cause.

(Filed, December 10th, 1929.)

IN CHANCERY OF NEW JERSEY.

Between

IDEAL LAUNDRY COMPANY,
Complainant,
and

JOSEPH GUGLIELMONE,
Defendant.

On Bill, &c.
Order to
Show Cause.

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This matter being opened to the Court by Merritt Lane, of Counsel with complainant, and Wolber & Gilhooly, solicitors of complainant, and upon reading and filing the bill of complaint and the affidavits thereto attached:

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It is on this 10th day of December, 1929, ORDERED, that the defendant Joseph Guglielmono show cause before the Chancellor at Chancery Chambers, 1st Nat'l Bank Bldg., in the City of Jersey City, on Monday the 16th day of December, 1929, at ten o'clock in the forenoon or as soon thereafter as counsel can be heard, why an order should not be made enjoining and restraining him, pending the determination of this cause and the further order of the court, from entering into, managing, engaging in, concerning himself in, operating or conducting directly, or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company in the Counties of Hudson and Bergen in the State of New Jersey, and from disclosing to any person, firm or corporation whatsoever any information which he shall have acquired

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during his period of employment with the Ideal Laundry Company.

10 And it is further ORDERED, that in the meantime and until the further order of the court, the said Joseph Guglielmone do desist and refrain from entering into, managing, engaging in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company in the Counties of Hudson and Bergen in the State of New Jersey, and from disclosing to any person, firm or corporation whatsoever any information which he shall have acquired during his period of employment with the Ideal Laundry Company.

20 And it is further ORDERED, that a copy of this order, together with the bill of complaint and affidavits, neither of which need be certified, be served upon the said defendant, either personally or by leaving at his usual place of abode, within three days of the date hereof.

And it is further ORDERED, that application to modify the restraint herein contained may be made upon one days notice.

30

E. R. WALKER,
C.

Respectfully advised,

ALONZO CHURCH, V. C.

(Certified to be a True Copy. Wolber & Gilhooly, Solicitors for Complainant.)

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Answering Affidavits.

(Filed December 30th, 1929.)

IN CHANCERY OF NEW JERSEY.

Between

IDEAL LAUNDRY COMPANY,
a corporation,
Complainant,
and

JOSEPH GUGLIELMONE,
Defendant.

On Bill, &c.
Answering
Affidavits.

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State of New Jersey,
County of Hudson, ss.:

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Joseph Guglielmone, of full age, being duly sworn according to law, upon his oath deposes and says:

I am the defendant in the above cause, and have read the Bill of Complaint and affidavits thereto annexed, and, answering these affidavits, state that:

Sometime in June, 1926, I was hired as a wrapper in the Ideal Laundry Company. After about six months of work in this capacity, I was advanced to the position of assistant floor supervisor of the "Float-ironed Department."

30

The "Float-ironed Department" is a section of the building of the Ideal Laundry Company which is devoted to the turning out of a service known as "Float Ironed" service. This name was given to this service about 1921 by the American Laundry Machine Company, manufacturer of laundry machinery, which has its main offices in Cincinnati,

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- Ohio, and a branch office in New York City, and sells its products to any and all laundries desiring to buy them. The name "Float-Ironed" is derived from the fact that the service involves the use of a machine known as a "Float-Roll Ironer" which is manufactured and sold by the American Laundry
- 10 Machine Company, and a similar type of machine is also manufactured by the Smith, Drum & Co., Inc. of Philadelphia, Pa. and distributed by the Industrial Laundry Machinery Co., Inc. of No. 1440 Broadway, New York City. The name "Float-Roll Ironer" is derived from the fact that the bearings in which the padded rolls of this machine rotate, rest upon and are suspended from springs so as to float these padded rollers on the springs in order
- 20 the machine when exceptionally thick garments are passed through this machine.

- In this Float-Ironed service all articles, both flat work and wearing apparel, are machine-ironed by means of being passed through the float-iron machine between rotating padded rolls above and steam heated irons beneath. Some of the flat work and some of the wearing apparel, or some parts of it, may or may not be reironed by hand to take out wrinkles after the articles pass through the Float-
- 30 Roll Ironer.

- The American Laundry Machine Company has maintained a service department with men and women therein who have gone about the different laundries and taught them the Float-Ironed service, particularly the methods and processes of assembling, preparing for machinery, machine ironing, hand retouching, finished assembly, control and packing. Conveyor companies maintain service and engineering departments which design, install and
- 40 instruct on all types of conveyors for laundries.

Answering Affidavit of Joseph Guglielmono.

Mr. Schreiman, that plant manager of the Ideal Laundry Company during the years 1921 and 1922, and before coming to the plant of the Ideal Laundry Company was a service man for the American Laundry Machine Company and in that capacity taught laundries that never had any float-iron work how to do this work and the methods and processes involved therein, and also taught them the methods and processes for doing other services and classes of laundry work. In that capacity as service man, he also learned from the various laundries which he visited their methods, processes and equipment, which were adopted by Mr. Schreiman and instituted or built for the Ideal Laundry Company under his administration and direction as its plant manager. 10

Mr. Schreiman entered the employ of the Ideal Laundry Company about March, 1923, as plant manager, and in this capacity he was in charge of all departments. Before coming there he had about three years' experience in the laundry business using similar methods, processes and systems as have been and are used by the Ideal Laundry Company. From 1906, the time of its organization, until about 1923, the Ideal Laundry Company did not do any retail work, that is, work for the ultimate consumer or the individual, but solicited work from hand laundries. Its work consisted of washing for the hand laundries, ironing the flat work of the hand laundries (which consists of practically all work except wearing apparel) washing and ironing of collars, washing and ironing some shirts and washing and drying other articles for the hand laundries. After completing its work, the Ideal Laundry Company would ship it back to the hand laundries in bulk form, and not separated into individual packages for each private customer. 20 30 40

Answering Affidavit of Joseph Guglielmone.

Mr. Schreiman came into the employ of the Ideal Laundry Company about one month after its various retail departments were started.

- 10 The "Float-ironed" methods and processes have been in use by various laundries for at least eight years and were in use before the Ideal Laundry Company installed them in its plant. The methods and processes involved in the service are neither unique, nor are they secret. They have been, and still are, in general use throughout the country, throughout this State, and throughout the Counties of Hudson and Bergen. The advertisement of the Ideal Laundry Company reads:

FLOAT-IRONED—10 lbs. \$1.30. Every piece carefully machine ironed ready to use.

- 20 The advertisement of the Seacrest Laundry of No. 15 Dewey Street, Elmhurst, Long Island, reads:

FLOAT IRONED—Everything machine ironed, 80% ready to use. Shirts hand-ironed at request, 10¢ each. An excellent service for large families—a practically finished bundle at an economical cost. 4 day delivery. \$1.30 for 10 lbs. or less. Each extra lb. 13¢.

- 30 The Standard Laundry Co. of Nos. 963-985 Garfield Avenue, Jersey City, New Jersey, gives practically the same service under the name of "Economy" service, and its advertisement reads:

ECONOMY—Minimum Charge \$1.30. Everything machine ironed. 13¢ per lb. 10¢ extra for each shirt hand ironed.

- 40 The Brunswick Laundry of Nos. 220-240 Tonnele

Answering Affidavit of Joseph Guglielmonè.

Avenue, Jersey City, New Jersey, sells practically the same service under the following advertisement:

ECONOMY—Entire bundle machine ironed, unstarched, at 13¢ lb. Handkerchiefs 1¢ additional—Minimum Charge \$1.00—Shirts finished 11¢ up additional.

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The Little Falls Laundry Company of No. 101 East Main Street, Little Falls, New Jersey, gives practically the same service under the name of "Float Iron Service," and its advertisement reads:

FLOAT IRON SERVICE—A semi-finished bundle, some of the finer articles needing some touching-up at home. Bath towels and knit underwear are fluffed dry. Shirts are removed and faultlessly hand-finished. The cost is 12¢ per pound for the entire bundle and 13¢ each for the shirts. Minimum charge, \$1.50. Blankets extra.

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The Manhattan Laundry of Mercer, Fremont and Wayne Streets, Jersey City, New Jersey, sells practically the same service under the name of "Economy Service," and its advertisement reads as follows:

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ECONOMY SERVICE—Minimum Charge \$1.00—13¢ lb. Entire bundle machine ironed—unstarched—few pieces to be touched up at home. Soft Collars 2¢ each—Handkerchiefs 1¢ each. Upon request we finish men's shirts at 10¢ each. We allow as much body clothes as flat work. The excess body clothes is 8¢ lb. additional.

The service is quite common and goes under

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Answering Affidavit of Joseph Guglielmono.

either the name "Float-ironed" or under other names.

10 The "Rough Dry" service used by the Ideal Laundry Company is a very old service, which was in use long before the Ideal Laundry Company adopted it, and it consists of machine ironing of flat work and the delivery of wearing apparel washed, dried and sometimes starched. The Ideal Laundry Company advertises this service as follows:

ROUGH DRY—10 lbs.—\$1.10—Wearing apparel air-dried and starched if desired—flat pieces beautifully ironed.

20 The Seacrest Laundry sells practically the same service under the name of "Semi-Finished (Rough Dry)" and its advertisement reads as follows:

SEMI-FINISHED (Rough Dry)—Flat work—bed and table linens are ironed smooth and folded square. Wearing apparel starched just enough and dried by pure air.

The Union Individual Laundry sells practically the same service under the name of "Rough Dry" and its advertisement reads as follows:

30 ROUGH DRY—All flat work nicely ironed and folded, wearing apparel starched where necessary and dried. No extra charge for handkerchiefs. \$1.00 (Minimum 10 lbs.). Shirts finished at 11¢ ea.

The National Laundry sells practically the same service under the name of "Semi Finish" and its advertisement reads as follows. Its address is at No. 2 West 141st Street, New York City, New York.

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Answering Affidavit of Joseph Guglielmono.

SEMI FINISH—Each family's laundry is washed separately. Everything is returned sweet and clean. The bed and table linens are ironed and neatly folded, the wearing apparel starched where necessary and fluffed dry. \$1.50—15 lbs. or less. 10¢ for each lb. extra.

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The Manhattan Laundry sells practically the same service under the name "Rough Dry Service" and its advertisement reads as follows:

ROUGH DRY SERVICE—Minimum Charge \$1.00—11¢ lb. All flat work ironed, body clothes returned dry. Soft Collars 2¢ each—Handkerchiefs 1¢ each. Upon request we finish men's shirts at 10¢ each.

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The name "Thrifty Wash" was originated by the American Laundry Machinery Company and has been used by it for the past nine years. The name "Thrifty Wash" or that name with slight variations in the spelling has been in general use in almost all laundries throughout the country and State of New Jersey, including Bergen and Hudson Counties. Neither the service, nor the methods and processes therein involved are unique or secret, nor were the same originated by the Ideal Laundry Company. The service consists in the machine ironing of flat work, and the delivery of the wearing apparel in moist condition. The Ideal Laundry Company advertises the service as follows:

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THRIFTY—13 lbs.—\$1.00—Body work damp—flat pieces ironed.

The Lackawanna Laundry sells practically the same service under the name "Damp and Flat

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Answering Affidavit of Joseph Guglielmo.

(Thrift-T),” and its advertisement reads as follows:

10 DAMP AND FLAT (Thrift-T)—The heavier pieces, such as bed and table linens, are ironed, folded, and ready for use. The wearing apparel is returned damp.

The Hoboken Individual Laundry, Inc. sells practically the same service under the name “Our Thrifty Service,” and its advertisement reads as follows:

OUR THRIFTY SERVICE—Everything washed and all flat pieces carefully ironed—13 lbs. for \$1.00—8¢ a lb. over 13 lbs.

20 The Little Falls Laundry Company sells practically the same service under the name “Thrift-T Service,” and its advertisement reads as follows:

30 THRIFT-T SERVICE—Everything carefully washed and thoroughly rinsed in eight to ten changes of water. All Flat Work is ironed and carefully folded. Other work is returned damp, ready for starching. The cost is extremely reasonable: Washing—25 lbs. for \$1.00. Ironing of Flat Work—6¢ per lb. additional.

The Union Individual Laundry sells practically the same service under the following advertisement:

40 THRIFTY—A bundle desired by many, all flat work nicely ironed and folded evenly by patent presses and wearing apparel returned damp, not wet, to be ironed at home. No extra charge for handkerchiefs. \$1.00 (Minimum 13 lbs.).

Answering Affidavit of Joseph Guglielmono.

7¢ for each additional lb. Shirts finished at
13¢ ea.

The Seacrest Laundry sells practically the same
service under the following advertisement:

THRIFTY—Wet Wash With Flat Work 10
Ironed—Body clothes returned damp, ready to
iron. Flat work ironed and neatly folded. This
service takes most of the work out of your home
at small expense. 48 hour delivery. \$1.60 for
20 lbs. or less, including 10 lbs. of flat work.
Each extra lb. washed, 4¢. Each extra lb. flat
work ironed, 6¢.

The Community Laundry Service of No. 3805—
58th Street, Woodside, Long Island, sells practi- 20
cally the same service under the following adver-
tisement:

THRIFTY SERVICE—Your wearing apparel re-
turned damp. All Flat Work neatly ironed
and folded. 60¢. 10 lbs. or less. Each extra
lb. 6¢. Plus of course the West Wash charge
\$1.00 for 20 lbs. or less.

The Standard Laundry Co. sells practically the
same service under the following advertisement: 30

THRIFTY—Minimum Charge \$1.20 Flat work
ironed—wearing apparel returned damp. 8¢
per lb. 13¢ extra for each shirt hand ironed.

“Ideal-Ironed” Service is an ironed service, that
is, a service in which flat work is machine-ironed,
and the wearing apparel is machine or hand-ironed
to present more or less perfectly ironed articles. It
is a service in which wearing apparel is serviced to 40

Answering Affidavit of Joseph Guglielmono.

equal hand-ironed work. The service is in general use in laundries and is designated by whatever name occurs to the individual laundry. Its methods and processes are neither unique nor secret.

The Ideal Laundry Company advertises the service as follows:

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IDEAL-IRONED—\$2.00—Everything carefully hand-ironed—buttons sewed on—socks darned. Better than a laundress and cheaper.

The Seacrest Laundry, Inc. sells practically the same service under the following advertisement:

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HAND FINISHED—The Finest Laundry Service in Queens—Everything washed spotlessly clean, ironed with exquisite care. Your dainty personal things are entirely hand-ironed and safe. No extra charge for handkerchiefs, men's shirts or soft collars. To insure the real comfort of fluffy softness, bath towels are dried soft—not ironed. A de luxe service that frees you from all care and worry. Everything returned ready to use or to put away. 5 day delivery. \$2.20 for 10 lbs. or less. Each extra lb. wearing apparel 32¢. Each extra lb. flat work 12¢.

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The Little Falls Laundry Company sells practically the same service under the following advertisement:

PRIM PREST SERVICE—A De Luxe Laundry service. Everything carefully washed in many changes of rain-soft water and mild suds; everything beautifully ironed, ready to use or put away (bath towels are fluffed dry), a dainty

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Answering Affidavit of Joseph Guglielmo.

service; complete in every detail. The cost is 11¢ per pound for the entire bundle and 24¢ per pound additional for wearing apparel. Minimum charge, \$2.00. Curtains and Blankets extra.

The Lackawanna Laundry sells practically the same service under the following advertisement: 10

HAND FINISHED—Every article is returned to you fresh, clean and completely finished. The towels, bed and table linens are carefully ironed and properly folded. The wearing apparel is starched where necessary and all finished by hand. Mending is done without charge. Prices—12¢ per pound for the entire bundle with an additional charge of 15¢ per pound for wearing apparel. Handkerchiefs 1¢ and soft collars 2¢ extra. Minimum bundle—\$1.50. No extra charge for shirts. 20

The Union Individual Laundry sells practically the same service under the following advertisement:

DE LUXE—A beautiful finished bundle. Just imagine a bundle of satisfaction, satisfying the most critical, everything starched that's necessary and hand-ironed. Shirts finished that you are proud to show your husband, economy and comparison of workmanship desired. Socks darned and buttons sewed on. \$2.00 (Minimum). 12¢ lb. entire bundle. No extras. Wearing Apparel 24¢ lb. additional. 30

The Brunswick Laundry has been and is one of the keenest, if not the keenest, competitor of the Ideal Laundry Company in every county and munic-

Answering Affidavit of Joseph Guglielmono.

10 ipality in which the Ideal Laundry Company sells its laundry service. The Brunswick Laundry was organized about twenty years ago and started as a small laundry where the family of the organizer did all the work and has since grown by leaps and bounds and has been making addition after addition to its plant, equipment and personnel until at present it is practically the largest family laundry in the country and caters to thousands of customers over a wide territory. It sells approximately the same service as the Ideal Laundry Company and, in addition, like the Ideal Laundry Company, it has a Float-Roll Ironing service or its equivalent. The equipment used by the Brunswick Laundry is practically the same as that used by all other laundry companies including the Ideal Laundry Company. The quality of its work is certainly at least as good as that of the Ideal Laundry Company and yet it gets more for its services than the Ideal Laundry Company gets. Its plant is open for the inspection of all persons and through its newspaper advertisements, it invites all comers to visit its plant. It has shown, and is still showing, large numbers of officials of competing laundry companies through its plant. The services sold by the Brunswick Laundry which are practically the same as or equivalent to those sold by the Ideal Laundry Company are sold by the Brunswick Laundry under the following advertisements:

30 PRIM PREST—Finished family wash starched where necessary, hand-ironed and ready for use. Bundle must contain half flat work and half body clothes such as underwear and outerwear, starched and unstarched clothes. Silks each 10¢ additional. No extra charge for shirts. All body clothes delivered in card-

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Answering Affidavit of Joseph Guglielmono.

board box. At 12¢ lb. for entire bundle and 24¢ lb. for body clothes. Handkerchiefs 1¢ additional. Minimum Charge \$2.20. Socks darned and buttons sewed on free.

HOMESTIC—Finished family wash unstarched, hand-ironed and ready for use. Bundle must contain half flat work and half body clothes such as underwear and outerwear. Silks each 10¢ additional. No extra charge for shirts. All body clothes delivered in cardboard box. At 12¢ lb. for entire bundle and 18¢ lb. for body clothes. Handkerchiefs 1¢ additional. Minimum Charge \$1.80—Socks darned and buttons sewed on free. 10

ROUGH-DRY STARCHED—Flat work ironed, body clothes starched and dried at 13¢ lb. Handkerchiefs 1¢ additional — Minimum Charge \$1.00—Shirts finished 11¢ up additional. 20

ROUGH-DRY UNSTARCHED—Flat work ironed, body clothes dried at 12¢ lb. Handkerchiefs 1¢ additional. Minimum Charge \$1.00 Shirts finished 11¢ up additional.

FLAT WORK POUND RATE—All flat work returned to you beautifully ironed, folded and ready for use at 12¢ lb. Minimum Charge \$1.00. 30

THRIFTEE—All flat work ironed and body clothes returned damp, not wet, no hanging on the line necessary. You may keep it damp for two weeks without fear of mildew. Delivered in two separate bundles, flat work in one and body clothes in a waterproof bag. Send in everything that is washable. At 8¢ lb. excess 40

Answering Affidavit of Joseph Guglielmo.

flat work over body clothes at 3¢ lb. Minimum Charge \$1.20.

10 FLAT WORK LIST PRICE—Napkins 2¢ towels 2, 3 and 4¢, pillow slips and bolster covers 5¢, trayclothes 8¢, sheets 12¢ tablecloths 15¢ up, round 25¢, counterpanes 30¢ up. Minimum Charge \$.50. Curtains, shades, collars, Madeira linen, woolen blankets and overalls are accepted only in our Custom Department and charged at list price. All clothes are washed and rinsed in thirteen changes of soft water.

20 The machinery used in the Float-ironed Department and in the other services of the Ideal Laundry Company are of standard make and can be purchased by all laundries. Instructions in the methods and processes used in the operation of the various machines is given by competent experienced representatives of the machinery manufacturers and distributors. There is nothing secret or unique about the machinery especially adapted to work performed in the Float-ironed Department, which is assembling, preparing for machinery, machine ironing, hand retouching, finished assembling, control, packing, conveying to delivery department.

30 Machinery adapted for these purposes, such as tables, boards, bins, electric irons, sorting racks, is in use in all laundries having a Float-ironed Department, and the methods and processes in different plants vary in but minor details to suit the convenience and physical conditions of the particular plant.

40 The creation of departments did not originate with the Ideal Laundry Company. Where the volume of one class of service reaches a point where it is economically desirable to segregate this class of

service in one department under the direct supervision of one or more men, laundries make these departments. Sometimes the limitations of space make it necessary to have all of one class of service done in one part of the building, and that part of the building is given the name of the service plus the word "department." This method of doing business in laundries has been in use for many years prior to the establishment of departments in the Ideal Laundry Company. So also, the placing of floor supervisors and assistant floor supervisors in charge of the various departments was neither originated by the Ideal Laundry Company, nor is this system of factory management a secret or unique. 10

The means and methods of doing business in all departments are neither unique, nor are they known only to the Ideal Laundry Company, nor are they specialized in only by the Ideal Laundry Company. The means and methods of doing business used in the various laundries are substantially identical, and the differences are in but minor details, and these methods and processes are not the creation of the Ideal Laundry Company nor peculiar to it, but are in general use in various parts of the country, and in New Jersey, including Hudson and Bergen Counties. 20 30

Most of the methods and processes used in the various departments of the Ideal Laundry Company were gathered together from other laundries by personal inspection of the latter. The custom of visiting plants and studying methods and processes used in laundries, by executives of other laundries, is quite common. So also, laundries are held open to detailed inspection by the general public, and these visitors are always free to observe everything and to ask questions and have them answered. 40

Answering Affidavit of Joseph Guglielmono.

The executives and all assistant executives including Mr. Carlson, the present civil engineer of the Ideal Laundry Company, Mr. Burton M. Mazur of the staff of the Ideal Laundry Company at that time, and myself among others visited the Pilgrim Laundry of Brooklyn, New York, about February, 1929, and on that occasion (which was after the execution of the contract marked Schedule A attached to the bill of complaint), Mr. Burton M. Mazur invited the Pilgrim Laundry executives to visit the Ideal Laundry and see what they had. Pilgrim Laundry executives had previously visited the Ideal Laundry on an inspection of tour in 1925. Mr. J. G. Hirsh, an executive of the Standard Laundry Co., visited the Ideal Laundry Company.

Even after September 28th, 1928, the date of signing the non-competing contract (Schedule A attached to bill of complaint) the Ideal Laundry Company was open to public inspection; the Kiwanis Club of Woodcliff, New Jersey, being among those led through the plant on an inspection tour by Superintendent William Borgos, and Sales Manager H. Marx, and they answered all questions relating to methods, processes and all other matters relating to operation and technique. So also, the Ideal plant was inspected by men who had attended the Laundry Course of the Ohio Mechanics Institute of the Laundry Owner's National Association in Cincinnati, which also conducts a research department and disseminates information on laundry machinery, methods, processes and technique through printed literature. The Brunswick Laundry of Jersey City, a competitor of the Ideal Laundry Company, extends an invitation to the public at large, as well as to other laundrymen, to visit its plant, and hundreds of laundrymen go through this plant during the year. So also, all new em-

ployees of the Ideal Laundry Company, including routemen, are taken through the Ideal plant, and the staff of the Ideal Laundry Company explain to them the machinery, methods and processes of the laundry, even though these employees are not compelled to sign a contract similar to Schedule A, or a contract of any kind, except the routemen, who sign contracts not to cover the same particular route for any other laundry (but the routemen's contract does not forbid their securing employment with any competitor in any part of Hudson or Bergen Counties). While on my vacation in 1929, I visited the Ocean Laundry plant, in Sheepshead Bay, New York, where I saw many similar methods and processes and equipment as used by the Ideal Laundry Company. Many of the methods, and some of the equipment of the Ideal Laundry Company, have been copied from the Pilgrim Laundry.

Complainant states that during the last fiscal year, it expended \$20,000.00 in improving methods of its Float-ironed Department. I was in charge of that department, as assistant floor manager, from about May, 1927 to November 25th, 1929, continuously, and particularly during the last fiscal year. There were no new changes in methods, processes or technique made during that period of time, except minor changes and the discarding of one of the two well-tried methods of machine ironing. Before the discarding, the Ideal Laundry Company had used a separate machine for the ironing of body work and a second machine for the ironing of wearing apparel, and the third machine was the Float-Roll Ironer which was used for the ironing of both flat work and wearing apparel. The company then discarded the use of a machine for the doing of flat work ironing separately and the doing of wear-

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Answering Affidavit of Joseph Guglielmono.

ing apparel ironing separately, and at present it uses the Float-Roll Ironer for the ironing of both wearing apparel and flat work. Neither the methods, processes nor technique of the Float-Roll Ironing Department were changed after the making of the non-competing contract marked Schedule A attached to the Bill of Complaint, nor were those methods, processes or technique existing after the making of the contract, different from those existing before the making of the contract, except for very minor details. The only change in the department except as above stated, was a rearrangement of the machinery, due to an addition which was put on the building, and the expenditure of \$20,000.00 above mentioned went chiefly into new machinery and other physical changes made necessary by the addition. The new Smith's Drum Ironer, for doing float-ironed work, was installed at a cost of approximately \$9,000.00.

The complainant states that its methods and processes in the operation of the Float-ironed Department and in its other departments have reached a high state of development, resulting in a process of complete laundry service quicker, better and cheaper by far than that of its competitors. This statement is not true, but highly exaggerated.

As before stated, the methods and processes and departmental organization are substantially the same in most laundries, including competitors of the Ideal Laundry Company, and these competitors do their work at least as quickly because they deliver it as quickly; for example, the Ideal Laundry Company delivers its service in three days, but so also does the Holland Laundry and the Brunswick Laundry, its competitors; and the work is at least as well done by its competitors because many laun-

Answering Affidavit of Joseph Guglielmono.

dries sell this type of service to very many persons in Hudson and Bergen Counties, witness—such laundries as the Brunswick Laundry, Standard Laundry and Lackawanna Laundry, all of them large and growing plants and all located in Hudson County and doing business in both Hudson and Bergen Counties, and this growth has been going on despite the fact that according to the charge of the Ideal Laundry Company, these competitors are apparently without the knowledge of the alleged secret methods and processes which the Ideal Laundry Company says it alone possesses. The advertised prices of other laundries as shown above clearly indicate this. And, as above stated, these methods and processes of complainant are not a secret. And, furthermore, the same were never treated or regarded by the Ideal Laundry Company as being secret, nor was any mention of any kind made to me, nor to my knowledge was any mention made to any one else in its employ to regard the same as secret; nor were we cautioned of the necessity of secrecy or of not divulging its methods of doing business; nor, for that matter, was it ever intimated to me or to any of the floor supervisors or assistant floor supervisors that we were to advise the employees under our charge, who were fully informed by us of the methods and processes of the departments and plant, and all improvements therein, that these methods and processes were secret, nor was it ever intimated that we were to caution them not to divulge these methods and processes to any one.

Neither I, nor any other floor supervisor or assistant supervisor of the Ideal Laundry Company, was given or had access to the records of our departments showing its cost of operation. Neither

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I, nor were they, to my knowledge, given access to records of their departments showing its efficiency, except such records as were posted on bulletin boards in each department showing the weekly, daily and hourly production of the various parts of the departments, and the same were open to the
10 inspection of all employees and very largely for their benefit as they were given a bonus based on their production. All persons passing through the plant on inspection could and did note these records. No other records were shown to me. So also, copies of those pages of the technique book which related to my department were openly posted on bulletin boards or other conspicuous places by order of Assistant Superintendent Carlson, the civil
20 engineer of the plant, so that all the help could see them, and by his order those pages of the technique book relating to and in force in each separate department were openly posted on bulletin boards or other conspicuous places in the particular department to which they related.

The bill of complaint states that each floor supervisor and assistant floor supervisor is permitted to attend supervisors' and assistant supervisors' meetings, at which time policies and methods of the conduct of the business of complainant are discussed in full. I attended these meetings which
30 were held after working hours on our own time, and they were more in the nature of social functions than business conferences. The plan was inaugurated about February, 1929, and the meetings were intended to be held monthly and after business hours. The first meeting was held in the evening of February, 1929, and consisted of a dinner at the Victoria Restaurant on Bergenline Avenue, near Sixth Street, in West New York, Hudson

County, New Jersey. The dining room is a public dining room, and our table was one among many open to the general public, and the cross-conversation among the supervisors could be heard by any one present in the restaurant. This meeting lasted from 8:00 P. M. to 11:00 P. M. At this meeting, the main supervisor of the Float-ironed Department was not present.

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The second meeting was held about two months later, at the Diana Restaurant, at Thirty-eighth Street and Boulevard, North Bergen, Hudson County, New Jersey. This is also a public restaurant open to all.

There were about three or four meetings. It was only at the first two meetings that business was mentioned; the following ones were entirely social functions.

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The affidavits annexed to the complaint state that I and the floor supervisors and assistants before taking the position were required to study a book of technique that has been in process of preparation since the time the company was organized; and that the book contains the complete description of the details of operation of the various departments operated by the Ideal Laundry Company.

The book of technique is simply a compilation of written orders to the floor supervisors, assistants and employees, which are written for the purpose of taking the place of oral orders in order to avoid confusion and misunderstanding. Each employee, whether under contract or not, is given a copy of these instructions upon being "broken in." And from time to time as new rules are formulated, they are required to familiarize themselves with them. The same rules are given to supervisors as are given to the other employees. The technique book was

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first begun by the Ideal Laundry Company some time in 1923. The rules in the technique book are not secret, but on the contrary, are in general use by all laundries and vary between the different laundries only in details. They are not unique, nor were the methods originated by the Ideal Laundry Company. The technique book was never regarded as secret.

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The bill of complaint erroneously states that the employment contract designated as Schedule A was executed because of the above facts with regard to alleged secrecy of methods and processes of the Ideal Laundry, and in order to more fully protect it. Mr. Schreiman left the employ of the Ideal Laundry Company about March, 1928. Up to that time, employment contracts were not used by the

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company, except such as related to routemen not to compete on the old route upon termination of the employment with the Ideal Laundry Company. The form of contract marked Schedule A attached to the bill of complaint was not inaugurated until September 28th, 1928, and the reason for this form of contract, as stated to me by Mr. Burton M. Mazur, was "merely to prevent you from going with a competitor because you know, after all, that Mr. Schreiman, the former manager, went around soliciting among our men to get them into his proposed new laundry." Mr. Burton M. Mazur then had charge of the employment of help, and it was he who instructed me in my duties when I first was employed by the Ideal Laundry Company. The protection of any supposed secret methods or processes was not mentioned as the purpose of the contract, nor was the protection of any supposed secret the purpose of the contract.

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The processes and methods and technique were

Answering Affidavit of Joseph Guglielmone.

the same, except for minor changes, before the inauguration of these employment contracts as they were after, either in the Float-ironed Department or in any other department, except the changes necessitated by the new addition to the building. Mr. Brandweiner, one of the floor supervisors of the complainant, refused to sign a contract, and yet he still holds the same position with the Ideal Laundry Company. Mr. Chester Lehman, who had charge of keeping the technique book in order and who had read everything in it, was never under contract, and yet he was continued in his original capacity with the company, and later left its plant to work for a competitor. So Mr. Frank Heiser, who was the assistant supervisor in one of its departments, was never under contract. So also, Mr. Nicholas Manalio, who was assistant supervisor of the "Rough Dry" Department, and had charge of the hand ironers and shirt units at the Ideal plant, was never under contract, and left its plant only about two months ago.

The present assistant superintendent and civil engineer of the Ideal plant is Mr. Carlson. He was hired some time in 1927. Mr. Carlson condensed the technique book in 1928, but in substance the book remained the same.

Mr. Schreiman, shortly after leaving the Ideal Laundry Company, organized the Holland Laundry in the City of Jersey City.

The affidavits of William Borgos and David B. Mazur state that the business of the Ideal Laundry Company and the Holland Laundry are identical. This is not an accurate statement. Not only are the names of the services of the two companies different but so also are the finished products of the two companies; for example, the Holland Laundry does a service not at all done by the Ideal Laun-

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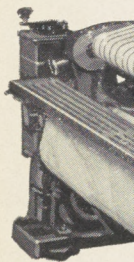
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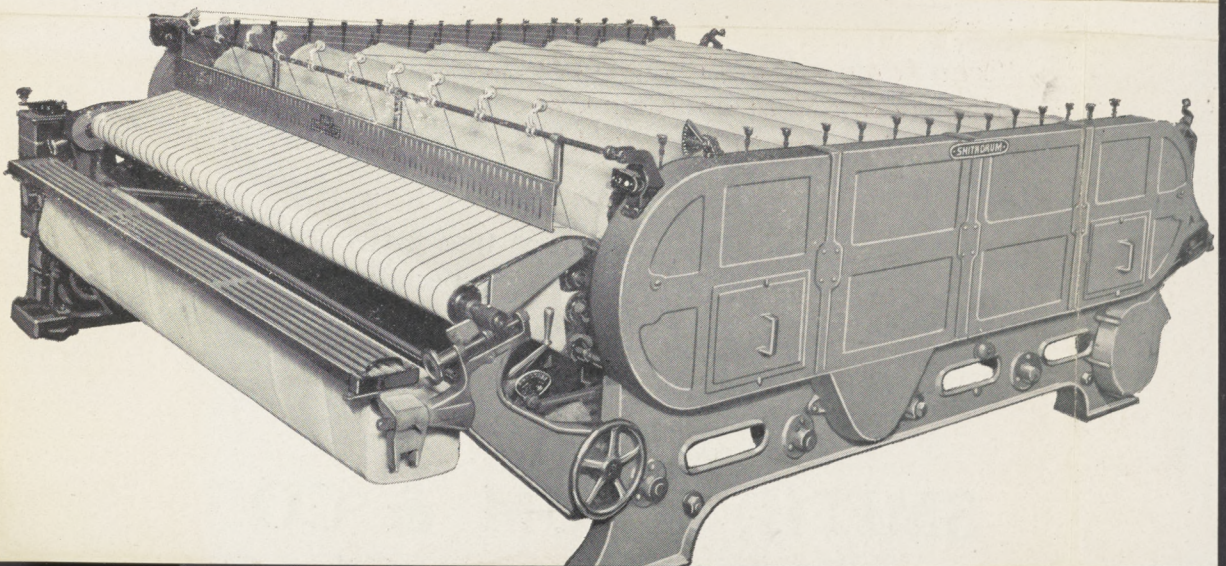
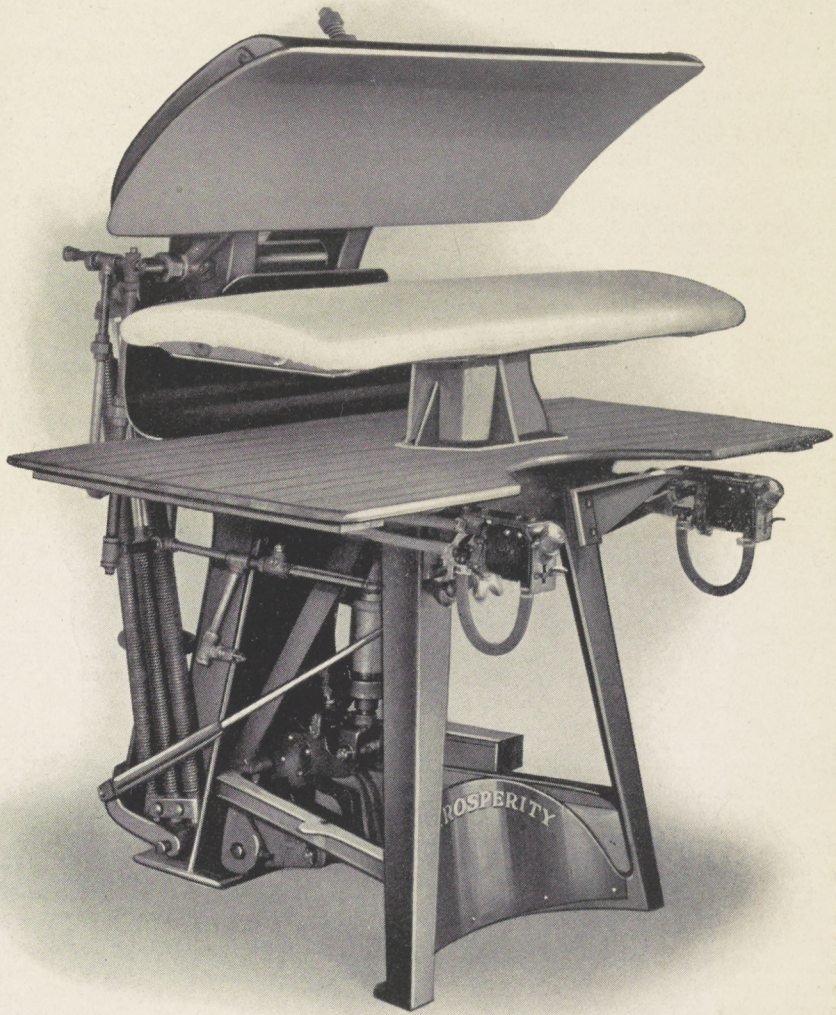
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Answering Affidavit of Joseph Guglielmono.

dry Company, namely, "Home Wash," which consists of the delivery to the customer of both flat work and body work in a damp condition. So also, the Holland Laundry produces and sells a starched "Super Thrifty" service which the Ideal Laundry Company neither produces nor sells and this service
10 consists of the delivery of the flat work in an ironed condition, and the wearing apparel is not only washed as is the case in the Ideal Laundry Company and other laundries but is also starched where necessary or desired. The Ideal Thrifty service delivers flat work to the customer in ironed condition, but the wearing apparel is delivered to the customer washed but unstarched. Furthermore, the Holland Laundry does not maintain a Flat-ironed Department nor does it sell a Float-ironed
20 service, nor does it have or maintain Float-Roll Ironers, but, on the contrary, uses a totally different type of equipment for ironing wearing apparel which is as different from the Float-Roll Ironers which are used in the Ideal Laundry Company as day from night. In fact, the officers and staff of the Holland Laundry do not even contemplate the installation or use of float-iron machines, nor the doing of float-ironed work and furthermore, in the starting up of its own business the Holland Laundry
30 discarded the idea of using the Float-Roll Ironer and has turned to a press machine method for producing a reasonably priced satisfactory service, which they call the Satisfaction Service. The press machines have been chosen by the Holland Laundry despite the fact that these press machines are more expensive than the Float-Roll Ironers. They have chosen these machines because they do better work at a lower cost. Below are illustrative pictures of a Float-Roll Ironer and a Press
40 Machine.



Prest Finish Press



Answering Affidavit of Joseph Guglielmo.

I was, up until the signing of the restraining order in this cause, a supervisor of the Flat Work Ironing Department in the Holland Laundry, which work, and the equipment used, and the methods and processes involved therein, are common to thousands of laundries and do not involve any of the
10 alleged secrets of the Ideal Laundry Company or of any other laundry of any kind. In fact, Flat Work Ironing has been in existence for at least the last forty years, and has, for a long period of time, been used throughout New Jersey including the Counties of Hudson and Bergen. The Ideal Laundry Company does not maintain a separate Flat Work Ironing Department.

The statement made in the affidavit of David B. Mazur which recites that I am performing the same type of work for the Holland Laundry as I did for the Ideal Laundry Company while in its employ, is answered by the preceding paragraphs. His further statement that he firmly believes that I was employed by the Holland Laundry for the information that I can give to it of the methods employed by the Ideal Laundry Company in the conduct of its Float-ironed Department is absolutely erroneous and without foundation. As above
20 shown, the Holland Laundry does not do Float-iron work and I, therefore, cannot give it any information with regard to this service which would be of any use to it. Nor is it possible for me to disclose to the Holland Laundry any alleged laundry secrets of the Ideal Laundry Company since, the Holland Laundry through its President, Mr. Schreiman, is fully familiar with practically every method and process of the Ideal Laundry Company and with its technique book almost in its entirety, since Mr. Schreiman established these
30 in the Ideal Laundry Company, and every change
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in the methods, processes and technique book made while he was in its plant went through his hands for approval. The changes in the methods, processes and technique of the Ideal Laundry Company since Mr. Schreiman left its employ have been of a very minor order.

Finally, though I absolutely deny that there is any secret about the methods and processes of the Ideal Laundry Company, I have not divulged, nor do I threaten to divulge, nor do I contemplate divulging to the Holland Laundry or any one else, any of the methods or processes of the Float-ironed Department or of any department of the Ideal Laundry Company, nor am I, nor have I been, using any of such information in violation of the contract designated as Schedule A attached to the Bill of Complaint. 10

The Bill of Complaint mentions the Washing Department. A floor of the plant of the Ideal Laundry Company is devoted entirely to the washing of clothes. I never had anything to do with that department, nor was I ever introduced to or taught the methods, processes or formulae of that department, nor did I ever perform any work therein. 20

I am the sole support of my wife, my small child and myself, and contribute to the support of my mother and mother-in-law (a widow). My only source of livelihood is in the laundry business, for which I have fitted myself by apprenticeship and experience and hard work during long hours and for a number of years, and if I am restrained by this court, even by a temporary injunction, from continuing my present employment with the Holland Laundry, I will be thrown out of work completely and will be without any outlook for a livelihood. 30

For the last four years I have been, and still am, 40

Answering Affidavit of Joseph Guglielmo.

a resident of Hudson County and have, as my only opportunity for making a living, my present position with the Holland Laundry, since there are very many experienced people in my line, who are now out of work, in view of the fact that the supply of experienced labor far exceeds the demand. In
10 addition to this fact a large number of possible sources of employment, which even at their best would afford but a remote possibility of employment, are closed to me in view of the fact that the Ideal Laundry Company is part and parcel of a holding company known as the Consolidated Laundries Corporation which controls a great number of laundries throughout the various counties of New Jersey including Hudson, Bergen and Essex Counties, as, for example, the Lackawanna Laundry and
20 the New Way Laundry of Jersey City and at least about two dozen large laundries in New York City. A large number of other laundries of New York City, Essex County, Passaic County and other counties of the State of New Jersey sell their service to customers in the County of Bergen and Hudson and thereby compete with the Ideal Laundry Company. It is therefore obvious that the granting of a temporary injunction against my continuing in my present employment with the Holland Laundry
30 will result in irreparable damage to me and my family, whereas, the denial of this relief to the complainant will not subject it to any loss whatsoever.

The affidavit of David B. Mazur states that I had been given notice some time prior to November 25th, 1929, that my salary would be increased on January 1st, 1930, to \$48.00 a week. This statement is erroneous, in that it only tells but half a story. Originally, I started to work for the Ideal
40 Laundry Company at \$25.00 a week, and two

Answering Affidavit of Joseph Guglielmone.

months later I was raised to \$27.00, and two months after that I was raised to \$29.00 a week. On my promotion to the position of assistant floor supervisor of the Float-ironed Department of the Ideal Laundry Company, I was raised to \$35.00 a week and I was placed upon a fixed schedule of salary which called for increase of \$2.00 approximately every six months. Immediately before the signing of the contract marked Schedule A annexed to the Bill of Complaint, I was receiving according to my schedule \$39.00 a week, and on November 29th, 1928, I was receiving \$41.00 per week as per schedule. However, on January 1st, 1929, I was given \$43.00 a week because, as I was advised by Mr. William Borgos, the plant superintendent of the Ideal Laundry Company, the old schedule of salaries was revoked and a new schedule was put in force calling for an increase of \$5.00 each year, beginning with January 1st, 1930, and he then stated to me that the reason for this change was that the company wanted all supervisors to receive the same raise at the same time. Furthermore, upon several occasions during the last few months of my employment with the Ideal Laundry Company, Mr. Borgos called me and stated that claims for lost articles were getting into a deplorable condition and that he would not tolerate an increase in my salary unless these claims became less, and he further stated that unless the claim chart showed a marked decrease and unless production of my department showed a marked rise that I would have to leave the employ of the Ideal Laundry Company and get employment elsewhere. This request on his part was unwarranted in view of the fact that under the management and direction of Mr. Carlson, the Assistant Superintendent and Civil Engineer, who had never, prior to his

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Answering Affidavit of Joseph Guglielmono.

10 coming to the Ideal Laundry Company, had any experience in the laundry business. The personnel of my department in the Ideal Laundry Company was seriously curtailed, and, in addition to that, there was excessive labor turnover due to Mr. Carlson constantly discharging and employing new help and thus bringing into my department employees who were not properly fitted for the work to be performed therein. I did not have anything to do with the hire of employees for my department, but, on the contrary, its employees were hired by others without consulting me in the matter. Under Mr. Schreiman's administration, before a person was employed to work in my department, I was called in to state whether or not that party was suitable to me.

20 There are a number of persons who were formerly employed in the various departments of the Ideal Laundry Company and who, through their employment, must have become familiar with any alleged secret methods and processes of the Ideal Laundry Company which it alleges exist in its plant and who have left that employ and have gone to work in the same or similar departments with laundries which compete very keenly with the Ideal Laundry Company in Hudson and Bergen Counties.

30 For example, Mr. George Herbert was formerly employed by the Ideal Laundry Company in the Rough Dry and Thrift Department for a period up until sometime in October, 1929. During the months of June, July, August and September of 1929, while in the employ of the Ideal Laundry Company he took charge of that particular department as acting assistant floor supervisor. After leaving its employment as aforesaid sometime in October, 1929, he took employment with the Standard Laundry Co. of No. 963-985 Garfield Avenue, Jersey City, New

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Jersey, which company has been established for approximately fifteen years and which company is doing approximately the same type of work and has departments similar to that of the Ideal Laundry Company, and which is one of its keenest competitors in Hudson and Bergen Counties. He has the position of floor supervisor of the Rough Dry and Thrift Department of the Standard Laundry Co. From his employment with the Ideal Laundry Company he became fully familiar not only with the alleged secret processes and methods of his department but also acquired full knowledge of the technique book covering his department. During the course of his employment with the Ideal Laundry Company, he also became familiar with the operation of the Float-Roll Ironer and with the other machinery in the plant, and upon many occasions, when I was the assistant floor supervisor of the Float-Roll Ironing Department of the Ideal Laundry Company, I called him in for the purpose of taking care of the Float-Roll Ironers in this department. Although the Ideal Laundry Company's officials have, at all times, been well aware of the fact and have been informed of the fact that Mr. Herbert has been and is working for the Standard Laundry Co., they have never taken or threatened to take any proceedings against him to prevent any possible disclosure of the alleged secret processes and methods of the Ideal Laundry Company.

So also, Mary Von Kamp was formerly employed by the Ideal Laundry Company in the capacity of ironer in the Float-Roll Ironing Department under me for a period in excess of one year, and after leaving that plant, she went to work for the Mutual Laundry at Nos. 541-543 Twelfth Street, West New York, New Jersey, whose plant is about two blocks away from that of the Ideal Laundry Company. Her position in the Mutual Laundry is that of

Answering Affidavit of Joseph Guglielmono.

ironer in its Float-Roll Ironing Department. This company has been in existence at least during the last five years and ever since I went to work for the Ideal Laundry Company, and is a competitor of the complainant in both the Counties of Hudson and Bergen. Although during the course of her employment with the Ideal Laundry Company, she became fully familiar with many of the alleged secret processes and methods and technique of the re-ironing and retouching in the Float-Roll Ironing Department, no proceedings have ever been taken or threatened against her to prevent any possible disclosure of the alleged secret methods and processes of the Ideal Laundry Company.

So also, Mrs. Schmidt who was employed as a hand-ironer in the Float-Roll Ironing Department of the Ideal Laundry Company under my supervision for a period of at least six months and up until sometime in the winter of 1928, when she left the employ of the Ideal Laundry Company and went to work for the Mutual Laundry in the capacity of forelady of the hand-ironing division of the Float-Roll Ironing Department. Although during the course of her employment with the Ideal Laundry Company, she became fully familiar with many of the alleged secret methods and processes and technique of the re-ironing and retouching in the Float-Roll Ironing Department, no proceedings have ever been taken or threatened against her to prevent any possible disclosure of the alleged secret methods and processes of the Ideal Laundry Company.

And yet despite these facts above stated, the Ideal Laundry Company, having full knowledge of these facts and of the places where these people were and are employed, have never taken any proceedings of any kind or threatened to take any proceedings

Answering Affidavit of Chester Lehman.

against these persons to enjoin them from disclosing any alleged secret methods and processes of the complainant or the contents of its technique book.

When I was about to take my new position with the Ideal Laundry Company, I first went to see Mr. William Borgos, Superintendent of the Ideal Laundry Company, and advised him that I was leaving the employ of the Ideal Laundry Company, and I then stated to him that I was willing to give him and the Ideal Laundry Company as much notice as he wished before ceasing my employment with it. He stated to me that I could quit right then and there as far as he and the company were concerned and that he would consider my notice at that time, as being sufficient, since the company already had competent persons who could replace me immediately and who could fully perform all the things that I was employed to do.

.....*Joseph Pugliese*.....

Sworn to and subscribed before me
this 30th day of December, 1929.

.....*Richard W. Sutcliffe*.....
Notary Public of New Jersey

State of New Jersey, } ss.:
County of Hudson, }

Chester Lehman, of full age, being duly sworn according to law, upon his oath deposes and says:

I was in the employ of the Ideal Laundry Company from November, 1925 until April, 1929. While with that company I worked as a clerk in the production office and one of my duties was keeping the

Answering Affidavit of Chester Lehman.

Technique Book in order. This Technique Book was a book of written orders. Inasmuch as there were usually several ways of doing most things, employees and supervisors were told to do things in the one way wanted by the management, and not by any other ways that employees or supervisors might have, or prefer, to accomplish the same results. In order to avoid misunderstandings between departments or individuals the verbal orders were written and called the Technique. In each department there was openly posted on bulletin boards or other conspicuous places by order of the plant management, so that all the help could see them, those pages of the Technique Book which related to that particular department.

Each employee, whether or not he was under contract similar to the one of which a copy is annexed to the Bill of Complaint as Schedule A, was given a copy of those instructions contained in the Technique Book upon being acquainted with his duties, and from time to time as new rules were formulated these employees were required to familiarize themselves with them. The same rules were given to supervisors as were given to the other employees. The methods in the Technique Book were not secret.

In February of 1929, Mr. Carlson, a civil engineer employed by the Ideal Laundry Company as assistant superintendent, condensed this Technique and made some minor changes. I carefully read through all the revised sheets and checked the new copies of the Technique. Never during my employment at the Ideal Laundry Company was I told that I was to keep the information I handled a secret, nor was I told that anything in the Technique Book was to be treated as a secret, nor was there ever any intimation to me or to any one else in the plant, to my knowledge, that the information contained in the Technique Book was a secret.

Answering Affidavit of Chester Lehman.

In 1927 I was told by the manager to give, and I did give, Technique sheets relating to the Float Ironed, the Rough Dry and Thrift Department methods to Mr. Kaffel, who was employed as assistant superintendent and who was discharged after a few weeks of employment. Mr. Kaffel did not sign an employment contract. I also gave 10
Rough Dry and Thrift Technique sheets to Mr. Louis Abrahams, who was employed as supervisor of said department, and who left the employment of the Ideal Laundry Company after approximately two months. Both these men studied the Technique sheets, not only in the plant, but they were allowed to take them home to study them.

The methods and processes of the Ideal Laundry Company were, to my knowledge, never treated or regarded as being secret, nor was any mention ever made to me, nor to my knowledge was any mention made to any one else in its employ, to regard the same as secret, nor were we cautioned of the necessity of secrecy or to not divulge its methods of doing business; nor, for that matter, was it ever intimated to me, or to my knowledge to any of the floor supervisors or assistant floor supervisors, that we were to advise the employees under our charge who were fully informed by us of the methods and processes of the departments and plant, and all improvements therein, that these methods and processes were secret, nor was it ever intimated that we were to caution them not to divulge these methods or processes to any one. 20
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CHESTER LEHMAN.

Sworn and subscribed to before me this
27th day of December, 1929.

JOSEPH N. FISHER,
Notary Public of New Jersey.

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Order.

(Filed January 2nd, 1930.)

IN CHANCERY OF NEW JERSEY.

10	Between IDEAL LAUNDRY COMPANY, Complainant, and JOSEPH GUGLIELMONE, Defendant.	}	On Bill, &c. Order.
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20 The above entitled matter coming on to be heard on the order to show cause heretofore made herein, in the presence of Merritt Lane, Esq., of Counsel with complainant, and William Boorstein, Esq., of Counsel with defendant, and the court having considered the pleadings and the affidavits of the complainant and of the defendant, and the argument of counsel;

30 It is on this 2nd day of January, 1930, ORDERED, that until the final hearing of this cause or the further order of the court, the said defendant Joseph Guglielmone desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant in the entire Counties of Hudson and Bergen, in the State of New Jersey.

E. R. WALKER,
C.

Respectfully advised,

40 JAMES F. FIELDER, V. C.

**Petition for Stay of Restraint Pending Appeal
with Affidavit Annexed.**

(Filed January 7th, 1930.)

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IN CHANCERY OF NEW JERSEY.

Between

IDEAL LAUNDRY COMPANY,
a corporation,
Complainant,
and
JOSEPH GUGLIELMONE,
Defendant.

On Bill, &c.
Petition
for Stay of
Restraint
Pending
Appeal.

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TO HIS HONOR, EDWIN ROBERT WALKER,
CHANCELLOR OF THE STATE OF NEW JERSEY.

The petition of Joseph Guglielmone, of the Township of North Bergen, County of Hudson and State of New Jersey, respectfully shows that:

1. Petitioner is the defendant in the above-entitled cause.

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2. On January 2nd, 1930, an interlocutory order was made in this cause, requiring and ordering that until the final hearing of this cause, or the further order of this court, the said defendant, Joseph Guglielmone, desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as

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*Petition for Stay of Restraint Pending Appeal with
Affidavit Annexed.*

that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey, from which order petitioner has appealed to the Court of Errors and Appeals.

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3. If the operation of the injunction contained in the said order be not stayed and suspended, it will be impossible to restore the petitioner to his former position, in case he is successful on his appeal, for the reason that he will thereby lose the executive position which, up to the service upon him of the order to show cause dated December 10th, 1929, in the above-entitled cause, he held as supervisor of the "Flat Work Ironing Department" in the Holland Laundry, which conducts a laundry business in the City of Jersey City, in the County of Hudson and State of New Jersey, which position is still open to him to accept, provided that this court immediately grants a stay of said injunction in said order contained, which position holds forth for your petitioner a comfortable income and opportunity for further advancement in the future in the line of work for which he has fitted himself by hard work over a period of years; furthermore, the injunctive order put him out of work, and has left him without any prospect of employment or livelihood, and if the operation of the injunctive order is not stayed, pending the disposition of his said appeal by the Court of Errors and Appeals, he will be left without prospect of employment and the means of earning a livelihood for himself and his family, since he has no other income or savings from which to support himself and his family during that period; furthermore, if the operation of the injunctive order is not stayed, he will, during the pendency of the

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*Petition for Stay of Restraint Pending Appeal with
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said appeal, be forbidden and prevented from seeking employment at a laundry plant in Hudson County, which is conveniently located to his North Bergen, Hudson County, home, where he has been established with his family for the past four years, and if, by any possibility, he will succeed in obtaining employment in a County other than Hudson or Bergen, it will be necessary for him to remove his home and family to a point conveniently located to his new place of employment. 10

4. The granting of a stay of the operation of the injunction contained in the said order of January 2nd, 1930, pending the disposition of the petitioner's appeal, will not result in any irreparable damage to the complainant. 20

Petitioner, therefore, prays that an order may be made, staying and suspending the operation of the injunction contained in the order made in the above cause on January 2nd, 1930, pending the disposition of his said appeal by the Court of Errors and Appeals.

JOSEF GUGLIELMONE,
Petitioner. 30

LICHTENSTEIN, SCHWARTZ & FRIEDENBERG,
Solicitors of Petitioner.

*Petition for Stay of Restraint Pending Appeal with
Affidavit Annexed.*

State of New Jersey, }
County of Hudson, } ss.:

Joseph Guglielmone, of full age, being duly sworn according to law, upon his oath deposes and says:

10 1. I am the petitioner in the foregoing petition, and the matters and things therein contained are true.

2. I am the defendant in the above-entitled cause.

20 3. On January 2nd, 1930, an interlocutory order was made in this cause, requiring and ordering that until the final hearing of this cause, or the further order of this court, I desist and refrain from entering into, managing, engaging myself in, concerning myself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey, from which order I have appealed to the Court of Errors and Appeals.

30 4. If the operation of the injunction contained in the said order be not stayed and suspended, it will be impossible to restore me to my former position, in case I am successful on my appeal, for the reason that I will thereby lose the executive position which, up until the service upon me of the order to show cause dated December 10th, 1929, in the above-entitled cause, I held as supervisor of the "Flat Work Ironing Department" in the Holland Laundry, which conducts a laundry business in the City of Jersey City, in the County of Hudson and State of New Jersey, which position is still open
40 to me to accept, provided that this court immediately grants a stay of said injunction in said order

*Petition for Stay of Restraint Pending Appeal with
Affidavit Annexed.*

contained, which position holds forth for me a comfortable income and opportunity for further advancement in the future in the line of work for which I have fitted myself by hard work over a period of years; furthermore, the injunctive order put me out of work, and has left me without any prospect of employment or livelihood, and if the operation of the injunctive order is not stayed, pending the disposition of my said appeal by the Court of Errors and Appeals, I will be left without prospect of employment and the means of earning a livelihood for myself and my family, since I have no other income or savings from which to support myself and my family during that period; furthermore, if the operation of the injunctive order is not stayed, I will, during the pendency of the said appeal, be forbidden and prevented from seeking employment at a laundry plant in Hudson County, which is conveniently located to my North Bergen, Hudson County, home, where I have been established with my family for the past four years, and if, by any possibility, I will succeed in obtaining employment in a County other than Hudson or Bergen, it will be necessary for me to remove my home and family to a point conveniently located to my new place of employment.

5. The granting of a stay of the operation of the injunction contained in the said order of January 2nd, 1930, pending the disposition of my appeal, will not result in any irreparable damage to the complainant.

JOSEF GUGLIELMONE.

Sworn to and subscribed before me
this 6th day of January, 1930.

RICHARD W. GUTHEIL,
A Notary Public of New Jersey.

**Order to Show Cause Why Restraint Should Not
Be Stayed Pending Appeal.**

(Filed January 7th, 1930.)

77/38

IN CHANCERY OF NEW JERSEY.

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Between

IDEAL LAUNDRY COMPANY,
a corporation,
Complainant,
and

JOSEPH GUGLIELMONE,
Defendant.

On Bill, &c.
Order to
Show Cause.

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A petition having been filed herein by the defendant, Joseph Guglielmone, alleging that he has appealed to the Court of Errors and Appeals from an interlocutory order made in this cause on the 2nd day of January, 1930, and that unless operation of the injunction contained in said order be not stayed and suspended, it will be impossible to restore him to his former position, in case he is successful on his said appeal, and praying that an order may be made, staying and suspending the operation of the injunction contained in the said order made in the above cause on January 2nd, 1930, pending the disposition of his said appeal by the Court of Errors and Appeals.

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IT IS, on this 7th day of January, 1930, ORDERED, that the complainant, Ideal Laundry Company, a corporation, show cause before this court on the 13th day of January, 1930, at the hour

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Order to Show Cause Why Restraint Should Not Be Stayed Pending Appeal.

of ten o'clock in the forenoon, or as soon thereafter as counsel can be heard, at the Chancery Chambers in the City of Jersey City, New Jersey, why an order should not be made, staying and suspending the operation of the injunction contained in the said order made in the above cause on January 2nd, 1930, pending the disposition of his said appeal by the Court of Errors and Appeals. 10

IT IS FURTHER ORDERED, that true but uncertified copies of this order, as well as the petition and affidavit upon which the same is based, be served on the complainant, Ideal Laundry Company, or its solicitor, within one day from the date hereof.

*Edwin Robert Walker*²⁰
C.

Respectfully advised,

JAMES F. FIELDER, V. C.

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Affidavit of Service.

(Filed January 9th, 1930.)

IN CHANCERY OF NEW JERSEY.

10	Between IDEAL LAUNDRY COMPANY, a corporation, Complainant, and JOSEPH GUGLIELMONE, Defendant.	}	On Bill, &c. Affidavit of Service.
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20 State of New Jersey, } ss.:
 County of Hudson, }

Joseph N. Fisher, of full age, being duly sworn according to law, upon his oath deposes and says:

1. I am a clerk in the employ of Lichtenstein, Schwartz & Friedenbergs, Esqs., solicitors for the defendant in the above-entitled cause.

30 2. On January 7th, 1930, at 1:35 P. M., I served upon Merritt Lane, Esq., of counsel with the complainant in the above-entitled cause, a true copy of the petition of the defendant, Joseph Guglielmono, for stay of restraint contained in the order made on January 2nd, 1930, in the above cause, pending his appeal therefrom, together with the affidavit of said defendant, Joseph Guglielmono, thereto annexed, and a true copy of the order to show cause why said stay should not be granted, which order was made on January 7th, 1930, by serving the same upon a Miss Lee who was then in charge of

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*Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.*

the office of the said Merritt Lane, Esq., at No. 763
Broad Street, Newark, New Jersey.

JOSEPH N. FISHER.

Sworn to and subscribed before me 10
this 8th day of January, 1930.

MATTIE W. GIBBS,
Notary Public of New Jersey.

**Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.**

(Filed January 13th, 1930.)

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State of New Jersey, }
County of Hudson, } ss.:

Burton B. Mazur, of full age being duly sworn
according to law on his oath deposes and says:

Prior to January 7th, 1929, I sent word to Joseph
Guglielmone, formerly employed by the Ideal Laun-
dry Company as an assistant supervisor, that I
would like to talk with him and on January 7th,
1929, he called on me and I asked him whether he
was working and I stated to him that I was ready
to assist him to secure a position. He then in-
formed me that he had made application for a job
with the State Laundry in Brooklyn and that he
would like to get a position in Manhattan. I told
him that I would get in touch with the State Laun-
dry and that I knew some one there and would at-
tempt to get him the position and that if I did not
succeed, I would get him a position with some other
company in Manhattan and I told him to return on
Thursday, January 9th for further information.

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*Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.*

10 I have communicated with a representative of the State Laundry in Brooklyn who informs me that they are ready to employ Joseph Guglielmone in the same capacity as he worked for the Ideal Laundry Company and at the same salary. I am certain that if Joseph Guglielmone desires a position in Manhattan that I could secure one for him of the same grade as the one that he had with the Ideal Laundry Company.

BURTON B. MAZUR.

Sworn and subscribed to this 10th
day of January, 1930.

20 MATILDA MAVIS BRAUER,
Notary Public and
Attorney at Law of New Jersey.
(Seal)

**Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.**

(Filed January 13th, 1930.)

30 State of New York, }
County of New York, } ss.:

40 S. Robert Curtis, of full age being duly sworn according to law on his oath deposes and says: I, S. Robert Curtis, am the manager of the Mayflower Laundry, a corporation of the State of New York, conducting a general laundry business at East 90th Street, New York City. I have been consulted by Mr. D. B. Mazur, manager of the Ideal Laundry Company of West New York, regarding

*Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.*

our company employing Joseph Guglielmone as an assistant supervisor of our Flat Work Department. I am informed that the said person was employed by the Ideal Laundry Company as an assistant supervisor of their ironing department.

This company stands ready upon application by Joseph Guglielmone to employ him in the capacity of an assistant supervisor in its Flat Work Department at a salary of Forty-eight Dollars per week. 10

S. ROBERT CURTIS.

Sworn and subscribed to this
10th day of January, 1930.

ARTHUR HABER,
Notary Public.

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Bronx Co. Clerk's No. 153.
New York Co. Clerk's No. 1030.
New York Co. Register's No. 0-670.
Commission expires March 30, 1930.

**Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.**

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(Filed January 13th, 1930.)

State of New Jersey, }
County of Essex, } ss.:

Harold C. Buckelew, of full age being duly sworn according to law upon his oath deposes and says:

I am the Secretary of the New Jersey Laundry Owner's Association, who have their principal office at No. 31 Central Avenue, Newark, New Jersey.

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*Affidavit Read and Filed by Complainant on
Hearing for Stay of Restraint.*

The membership of the Association constitutes a large majority of the representative laundries within the State of New Jersey, and I am entirely familiar with the employment situation with relation to the industry.

- 10 Within Essex County, New Jersey there are approximately 85 laundry companies and from my knowledge of conditions in the laundry industry within Essex County, I feel certain that a man who has had experience as an Assistant Supervisor of the ironing department of the Ideal Laundry at West New York, would certainly have no difficulty in securing a position with one of the many laundries in this county. Men having the experience in such work are in demand at the laundries in
- 20 this county.

- In many cases I act as an intermediary between laundry companies and persons who desire to secure employment with them and I know that one Joseph Guglielmone, who formerly worked for the Ideal Laundry Company, West New York, has not applied to me for a position, and if he does apply I am willing to attempt to secure a position for him and I feel reasonably certain that I will have no difficulty in securing a position for him of the
- 30 same class as he had while with the Ideal Laundry Company.

HAROLD C. BUCKELEW.

Subscribed and sworn to before me
this 11th day of January, A. D. 1930.

JOSEPH A. RAFFERTY,
Notary Public,
of New Jersey.

Order Staying Restraint.

(Filed January 13th, 1930.)

77/38

IN CHANCERY OF NEW JERSEY.

<p>Between</p> <p style="text-align: center;">IDEAL LAUNDRY COMPANY, a corporation, Complainant, and JOSEPH GUGLIELMONE, Defendant.</p>	}	<p>10</p> <p>On Bill, &c. Order.</p>
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This matter being opened to the court by Lichtenstein, Schwartz & Friedenber, Esquires, solicitors of the defendant, and it appearing that on January 2nd, 1930, an interlocutory order was made in this cause, requiring and ordering that until the final hearing of this cause, or the further order of this court, the said defendant desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or a similar business as that conducted by the said complainant, Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey,

And it further appearing that the defendant has appealed from said order to the Court of Errors and Appeals,

And it further appearing that said defendant has applied to this court for an order staying and sus-

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Order Staying Restraint.

pending the operation of said restraining order pending the disposition of his said appeal, and Merritt Lane, Esquire, appearing for complainant in opposition,

10 IT IS, THEREFORE, on this 13th day of January, 1930, ORDERED, that the operation of the restraint contained in the said order made in the above cause on January 2nd, 1930, be, and the same is hereby, stayed and suspended until the opening of the next term of the Court of Errors and Appeals, or until said appeal is disposed of by said court.

Edwin Robert Walker
C.

20 Respectfully advised,

JAMES F. FIELDER, V. C.

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[50162]

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New Jersey Court of Errors and Appeals

Between IDEAL LAUNDRY COMPANY, a corporation, Complainant-Respondent, and JOSEPH GUGLIELMONE, Defendant-Appellant.	}	On Appeal from the Court of Chancery. Set Below: Hon. Edwin Robt. Walker, Chancellor. Hon. James F. Fielder, Vice-Chancellor.
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BRIEF OF DEFENDANT-APPELLANT.

Statement of Facts.

This is an appeal from an interlocutory order or temporary injunction made on January 2nd, 1930, by the Honorable Chancellor, Edwin Robert Walker, on the advice of the Honorable Vice-Chancellor James F. Fielder, in a certain cause now pending in the said Court of Chancery wherein the said Ideal Laundry Company, a corporation, is complainant, and the said Joseph Guglielmone is defendant. The said order adjudged that:

“until the final hearing of this cause or the further order of the court, the said defendant Joseph Guglielmone desist and refrain from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry

business or similar business as that conducted by complainant in the entire Counties of Hudson and Bergen, in the State of New Jersey" (see p. 66 of the State of Case).

The matter came on to be heard in the Court of Chancery on an application for a temporary injunction and was heard on bill and affidavits, and answering affidavits, and order to show cause.

The said bill of complaint seeks the following relief against the defendant :

"2. That the defendant Joseph Guglielmone, may be enjoined and restrained for a period of two years, after the 25th day of November, 1929, from entering into, managing, engaging, concerning himself, and operating and conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant, in the entire counties of Hudson and Bergen in the State of New Jersey.

"3. That the defendant Joseph Guglielmone be perpetually enjoined and restrained from disclosing to any person, firm or corporation whatsoever the name, the methods and processes employed by complainant in the operation of its business and particularly the operation of its 'Float-ironed Department', and from divulging any other information that he may have acquired during his period of employment with complainant" (see p. 15 of the State of Case).

The complainant alleges in its said bill of complaint (the bill of complaint will be found on pp. 9 to 15, inclusive, of the State of Case) :

That it has been engaged in the general laundry business throughout the Counties of Hudson and Bergen, in the State of New Jersey, for the past twenty-three years.

That some time subsequent to its organization it has established and developed methods of doing business by creating various departments within its establishment for the performance of different kinds of work, among which is the "Float-ironed Department", and that it places in charge of the various departments a floor supervisor and an assistant floor supervisor.

That on or about July 1st, 1926, it employed the defendant as a wrapper of finished laundered articles into bundles for delivery to the customer, at a salary of twenty-five dollars (\$25.00) per week and that on or about May 23rd, 1927, it appointed him as an assistant floor supervisor of the "Float-ironed Department" at a weekly salary of thirty-five dollars (\$35.00), and that his salary was consistently raised until September 28th, 1928, when the complainant and the defendant entered into an employment agreement which is hereinafter mentioned and more particularly described.

That in its "Float-ironed Department" there were employed eighty-two (82) persons engaged in the operations conducted therein, which involved a combination of machinery, personal knowledge and skill and the use of machinery especially adapted to the work performed therein, which is assembling, preparing for machinery, machine ironing, hand retouching, finished assembly, control, packing and conveying to delivery department of a highly specialized laundry service.

That through years of experience, and at great annual expense and much experimentation involving the use of highly paid help, and considerable

quantity of goods and materials and machinery and specially designed conveying equipment, it has developed means and methods of doing business with said "Float-ironed Department" and its other departments which it maintains, which are unique and known only to it and which are specialized in by it.

That as a result of the development and improvement in the methods and processes of the said departments, the complainant is able to produce a process of complete laundry service more quickly, better and cheaper by far, than by its competitors. That the methods developed and practiced by it are peculiarly a secret process.

That the methods and processes of performing the work of its "Float-ironed Department" is known to its officers, supervisors and assistant supervisors and plant superintendent, and that these persons were acquainted with the various improvements developed from time to time in the conduct of the various departments and of the said unique and secret methods, and that the persons engaged in the capacity of supervisors and assistant supervisors were often cautioned of the necessity of secrecy, and that its methods of doing business be not divulged, and that it was known to them that the processes employed by the complainant were unique and different from those used in other establishments.

That in order to have the employee qualify for a position as an assistant floor supervisor of the "Float-ironed Department" it was necessary to give him personal instructions concerning the various phases of the department, and that one of its management is required to spend considerable time with him, and to go into full detail of every operation in divulging its alleged secret and unique methods, and allowing its said employee to

become fully familiarized with any subsequent improvements and changes, and that said employee is permitted to attend meetings of all supervisors and assistant supervisors, when held, at which time the policies and methods of the conduct of its business are discussed in full. And that said employee also has access to the records of the particular department which he is operating showing the cost of operation and efficiency.

That in view of the facts aforesaid, and in order to more fully protect it, the complainant enters into contracts with its employees of the nature of the agreement hereinafter mentioned and described, and which contract was made between complainant and the defendant.

That on or about September 28th, 1928, the complainant, as a condition for the continuance of the defendant in its employ, and in consideration thereof, entered into the said agreement of September 28th, 1928, above referred to, which agreement provides that the Ideal Laundry Company hires and the said Joseph Guglielmone accepts employment in the plant of the Ideal Laundry Company at West New York, Hudson County, New Jersey, and is thereby designated as assistant floor supervisor from September 28th, 1928, to September 28th, 1930, at a salary of Thirty-nine Dollars (\$39.00) per week; and that the employment is to be to the satisfaction of the complainant employer and that the defendant employee agrees to devote all of his time and attention to the business of the employer. It is this agreement which the complainant's bill seeks to enforce. The important paragraph thereof reads as follows:

"3. It is further agreed that in the event of the termination of this agreement for any cause whatsoever (employer being the sole

judge as to whether this said agreement is terminated) that the employee should not enter into, manage, engage, concern himself, operate or conduct, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company, in the entire counties of Hudson and Bergen, in the State of New Jersey, for a term of two years from the date of the termination of this agreement." (See p. 28 of the State of Case.)

That the defendant was consistently raised in salary until he was receiving the sum of forty-three dollars (\$43.00) a week on or about November 25th, 1929.

That the defendant continued in the employment of the complainant up until about November 25th, 1929, when he voluntarily resigned from his employment with the complainant, and that almost immediately thereafter the said defendant went to work for the Holland Laundry, a corporation of New Jersey, and that he is at the present time working for that company in a similar capacity as that in which he was employed by the complainant; and that the said Holland Laundry is a competitor of the complainant having its plant in the City of Jersey City, in the said County of Hudson, and is engaged in the general laundry business in said County of Hudson.

That by reason of the employment of defendant by it in the capacity as an assistant floor supervisor and of its placing absolute faith and trust in the said defendant he was allowed to have a free hand in the running of his department and given the fullest information of a confidential nature of complainant's business methods, especially in con-

nection with the operation of the "Float-ironed Department", of which he was in charge, and that by virtue of his said employment there was confided to him the various processes and methods used by complainant in the conduct of its business, and that if the said defendant is permitted to continue to work in the said Holland Laundry Company, the value of its said secret processes and methods of conducting business will be greatly destroyed because it will lose the advantage of exclusively using such methods.

The bill of complaint has annexed thereto affidavits of David B. Mazur and William Borgos, the general manager and the plant superintendent, respectively, of the complainant (see pp. 16 to 28, inclusive, of the State of Case).

The said bill of complaint with the said affidavits thereto annexed was filed in the Court of Chancery on December 10th, 1929, and on the basis thereof the Chancellor, on said date, upon the advice of the Honorable Vice-Chancellor Alonzo Church, ordered that the defendant Joseph Guglielmone show cause before the Chancellor, at the City of Jersey City,

"* * * why an order should not be made enjoining and restraining him, pending the determination of this cause and the further order of the court, from entering into, managing, engaging in, concerning himself in, operating or conducting directly, or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company in the Counties of Hudson and Bergen in the State of New Jersey, and from disclosing to any person, firm or corporation whatsoever any information which he shall have acquired during

his period of employment with the Ideal Laundry Company.

“And it is further ORDERED, that in the meantime and until the further order of the court, the said Joseph Guglielmone do desist and refrain from entering into, managing, engaging in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company in the Counties of Hudson and Bergen in the State of New Jersey, and from disclosing to any person, firm or corporation whatsoever any information which he shall have acquired during his period of employment with the Ideal Laundry Company.” (See pp. 29 and 30 of the State of Case.)

The said order to show cause was, by its terms, returnable on December 16th, 1929, but the argument thereon was continued over to December 30th, 1929.

Upon the hearing of the argument of the said order to show cause on December 30th, 1929, there was read the complainant's said bill of complaint and affidavits thereto annexed, and there was read and filed the affidavit of the defendant Joseph Guglielmone (see pp. 31 to 63, inclusive, of the State of Case) and the affidavit of Chester Lehman, who was also a former employee of the complainant (see pp. 63 to 65, inclusive, of the State of Case).

The affidavit of the defendant Joseph Guglielmone meets and answers fully the allegations contained in the bill of complaint and the affidavits thereto annexed, and shows:

That from 1906, the time of its organization, and up until about the early part of 1923, the com-

plainant did not do any retail work for the ultimate consumer, but solicited work from hand laundries which consisted of washing and ironing of flat work, washing and ironing of collars and shirts and washing and drying of other articles for the hand laundries, and then returning the articles to the hand laundries in bulk and not separated into individual packages for each private retail customer (see p. 33 of the State of Case).

That the complainant first established its present departmental organization for retail service about February, 1923 (see pp. 33 and 34 of the State of Case).

That the creation of departments in the retail laundry business did not originate with the complainant but had been in use by various laundries for many years prior to the establishment of departments in the plant of the complainant. That where the volume of one class of service reaches a point where it is economically desirable to segregate this class of service in one department under the direct supervision of one or more men, laundries make these departments. That sometimes the limitations of space make it necessary to have all of one class of service done in one part of the building, and that part of the building is given the name of the service plus the word "department." That the placing of floor supervisors and assistant floor supervisors in charge of the various departments was neither originated by the Ideal Laundry Company, nor is this system of factory management a secret or unique (see pp. 44 and 45 of the State of Case).

That the "Float-ironed Department" is a section of the building of the Ideal Laundry Company which is devoted to turning out a laundry service known as "Float-Ironed" service. That this name

was given to this service in about the year 1921 by the American Laundry Machine Company, manufacturer of laundry machinery, which sells its products to any and all laundries desiring to buy them. That the name "Float-Ironed" is derived from the fact that the service involves the use of a machine known as a "Float-Roll Ironer" (see the illustration of this machine on bottom of p. 55 of the State of Case). That the name "Float-Roll Ironer" is derived from the fact that the bearings in which the padded rolls of this machine rotate, rest upon, and are suspended from, springs so as to float these padded rollers on these springs, in order not to break the buttons on garments, nor to ruin the machine when exceptionally thick garments are passed through these machines (see pp. 31 and 32 of the State of Case).

That in this "Float-Ironed" service all articles, both flat work and wearing apparel, are machine-ironed by means of being passed through the float-iron machine between rotating padded rolls above and steam heated irons beneath. That some of the flat work and some of the wearing apparel, or some parts of it, may or may not be re-ironed by hand to take out wrinkles after the articles pass through the Float-Roll Ironer.

That the American Laundry Machine Company has maintained a service department with men and women therein who have gone about the different laundries and taught them the Float-Ironed Service, particularly the methods and processes of assembling, preparing for machinery, machine ironing, hand retouching, finished assembly, control and packing which the complainant alleges are secret and known only to it. That conveyor companies maintain service and engineering departments which design, install and instruct on all

types of conveyors for laundries. That Mr. Schreiman, the President and general-manager of the said Holland Laundry, mentioned in the bill of complaint, was, during the years 1921 and 1922, and before coming to the plant of the Ideal Laundry Company in March, 1923, a service man for the American Laundry Machine Company, and in that capacity taught laundries that never had any float-iron work how to do this work and the methods and processes involved therein, and also taught them the methods and processes of doing other services and classes of laundry work. That in his capacity as service man, as aforesaid, Mr. Schreiman also learned from the various laundries which he visited, their methods, processes and equipment, which were adopted by him and instituted or built for the complainant Ideal Laundry Company under his administration and direction as its plant manager (see pp. 32 and 33 of the State of Case).

That the "Float-Ironed" methods and processes have been in use by various laundries for at least eight years and were in use before the complainant installed them in its plant. That the methods and processes involved in the service are neither unique, nor are they secret. That they have been, and still are, in general use throughout the country, throughout this State, and throughout the Counties of Hudson and Bergen. That this service is sold by a host of laundries throughout New Jersey, including among others the Standard Laundry, Brunswick Laundry and Manhattan Laundry, all of the City of Jersey City, in said County of Hudson (see pp. 34 to 36, inclusive, of the State of Case).

That the "Rough Dry" department or service of the complainant is a very old service, which was

in use long before the complainant adopted it, and it consists of machine-ironing of flat work and the delivery of wearing apparel washed, dried and sometimes starched. That the methods and processes involved in the service are neither unique, nor are they secret. That the service is sold under the same or practically the same name as that used by the Ideal Laundry Company by numerous laundries throughout the country, the State of New Jersey and the Counties of Bergen and Hudson, among which are the Union Individual Laundry of West New York, Hudson County, New Jersey, and the Manhattan Laundry and the Brunswick Laundry of Jersey City (see pp. 36 and 37 of the State of Case).

That the name "Thrifty Wash" department or service of the Ideal Laundry Company was originated and has been used by the American Laundry Machinery Company for the past nine years. The name "Thrifty Wash," or that name with slight variations in spelling, has been in general use in almost all laundries throughout the country and throughout the State of New Jersey, including Bergen and Hudson Counties. That neither the service, nor the methods and processes therein involved, are unique or secret, nor were the same originated by the Ideal Laundry Company. That the service consists in the machine-ironing of flat work, and the delivery of the wearing apparel in moist condition. That the service is sold by the Lackawanna Laundry of Jersey City, the Hoboken Individual Laundry, Inc., of Hoboken, Union Individual Laundry, Standard Laundry and the Brunswick Laundry, among others (see pp. 37 to 39, inclusive, of the State of Case).

That the "Ideal-Ironed" department is a department of the complainant's plant devoted to turning

out an ironed service in which flat work is machine-ironed, and the wearing apparel is machine or hand-ironed to present more or less perfectly ironed articles. That it is a service in which wearing apparel is serviced to equal hand-ironed work. That the service is in general use in laundries and is designated by whatever name occurs to the individual laundry. Its methods and processes are neither unique nor secret. That the service is produced and sold, among others, by the Little Falls Laundry, the Lackawanna Laundry, the Union Individual Laundry and the Brunswick Laundry (see pp. 39 to 41, inclusive, of the State of Case).

That the machinery used in the Float-ironed Department and in the other services of the complainant are of standard make and can be purchased by all laundries. That instructions in the methods and processes used in the operation of the various machines is given by competent experienced representatives of the machinery manufacturers and distributors. That the Ohio Mechanics Institute of the Laundry Owners' National Association in Cincinnati, conducts a research department and disseminates information on laundry machinery, methods, processes and technique through printed literature which is distributed throughout the country. That there is nothing secret or unique about the machinery used for work performed in the Float-ironed Department, which is assembling, preparing for machinery, machine-ironing, hand retouching, finished assembly, control packing, conveying to delivery department. That the machinery adapted for these purposes, such as tables, boards, bins, electric irons, sorting racks, is in use in all laundries having a Float-ironed Department, and the methods and processes in different plants vary in but minor

details to suit the convenience and physical conditions of the particular plant (see p. 44 of the State of Case). And that both before and after September 28th, 1928, the date of the signing of the employment contract above mentioned and described, the plant of the complainant together with its methods and processes, was and is open for inspection by competitors and others interested in the laundry business and the general public (see pp. 45 to 47, inclusive, of the State of Case).

That the allegation in the bill of complaint to the effect that during the last fiscal year the complainant expended \$20,000.00 in improving the methods of its "Float-iron" department is misleading. That the defendant was in charge of that department as assistant floor supervisor from about May, 1927 to November 25th, 1929, continuously, and including the last fiscal year. That there were no new changes in methods, processes or technique made during that period of time, except minor changes and the discarding of one of the two well-tried methods of machine-ironing. That before the said discarding, the complainant had used a separate machine for the ironing of wearing apparel, a second machine for the ironing of flat work, and a third machine was the Float-Roll Ironer which was used for the ironing of both flat work and wearing apparel. That the complainant then discarded the machine used for the ironing of flat work separately and the machine used for ironing separately the wearing apparel, and at present it uses only the Float-Roll Ironer for the ironing of both wearing apparel and flat work. That neither the methods, processes nor technique of the Float-Roll Ironing department were changed after the making of the said employment agreement, nor were the methods, processes and technique existing in the complain-

ant's plant after the making of the contract, different from those existing before the making of the contract, except for very minor details. The only change in the department, except the discarding above stated, was a rearrangement of the machinery, due to an addition which was put on the building, and that the expenditure of \$20,000.00 above mentioned went chiefly into new machinery and other physical changes made necessary by the addition. That a new Smith's Drum Ironer for doing float-ironed work, was installed in that department at a cost of approximately \$9,000.00 (see pp. 47 and 48 of the State of Case).

That the complainant's allegation that its methods and processes in the operation of the Float-ironed Department and in its other departments have reached a high state of development, resulting in a process of complete laundry service quicker, better and cheaper by far than that of its competitors, is not true. That the methods and processes and departmental organization are substantially the same in most laundries, including competitors of the complainant, and these competitors do their work at least as quickly because they deliver it as quickly; for example, the complainant delivers its service in three days, but so also does the Brunswick Laundry, and many of its other competitors; and the work is at least as well done by its competitors because they sell the same type of service as the complainant to very many persons in Hudson and Bergen Counties, witness such laundries as the Brunswick Laundry, Standard Laundry and Lackawanna Laundry, all of them large and growing plants and all located in Hudson County and doing business in both Hudson and Bergen Counties, and this growth has been going on despite the fact that according to the

charge of the complainant, these competitors are apparently without the knowledge of the alleged secret methods and processes which the complainant says it alone possesses. That the advertised prices of other laundries as shown on pages 34 to 44, inclusive, of the State of Case, clearly indicate this (see pp. 48 and 49 of the State of Case).

That as above stated, these methods and processes of complainant are not a secret. And, furthermore, the same were never treated or regarded by the complainant Ideal Laundry Company as being secret, nor was any mention of any kind made to the defendant, nor, to his knowledge, was any mention made to any one else in the complainant's employ to regard the same as secret; nor were they cautioned of the necessity of secrecy or of not divulging its methods of doing business; nor, for that matter, was it ever intimated to the defendant or to any of the floor supervisors or assistant floor supervisors of the complainant that they were to advise the employees under their charge, who were fully informed by them of the methods and processes of the departments and plant, and all improvements therein, that these methods and processes were secret, nor was it ever intimated that the said floor supervisors and assistant floor supervisors were to caution them not to divulge these methods and processes to any one. (see p. 49 of the State of Case).

That neither the defendant, nor any other floor supervisor or assistant floor supervisor of the complainant was given or had access to the records of his particular department showing its cost of operation. That neither the defendant, nor were any of the said departmental supervisors or assistant supervisors, to his knowledge, given access to records of their respective departments showing their

efficiency, except such records as were posted on bulletin boards in each department showing the weekly, daily and hourly production of the various parts of the departments, and that the said bulletins were open to the inspection of all employees and very largely for their benefit, as they were given a bonus based on their production. That all persons passing through the complainant's plant on inspection could and did note these records. That no other records of complainant's plant were shown to the defendant. That copies of those pages of the technique book (which book is hereinafter mentioned and described), which related to the defendant's department were openly posted on bulletin boards or other conspicuous places by order of Assistant Superintendent Carlson, the civil engineer of the plant, so that all the help could see them, and by his order those pages of the technique book relating to and in force in each separate department were openly posted on the bulletin boards or other conspicuous places in each particular department to which they related (see pp. 49 and 50 of the State of Case).

That the defendant attended the meetings of supervisors and assistant supervisors of the complainant's plant at which, the complainant alleges, policies and methods of the conduct of its business were discussed in full. That these meetings were held after working hours on the employee's own time and that these meetings were more in the nature of social functions than business conferences. That these meetings were first inaugurated some time in February, 1929 and were held once a month. That there were in all, three or four meetings and that they were held in public dining halls without any attempt at secrecy and without any intimation to anyone that the matters there discussed were

confidential or secret. That it was only at the first two meetings that business was even mentioned, and that the remainder of the meetings were entirely social functions (see pp. 50 and 51 of the State of Case).

That the affidavits annexed to the complaint state that the defendant and the floor supervisors and assistant floor supervisors, before taking the position, were required to study a book of technique which the complainant alleges has been in the process of preparation since the time the complainant was organized; and that this book contains the complete description of the details of operation of the various departments operated by the complainant. And the defendant's affidavit shows that said book of technique is simply a compilation of written orders to the floor supervisors, their assistants and employees, which are written for the purpose of taking the place of oral orders in order to avoid confusion and misunderstanding. That each employee, whether under contract or not, is given a copy of these instructions upon being "broken in". That from time to time as new rules are formulated, they are required to familiarize themselves with them. That the same rules are given to supervisors as are given to the other employees. That the complainant first began its said technique book some time in 1923. That the rules in the technique book are not secret, but on the contrary, are in general use by all laundries and vary between the different laundries only in details. That the said rules are not unique, nor were they originated by the Ideal Laundry Company. That the technique book was never regarded as secret (see pp. 51 and 52 of the State of Case).

That the processes, methods and technique of the complainant were the same, except for minor

changes, before the inauguration of the employment agreement above mentioned, as they were after, and that this statement stands true equally as well for the Float-ironed Department of the complainant. That the complainant did not regard its methods, processes and technique book as secret is shown by the fact that certain persons, specifically named in the defendant's affidavits, who held executive positions with the complainant, never executed the employment contract above mentioned and described, despite the fact that they continued in its employ for some time after September 28th, 1928, and have only recently left the employment of the complainant and entered into the employment of its competitors. That the statement in the affidavits of David B. Mazur and William Borgos, annexed to the bill of complaint, to the effect that the business of the complainant and of the said Holland Laundry are identical, is not accurate. That not only are the names of the services of the two companies different, but so also are their finished products different. And that furthermore, the Holland Laundry does not maintain a Float-ironed service as alleged by the complainant, nor does it have or maintain Float-Roll Ironers, but, on the contrary, uses a totally different type of equipment for ironing wearing apparel. That in fact, the officers and staff of the Holland Laundry do not even contemplate the installation or use of float-iron machines, nor the doing of float-ironed work, and furthermore, from the inception of its organization, the Holland Laundry discarded the idea of using the Float-Roll Ironer and has turned, instead, to a press machine method for producing a reasonably priced satisfactory service, which they call the Satisfaction Service. The illustration of the said "Press Machine"

appears on the top of page 55 of the State of the Case, and the illustration of the said, "Float-Roll Ironer" appears on the bottom of the said page (see pp. 53 to 55, inclusive, of the State of Case).

That the defendant, up until the signing of the restraining order in said Chancery cause, was a supervisor of the Flat Work Ironing Department in the Holland Laundry, which work, and the equipment used, and the methods and processes involved therein, are common to thousands of laundries and do not involve any alleged secrets of the complainant or of any other laundry of any kind. That in fact, Flat Work Ironing has been in existence for at least the last forty years, and has, for a long period of time, been used throughout New Jersey, including the Counties of Hudson and Bergen. That the complainant does not maintain a separate Flat Work Ironing Department (see p. 56 of the State of Case).

That the statement made in the affidavit of David B. Mazur annexed to the bill of complaint, which recites that the defendant is performing the same type of work for the Holland Laundry as he did for the complainant while in its employ, is answered by the preceding paragraphs. That Mr. Mazur's further statement that he firmly believes that defendant was employed by the Holland Laundry for the information that the defendant can give to it of the methods employed by the complainant in the conduct of its Float-ironed Department is absolutely erroneous and without foundation. That as above shown, the Holland Laundry does not do Float-iron work, and the defendant, therefore, cannot give it any information with regard to this service which would be of any use to it. That it is not possible for the defendant to disclose to the Holland Laundry any alleged laundry

secrets of the complainant since the Holland Laundry, through its President, Mr. Schreiman, is fully familiar with practically every method and process of the complainant and with its technique book almost in its entirety, since Mr. Schreiman was the general plant manager of the complainant's plant continuously from March, 1923 to March, 1928, and as such plant manager he established these in the plant of the complainant, and every change in the methods, processes and technique book made while he was its plant manager went through his hands for approval. That the changes in the methods, processes and technique of the complainant since Mr. Schreiman left its employ have been of a very minor order (see pp. 56 and 57 of the State of Case).

That though the defendant absolutely denies that there is any secret about the methods and processes of the complainant, he has not divulged, nor does he threaten to divulge, nor does he contemplate divulging to the Holland Laundry or to any one else, any of the methods or processes of the Float-ironed Department or of any department of the complainant Ideal Laundry Company, nor is he, nor has he been using any of such information in violation of the said employment agreement. That the "Washing Department" which constitutes a part of complainant's plant, is devoted entirely to the washing of clothes. That the defendant never had anything to do with that department, nor was he ever introduced to or taught the methods, processes or formulae of that department, nor did he ever perform any work therein (see p. 57 of the State of Case).

As further proof that the complainant never regarded its methods, processes and technique book as secret is the fact that certain named

persons who are specifically designated in the affidavit of the defendant, and who were formerly employed in executive capacities in the various departments of the complainant's plant, and who, through their employment, must have become familiar with any alleged secret methods and processes of the complainant, which it alleges exist in its plant, have recently left that employ and have gone to work in the same or similar departments and capacities with laundries which compete very keenly with the complainant, both in the said Counties of Hudson and Bergen, and yet, the complainant, though it had and has full knowledge of these facts and of the places where these people were and are employed, never took, nor threatened to take any proceedings against them to prevent any possible disclosure of the alleged secret processes and methods of the complainant, or the contents of its technique book (see pp. 60 to 63, inclusive, of the State of Case).

That when the defendant was about to take his new position with the Holland Laundry Company, he went to see Mr. William Borgos, superintendent of the complainant, and advised him that he was leaving the employ of the complainant, and the defendant then stated to him that he, the defendant, was willing to give Mr. Borgos and the complainant as much notice as Mr. Borgos and the complainant desired before ceasing employment with the complainant. That Mr. Borgos then stated that the defendant could quit then and there as far as he, Mr. Borgos, and the complainant were concerned and that he and the complainant would consider the defendant's notice at that time as being sufficient, since the complainant already had competent persons who could replace the defendant immediately and who could fully perform all the

things that the defendant was employed to do (see p. 63 of the State of Case).

That defendant is the sole support of his wife, his small child and himself, and contributes to the support of his mother and mother-in-law (a widow). That his only source of livelihood is in the laundry business, for which he has fitted himself by apprenticeship, experience and hard work during long hours over a period of years, and that if he is restrained by the Court of Chancery or this court, even by a temporary injunction, from continuing his present employment with the Holland Laundry, he will be thrown out of work completely and will be without any outlook for a livelihood (see p. 57 of the State of Case).

That for the last four years he has been, and still is, a resident of Hudson County, and has, as his only opportunity for making a living, his present position with the Holland Laundry, since there are very many experienced people in his line, who are now out of work, in view of the fact that the supply of experienced labor far exceeds the demand. That in addition to this fact, a large number of possible sources of employment, which even at their best would afford but a remote possibility of employment, are closed to him in view of the fact that the complainant is part and parcel of a holding company known as Consolidated Laundries Corporation which controls a great number of laundries throughout the various counties of New Jersey, including Hudson, Bergen and Essex Counties, as for example, the Lackawanna Laundry and the New Way Laundry of Jersey City, and at least about two dozen large laundries in New York City. That it is therefore obvious that the granting of even a temporary injunction against defendant's continuing in his employment in Hudson County and with the Holland Laundry will result

in irreparable damage to him and his family, whereas, the denial of this relief to the complainant will not subject it to any loss whatsoever (see pp. 57 and 58 of the State of Case).

The affidavit of Chester Lehman filed on behalf of the defendant shows that he was in the employ of the complainant from November, 1925, until April, 1929; that it was his duty to keep the so-called Technique Book in order. That in February, 1929, Mr. Carlson, a civil engineer employed by the complainant as assistant superintendent, condensed this Technique Book. That the said Chester Lehman carefully read through all the revised sheets of said technique book and finds that the contents thereof are the same as before revision, with the exception of some minor changes. That never during his employment with the complainant was he ever told that he was to keep the information he handled a secret, nor was he told that anything in the Technique Book was to be treated as secret and that there was never any intimation to him, or to anyone else in the plant, to his knowledge, that the information contained in the Technique Book was a secret (see pp. 63 to 65, inclusive, of the State of Case). That the methods and processes of the Ideal Laundry Company were, to his knowledge, never treated or regarded as being secret, nor was any mention ever made to him, nor to his knowledge was any mention made to any one else in its employ, to regard the same as secret, nor were they cautioned of the necessity of secrecy or not to divulge its methods of doing business; nor, for that matter, was it ever intimated to him, or to his knowledge, to any of the floor supervisors or assistant floor supervisors, that they were to advise the employees under their charge, who were fully informed by them of the methods and processes of the departments and plant and all im-

provements therein, that these methods and processes were secret, nor was it ever intimated that they were to caution them not to divulge these methods or processes to any one (see p. 65 of the State of Case). The remainder of the said affidavit of Mr. Chester Lehman corroborates the statements in the affidavit of the defendant with regard to the technique book.

The learned court below, having considered the allegations of the bill of complaint with the affidavits thereto annexed, and the answering affidavits of the defendant, made the interlocutory order, or temporary injunction, of January 2nd, 1930, above quoted on page 1.

Argument.

The learned Vice-Chancellor did not render or file any Memorandum of Opinion setting forth the reasons for the making or advising of the said Order of January 2nd, 1930.

The sole question presented by this appeal is as to the propriety of the action of the court below in making said order, and whether the complainant is entitled to a temporary injunction restraining the defendant from violating his employment contract of September 28th, 1928, pending the final hearing of the said cause in the Court of Chancery, or the further order of said court.

We contend and respectfully submit that upon a consideration of the facts of this case, as set forth in the bill of complaint, the complainant's affidavits thereto annexed, and the answering affidavits of defendant, the Chancellor should not have made the said Order of January 2nd, 1930, but that he should have discharged the said Order to Show Cause dated December 10th, 1929, upon the return of which the said Order of January 2nd, 1930, was made.

POINT I.

The foundation of the jurisdiction of a court of equity to grant an injunction must rest upon the inadequacy of the remedy at law.

In *Sternberg v. O'Brien*, 48 N. J. Eq. 370, at page 374, the Court of Chancery said:

“* * * The ordinary and usual judicial remedy for a breach of contract is an action at law, and in cases where that remedy will fully answer the purposes of justice the law courts have exclusive jurisdiction, and courts of equity are entirely without jurisdiction. It is only in cases where the remedy at law will not fully answer the purposes of justice, but is plainly inadequate that a court of Chancery may take jurisdiction and give relief. *This is the only foundation on which the jurisdiction in equity, in this class of cases, rests, and it has no other.* The rule laid down by Judge Baldwin, on this subject, in *Bonaparte v. Camden and Amboy R. R. Co.*, 1 Bald. C. C. 205, 217, has been adopted generally, if not universally, as the true one. In speaking of the manner in which a court of equity should proceed in deciding whether or not a proper case exists for the exercise of its prohibitory power, he said: ‘There is no power, the exercise of which is more delicate, which requires greater caution, deliberation and sound discretion, and which is more dangerous in a doubtful case, than the issuing of an injunction. *It is the strong arm of equity that never ought to be extended unless in cases of great injury, where the courts of law cannot afford an adequate or*

commensurate remedy in damages.' This is one of the three rules regulating the granting of injunctions, which were declared, in the *Citizens' Coach Co. v. Camden Horse R. R. Co.*, 2 Stew. Eq. 299, 302, to be of such paramount importance that the court should constantly keep them in mind and never disregard them. *Though this rule was laid down by Judge Baldwin in deciding an application for a preliminary injunction, still there can be no doubt, in view of the principle on which the jurisdiction in equity rests in such cases, that his statement of the rule, so far as it limits the jurisdiction of courts of equity to cases of great injury, where the remedy at law is plainly inadequate to do full and complete justice, must be accepted as a correct exposition of the law, no matter at what stage of a cause, whether at the beginning or at the end, relief by injunction may be asked. * * * No matter when the writ is applied for, to warrant its issue, in a case like the one now under consideration, three things must be clearly shown—first, that a valid contract has been violated in a material point; second, that such violation has resulted, or will result, in serious injury; and, third, that the remedy at law is plainly inadequate to do full and complete justice.* A court of equity, in exercising its prohibitory power, must always proceed with the utmost caution and see to it that its power is not so exercised as to do more harm than good. The power exists to prevent irreparable wrong, and should not, therefore, be used, in any case, when its use will produce the very result it was designed to prevent. *The rule is fundamental that an injunction should never be granted when it will*

operate oppressively or contrary to the real justice of the case, or where it is not the fit and appropriate method of redress under all the circumstances of the case, or when the benefit it will do the complainant is slight in comparison with the injury it will do the defendant. The great office of the writ is to protect and preserve, not to destroy.” (Italics ours.)

Justice Swayze, speaking for the New Jersey Court of Errors and Appeals, in the case of *Taylor Iron and Steel Co. v. Nichols, et al.*, 73 N. J. Eq. 684, at page 687, said:

“* * * the jurisdiction of equity rests upon the inadequacy of the legal remedy (*Pom. Eq. Jur. Sec. 1344*), and the courts of other jurisdictions, as well as our own courts in the cases cited, have shown a reluctance to extend the jurisdiction.”

Our courts have defined an irreparable injury as being one which cannot be compensated adequately in damages, or where there exists no certain pecuniary standard for the measurement of the damage.

In *Sternberg v. O'Brien, supra*, the court said, at page 378:

“* * * [When] the money value of the loss which the complainant has sustained, or can sustain, by the defendant's breach of his contract, can be computed, according to well-settled legal rules, with almost perfect exactness * * * [that then] the injured party has no right to a remedy in equity, and this court no power to give redress.”

POINT II.

A mere breach of contract, without more, presents no ground for equitable relief.

Vice Chancellor Van Fleet, in the case of *Sternberg v. O'Brien*, *supra*, at page 376, said:

“* * * The defendant, it is true, has broken his contract, but that fact, standing alone, presents no ground whatever for the interference of this court * * *. For a breach of contract the ordinary and exclusive remedy is an action at law, unless it is made clearly to appear that the damages resulting from it cannot be adequately compensated in money.”

So also, in the case of *Schweitzer v. National House and Farms Association, Inc.*, 93 N. J. Eq. 644, Justice Black, speaking for the New Jersey Court of Errors and Appeals, at page 646, said:

“* * * The facts set forth in the bill of complaint allege a breach of contract. The appellants had perhaps a remedy by a suit at law, for the breach of a contract, in which damages could be assessed if proved. *But for a breach of contract and nothing more, the law courts have exclusive jurisdiction.* *Sternberg v. O'Brien*, 48 N. J. Eq. 374.”

The doctrine above mentioned is very well stated by Justice Weaver, speaking for the Iowa Supreme Court, in the case of *H. W. Gossard & Co. v. Crosby*, 109 N. W. 483, at page 490:

“* * * We are satisfied that the better and greater weight of the authorities tends to

these general conclusions: (1) That equity will not undertake to decree specific performance of contracts for personal service. (2) In the absence of an express negative covenant, equity will not aid the enforcement of such contract by injunction. (3) Even where there is an express negative covenant, injunction will not be granted save in these exceptional cases where, by reason of the peculiar or extraordinary character of the promised service, a violation of the agreement will cause injury to the other party for which an action at law will afford no adequate remedy * * *."

The term "special, unique and extraordinary service," as defined by Professor Pomeroy in his work on Equity Jurisprudence (Pomeroy's Equitable Remedies, Vol. I), at page 520, Section 290, is as follows:

"Where the services contracted for are neither special, extraordinary nor unique, the courts generally refuse equitable relief. 'It may sometimes be difficult to say just what is a special, unique and extraordinary service, or whether the employee possesses special, unique or extraordinary qualifications. *The solution may generally be reached by an inquiry as to whether a substitute for the employee can readily be obtained, and whether such substitute will substantially answer the purpose of the contract; in other words, whether the individual service specially contracted for is essential to prevent irreparable injury.*' *Accordingly, when it appears that the plaintiff has himself substituted another in the place of the defendant, an injunction has been refused.*" (Italics ours.)

In the case at bar, the services of the defendant are not of a special, unique or extraordinary character which can be performed by no one else.

The bill of complaint and affidavits thereto annexed do not contain a single allegation charging that the services of the defendant are special, unique or extraordinary, but in fact the allegations, and particularly the employment contract entered into between the complainant and the defendant, therein set forth (see p. 27 of the State of Case), clearly indicate that the defendant was merely an ordinary \$39.00 a week employee. The weekly compensation of the defendant clearly indicates that he was nothing more than an ordinary employee who could be easily replaced by the complainant with someone of equal ability and capacity without the slightest inconvenience to the complainant. Furthermore, when the defendant advised the complainant, through its duly constituted executive officers, that he was about to leave its employ, and that he was willing to give them as much notice as the complainant and the said executives desired before ceasing his employment with it, the said executives stated to him that, as far as they were concerned, he could quit right then and there, since the complainant already had competent persons who could replace the defendant immediately, and who could fully perform all the duties that the defendant was employed to do (see p. 63 of the State of Case); and in fact, immediately upon the defendant leaving the employ of the complainant, he was so replaced.

The mere allegation in the bill of complaint that the defendant is profiting by the experience and knowledge which he obtained in the complainant's service does not constitute a legal wrong, for, as stated by Justice Weaver in the case of *H. W. Gosard & Co. v. Crosby, supra*, at page 491:

“* * * The allegation that appellee is profiting by the experience and knowledge which she obtained in appellant's service alleges no legal wrong. The employee leaving an employer's service cannot leave the experience or knowledge there acquired, and, saving the matter of trade secrets already mentioned, these are legitimate additions to her personal equipment which she has a perfect right to use for her own benefit. (Citing *Sternberg v. O'Brien*, *supra*.)

POINT III.

Since the complainant finds it right to relief upon the alleged existence of secret methods and processes, it must, before being entitled to a temporary injunction, affirmatively show that some threatening irreparable injury is actually pending.

It appearing that the services of the defendant, Joseph Guglielmone, were not special, unique or extraordinary, complainant's right to relief by injunction must depend upon the existence of secret methods and processes. In fact, both the bill of complaint and the affidavits thereto annexed throughout deal solely with the alleged existence and exclusive possession by the complainant of alleged secret methods and processes, and in paragraph 11 of its bill of complaint (see p. 12 of the State of Case) it specifically states that the employment agreement of September 28th, 1928, above mentioned and described, was entered into for the purpose of protecting said alleged secret methods and processes.

In the first place, the defendant, with great particularity, shows, under oath, that the said methods

and processes of the complainant are neither its creation, nor are they secret.

In the second place, even assuming for the purpose of argument that the complainant is possessed of secret methods and processes, that fact alone would not entitle the complainant to the issuance of the temporary injunction granted against the defendant in the case at bar. For nowhere in the bill of complaint or in the affidavits thereto annexed is there a single allegation to the effect that the defendant is disclosing or threatening to disclose any of the said alleged secret methods and processes to any one. And the law is well settled to the effect that a preliminary injunction will not be granted merely to allay the fears and apprehensions of individuals.

A. The object of a preliminary injunction is to prevent some threatening, irreparable injury pending final hearing, and not for the purpose of allaying the fears and apprehensions of individuals.

In the case of *Brunetto v. Town of Montclair, et al.*, 87 N. J. Eq., 338, Justice Trenchard, speaking for the New Jersey Court of Errors and Appeals, said, at page 341:

“It will not be granted merely to allay the fears and apprehension of individuals. They must show the court that the acts against which they ask protection are not only threatened, but will, in probability, be committed to their injury * * *.”

The leading case of *Citizens' Coach Co. v. Camden Horse R. R. Co.*, 29 N. J. Eq. 299, is to the same effect.

So, also, in the case of *Meyer v. Somerville Water Co.*, 79 N. J. Eq. 613, Justice Trenchard, speaking for the New Jersey Court of Errors and Appeals, said, at page 615:

“The object of a preliminary injunction is to prevent some threatening, irreparable injury pending a full and deliberate investigation of the case upon the merits * * *.”

“It will not be ordered unless from the pressure of an urgent necessity, and where the damage threatened during the pendency of the suit is of an irreparable character. *Citizens Coach Co. v. Camden Horse Railroad Co.*, 29 N. J. Eq. (2 Stew.) 299 * * *.”

“It will not be granted merely to allay the fears and apprehensions of individuals. They must show the court that the acts against which they ask protection are not only threatened, but will, in probability, be committed to their injury * * *.”

Kean v. Colt, 5 N. J. Eq. 365, at page 379, is to the same effect.

The burden is on the complainant to show affirmatively that it did sustain, or was likely to sustain, irreparable injury as the result of the breach of the defendant's agreement.

In 32 *Corpus Juris*, 221, the rule is laid down that:

“* * * the breach of a like covenant in an employment contract does not so readily indicate irreparable injury to the employer; and the burden is placed on complainant * * * to show affirmatively that he had sustained, or was likely to sustain, irreparable damage * * *.”

It is true that the affidavit of David B. Mazur (see p. 19, ll. 26 to 32 of the State of Case) states that *if the defendant is permitted to go out and use the methods* of the complainant, that from the standpoint of business competitors, it will greatly destroy the value of such methods to the complainant in that it will lose the advantage of exclusively using such methods. The affidavit of William Borgos (see p. 25, ll. 12 to 19 of the State of Case) is to the same effect. Yet it is to be noted that nowhere in the said affidavits which purport to substantiate the allegations of the Bill of Complaint, does there appear a single positive and direct allegation to the effect that the defendant has disclosed, or has threatened to disclose or that he is disclosing or threatening to disclose, or that he has used or is using any of the alleged secret methods and processes alleged to have been entrusted to him by the complainant.

Judge Platt in the case of *H. B. Wiggins Sons' Co. v. Cott-A-Lap Co.*, 169 Federal 150 (Circuit Court, District of Connecticut) at page 152, very aptly says:

“If the injunction issues, it means that hereafter no man can work for one and learn his business secrets, and after leaving that employment engage himself to a rival in business, without carrying on his back into that business the injunctive mandate of a court of equity. There is nothing whatever in the facts of this case, except opportunity to do wrong and a suspicion in the mind of the rival that wrong will be done. The remedy asked for is an extraordinary one, and should not be lightly indulged in. The Chancellor ought never to come into such a frame of mind that he as-

assumes human nature to be essentially and inherently evil. Furthermore, the danger of irreparable injury is not manifest * * *."

It is also true that William Borgos further states in his said affidavit (see p. 21 of the State of Case) that he firmly *believes* that the defendant was employed by the Holland Laundry Company because of the experience and knowledge that the defendant obtained while in the employe of the complainant and for the information that the defendant could give to the Holland Laundry Company of the methods employed by the complainant in its business, particularly in the conduct of its "Float-ironed Department." It is important to note that Mr. Mazur does not set forth a single fact showing the basis for his belief, and we respectfully submit that it would be inequitable to enjoin the defendant upon such a vague, indefinite and meaningless charge, particularly in view of the facts that the defendant specifically shows that the Holland Laundry Company does not do "float-ironed" work, and that the defendant, therefore, cannot give to it any information with regard to this service which would be of any use to it; secondly, that it is not possible for the defendant to disclose to the Holland Laundry Company any alleged laundry secrets of the complainant, since the said Holland Laundry Company, through its President, Mr. Schreiman, is fully familiar with practically every method and process of the complainant and with its technique book almost in its entirety, since Mr. Schreiman established this in the plant of the complainant, and every change in the methods, processes and technique made in the technique book while he was in its plant went through his hands for approval, and further, that the

changes in the methods, processes and technique of the complainant since Mr. Schreiman left its employ have been of a very minor nature; furthermore, the defendant absolutely denies that there is any secret about the methods and processes of the complainant, and specifically denies, under oath, that he has divulged, or that he threatened to divulge, or that he contemplates divulging, to the Holland Laundry Company or to anyone else any of the methods or processes of the "Float-ironed Department" of the complainant, or that he has used, or has been using, any of such information in violation of his said employment agreement.

B. A temporary injunction will not be granted where the facts constituting the claim of the complainant for immediate relief are denied by the defendant under oath.

The rule is well settled in this state that if the facts constituting the claim of the complainant for immediate relief are contraverted by the defendant, under oath, a temporary injunction will not be granted.

In the leading case of *Citizens' Coach Co. v. Camden Horse R. R. Co.*, *supra*, Chief Justice Beasley, speaking for the New Jersey Court of Errors and Appeals, at page 306, says:

"The general rule, subject to but a few exceptions, is, that if the facts constituting the claim of the complainant for the immediate interposition of the court are contraverted, under oath, by the defendant, the court will not interfere at the initial stage of the cause."

So also, to the same effect is the case of *Brunetto v. Town of Montclair, et al.*, *supra*, in which

Justice Trenchard, speaking for the New Jersey Court of Errors and Appeals, at page 341, said that:

“The general rule is that a preliminary injunction will not issue where the material facts in the bill, on which the complainant’s equity depends, are met by a full, explicit, and circumstantial denial under oath.”

The case of *Langberg v. Wagner*, 101 N. J. Eq. 383, is in accord.

Furthermore, as will appear from the State of Case and the statement of facts (p. 2, *infra*), the complainant seeks, by the prayers contained in its bill of complaint, to have the defendant enjoined *first*, from entering into, either personally or otherwise, or as an employee, in the laundry business, or similar business as that conducted by the complainant, in the Counties of Hudson and Bergen, and the State of New Jersey; and *second*, from disclosing to any one the methods and processes employed by complainant in the operation of its business, particularly the operation of its “Float-ironed” department, and from divulging any other information that he may have acquired during his period of employment with the complainant.

So, likewise, the Order to Show Cause of December 10th, 1929, mentioned and described on page 7, *infra*, calls upon the defendant to show cause why an order should not be made enjoining and restraining him, pending the determination of the said cause, *first*, from entering into, either personally or otherwise, or as an employee, in the laundry business, or similar business as that conducted by the complainant, in the Counties of Hudson and Bergen, and State of New Jersey; and *second*, from disclosing to any one any information

which he shall have acquired during his period of employment with the complainant; and by said order he was restrained from doing either of these things until the argument of the said Order to Show Cause and the further order of said court. Yet after the filing and reading of the affidavits of the defendant in opposition to the granting of the said Order to Show Cause, and the hearing of arguments of counsel, the Honorable Vice-Chancellor Fielder advised the order which was made by the Honorable Chancellor on January 2nd, 1930, which is mentioned and described on page 1 infra, which did not grant the relief secondly mentioned in the said Order to Show Cause and ad interim restraint, which relates to the existence of the alleged secret methods and processes of the complainant.

Finally, it is to be noted that nowhere, either in the bill of complaint or in the affidavits thereto annexed, does there appear a scintilla of evidence showing what damage, or irreparable damage, if any, the complainant will suffer by reason of the defendant being permitted to continue in the employ of the Holland Laundry. We respectfully submit that there is not any damage that the complainant can suffer thereby.

POINT IV.

The mere fact that the defendant has engaged not to work for a laundry which competes with the complainant in Hudson County for a period of two years after he ceases his employment with the complainant does not, of itself, entitle the complainant to the specific performance of that negative covenant where the restraint sought to be imposed is greater than is necessary for the protection of the interests of the complainant.

Chief Justice Beasley, in the leading case of *Brewer v. Marshall and Cheeseman*, 19 N. J. Eq. 537, speaking for the New Jersey Court of Errors and Appeals, lays down the rule that all general restraints of trade are illegal, and that *partial restraints may be legal provided the restraint imposed is not greater than is reasonably required for the reasonable protection of the interests of the complainant*, and at page 547, said:

“That it is the rule that all general restraints of trade are illegal, has never been doubted since the famous opinion of Lord Macclesfield, in *Mitchel v. Reynolds*, reported in 1 P. Wms. 181 * * *. The reason upon which this rule is founded, is thus expressed by Mr. Justice Best, in *Homer v. Ashford*, 3 Bing. 326: ‘The law will not permit any one to restrain a person from doing what his own interest and the public welfare require that he should do. Any deed, therefore, by which a person binds himself not to employ his talents, his industry, or his capital, in any useful undertaking in the kingdom, would be void.’ *And so far has this principle been carried, that even in cases in*

*which the restraint sought to be imposed is only partial, it has been repeatedly held that such agreement will be void, unless it be reasonable, and that no such agreement can be reasonable in which the restraint imposed on the one party is larger than is necessary for the protection of the other. Horner v. Graves, 7 Bing. 743. Tested by these principles, the covenant in question appears to be destitute of all the essentials of a legal agreement. * * * It transcends, by far, the limits of utility to the covenantee. * * * I think all such engagements are nugatory as opposed to the valuable rule of law just referred to, and which is designed, and is so well adapted, to promote commerce by preventing the imposition of all unnecessary trammels, either on labor or on property.” (Italics ours.)*

So, also, in the case of *Mandeville v. Harman*, 42 N. J. Eq. 185, Vice-Chancellor Van Fleet, at page 189 said:

“The covenant under consideration is a contract in restraint of trade. Such is the designation universally applied to such engagements. And no principle of law is more generally recognized than that a contract which precludes a person from the right to employ his talents, his industry or his capital in any useful undertaking, is void. *Whether the restraint be general or partial, Mr. Justice Bronson says, the law starts out with the presumption that a contract in restraint of trade is void, and it is only by showing that the contract is good that this presumption will be rebutted. The rule is, not that a limited restraint is good, but that it may be good. It is valid*

*when the restraint is reasonable, and the restraint is reasonable when it imposes no shackle upon the one party which is not beneficial to the other. * * * The authorities are uniform that such contracts are valid when the restraint they impose is reasonable, and the test to be applied in determining whether the restraint is reasonable or not, prescribed by Chief-Justice Tindal, in Horner v. Graves, 7 Bing. 735, and uniformly adopted in subsequent cases is this: to consider whether the restraint is such only as to afford a fair protection to the interest of the party in favor of whom it is given, and not so large as to interfere with the interest of the public. Whatever restraint is larger than the necessary protection of the party can be of no benefit to either. It can only be oppressive, and if oppressive, it is, in the eye of the law, unreasonable and void, on the ground of public policy, as being injurious to the interests of the public. The rule, as thus stated, is the law of this state. * * ** (Italics ours.)

And at page 194, he further said:

“* * * It is one of the natural rights of every citizen of this state to use his skill and labor in any useful employment, not only to get food, raiment and shelter, but to acquire property and I think it may be regarded as very certain that the courts will never deprive any one of this right, or even abridge it, except in obedience to the sternest demands of justice. * * * Chief-Justice Woodward, in *Keeler v. Taylor*, 53 Pa. St. 467 said * * * that if the terms they [that is, contracts in restraint of trade], imposed were at all hard,

equity would not enforce them. Vice-Chancellor Shadwell had previously given expression to the same view in *Kimberley v. Jennings*, 6 Sim. 340. *Besides, no one can fail to see that if this covenant is valid and enforceable in equity, then it is competent for every merchant and trader, when he employs a clerk or shop-girl, to require them, although the compensation he agrees to pay is no greater than that which is customarily paid for such service, to enter into a covenant that on quitting his service they will not, at any time afterwards, accept like employment from any other merchant or trader in the same town or city, and that if such covenants are made and are subsequently broken, it will be the duty of this court to enforce them, though the consequence may be that a citizen will thereby be deprived of his only means of supporting himself and his family. It may well be doubted, I think, whether legal rules producing such consequences will ever be established merely by force of judicial action.*" (Italics ours.)

The same Vice-Chancellor, in the case of *Sternberg v. O'Brien*, *supra*, at page 371, said:

"The main question presented for decision in this case is, whether or not the complainant is entitled to a decree restraining the defendant from violating his contract * * *

"The relief asked is resisted on several grounds. The defendant says, first, that the contract in question is void, because the restraint which it imposes upon him is unreasonable; in other words, that it is greater than is necessary for the protection of the complain-

ant. The law is settled, that a contract in restraint of labor, which seeks to prevent one of the contracting parties from exercising his skill or labor generally, without limitation as to place or time, or which attempts to put a restraint upon his right to labor or to exercise his skill greater than is necessary for the fair protection of the other party to the contract, is void. 'Public policy', said Vice-Chancellor James, * * * in *Leather Cloth Co. v. Losout*, L. R. (9 Eq. Cas.) 345, 354, 'require that every man shall be at liberty to work for himself, and shall not be at liberty to deprive himself or the state of his labor, skill or talent by any contract that he enters into (citing the quotation from Best, C. J., in *Homer v. Ashford*, 3 Bing. 322, 326, supra, and *Brewer v. Marshall*, supra, p. 547). * * * The test which the law prescribes in all such cases is this: the restraint, in order to be valid, must be only such as is necessary to afford a fair protection to the party in favor of whom it is given, and not so large as to interfere with the interest of the public. This is the principle which controlled the decision in *Mandeville v. Harman*, 15 Stew. Eq., 185. * * *"

And at page 373, he further said:

"* * * If it be true that it (the contract) restrains the defendant from doing work which, though done for another person carrying on the same business that the complainant carries on, can in no event and under no circumstances result in loss or injury to the complainant, it is clear beyond dispute that the restraint which it imposes on the defendant is larger than the fair protection of the com-

plainant requires. It is manifest that the restraint, so far as it prevents the defendant from doing work for a rival of the complainant, outside of the installment clothing business, does the complainant no good—he derives no benefit from it—and that the only purpose its enforcement would serve would be to oppress the defendant. A contract of this class, which cannot be enforced without resulting in such consequences to one of the contracting parties, is, by the uniform course of decision on this subject, held to be unreasonable and void.”

The case of *Taylor Iron and Steel Co. v. Nichols, et al.*, 73 N. J. Eq. 684, at 686 (Court of Errors and Appeals) is to the same effect.

In the case at bar, as has been heretofore pointed out, the complainant bases its right to enjoin and restrain the defendant for a period of two years after November 25th, 1929, the date of the termination of his employment with the complainant, from entering into, managing, engaging, concerning himself and operating and conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by the complainant in the entire counties of Hudson and Bergen, in the State of New Jersey, upon the allegation that it possesses methods and processes which are secret.

Therefore, in the first place, if there be no secret methods or processes, then the restraint imposed upon the defendant is obviously serving no legal purpose, and therefore, neither a temporary nor a permanent injunction should issue, since the restraint imposed is greater than is essential for the reasonable protection of the interests of the complainant.

And, furthermore, at least for the purpose of a temporary injunction (see *Citizens' Coach Co. v. Camden Horse R. R. Co.*, *supra*, and cases cited under Point III B, on pages 37 and 38 hereof), the contravention under oath by the defendant of the existence of alleged secret methods and processes, and a denial of a disclosure, or threat, or intention to disclose any alleged secret methods and processes, and the failure of the complainant to allege or support by affidavit any charge of disclosure or threatened disclosure of alleged secret methods and processes, should have resulted in a denial of the prayer for a temporary injunction.

Moreover, although the Order to Show Cause (see page 7 hereof) calls for a temporary injunction, *firstly*, against the disclosure of the said alleged secret methods and processes, and *secondly*, against the defendant being engaged or engaging in the laundry business as employee or otherwise, in Hudson and Bergen Counties, the learned Vice-Chancellor, although he denied a temporary injunction against the disclosure of alleged secret methods and processes, yet granted a temporary injunction restraining the defendant from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant in the entire Counties of Hudson and Bergen, in the State of New Jersey. We respectfully submit that the learned court below erred in granting said temporary injunction, because under the doctrine and test laid down by the cases of *Brewer v. Marshall, et al.*, *supra*, and *Mandeville v. Harman*, *supra*, and the other cases cited under Point IV (see pages 40-45 hereof), the restraint granted is larger than is necessary to afford a fair protection of the inter-

ests of the complainant in favor of whom it is given and therefore, the said restraint is oppressive.

Secondly, even granting, for the purpose of this argument, that the complainant possesses secret processes and methods in the conduct of its laundry business, and even assuming further that the bill of complaint did charge, and that the complainant could and did prove, that the defendant had or was threatening to disclose its said secret methods and processes (neither which has been done), we respectfully submit that under the doctrine and test laid down by the leading cases of this state above cited under this point, the enforcement of the implied covenant of the defendant not to disclose the secret methods and processes divulged to him by the complainant during the course of his employment would be sufficient to reasonably protect the interests of the complainant, and the imposition of a restraint against the defendant engaging as an employee in the laundry business in Hudson County would be greater than necessary for the reasonable protection of the interests of the complainant and, therefore, oppressive.

And furthermore, as above stated, there is not a scintilla of evidence in the case showing what damage or irreparable damage, if any, the complainant will suffer by reason of the defendant being permitted to continue in the employ of the Holland Laundry, and it is our contention and we respectfully submit to this Honorable Court that no damage will thereby ensue to the complainant as a result thereof.

In the case of *Taylor Iron & Steel Co. v. Nichols*, *supra*, it was clearly proved and found as a fact that the complainant was possessed of certain secret processes, and that these processes were revealed to the defendant under an agreement not

to disclose the same to anyone, and the defendant also covenanted not to enter the employ of any other steel company during a certain period of time. It was clearly proved and found as a fact that the defendant, after leaving the employ of the complainant, went to work for a competitor and was disclosing the said secret processes, in violation of his said agreement. The complainant sought to restrain the defendant, first, from divulging the said secret processes to the said competitor or anyone else, and secondly, from continuing in the employ of the said competitor. The court refused to enjoin the defendant from continuing in the employ of the competitor. Justice Swayze, speaking for the New Jersey Court of Errors and Appeals, at page 686, said :

“The validity of this agreement is assailed by the defendant on several grounds. We think it is necessary to consider only the objection that it is invalid because it constitutes an excessive restraint of trade.

“The rule of this state is that a contract in restraint of trade will not be enforced unless the restraint is no more extensive than is reasonably required to protect the interests of the party in favor of whom it is given, and not so large as to interfere with the interests of the public.

“Mandeville v. Harman, 42 N. J. Eq. (15 Stew.) 185; Sternberg v. O'Brien, 48 N. J. Eq. (3 Dick.) 370, both of which were cited with approval by this court in Trenton Potteries Co. v. Oliphant, 58 N. J. Eq. (13 Dick.) 507. Where the contract relates to personal services of a special, unique or extraordinary character which can be performed by no one else and

there is a negative covenant, the court sometimes enforces the negative covenant by injunction, as in Lumley v. Wagner, 1 DeG. M. & G. 604. But the jurisdiction of equity rests upon the inadequacy of the legal remedy (Pom. Eq. Jur. Sec. 1344), and the courts of other jurisdictions, as well as our own courts in the cases cited, have shown a reluctance to extend the jurisdiction. Whitwood Chemical Co. v. Hardman, 2 Ch. 416 (1891); 60 L. J. Ch. 428; Rice v. D'Arville, 162 Mass. 559. The present case does not even show that Nichols' services were of so special, unique or extraordinary character than an injunction should issue. (Italics ours.)

In *Trenton Potteries Co. v. Oliphant*, 56 N. J. Eq. 680, Vice-Chancellor Grey, speaking for the court, said, at page 707:

“* * * So, also, contracts excluding from business with a limited class of persons, and those restraining from a trade within a certain space for a limited time, have been enforced by the courts, *where the restraint is no wider than is necessary to secure to the covenantee the benefit of his covenant.*”

The court further said, at page 712:

“In considering the validity of these partial restraints—that is, restraints from trading in a limited territory—the courts held them to be lawful or not, accordingly as they were or were not in unreasonable restraint of trade. The court would consider the nature of the business or trade, the mode in which it was carried on, and the various circumstances

which would enable it to determine whether the restriction imposed by the covenant was wider than the protection of the covenantee in the enjoyment of the business sold would reasonably require. * * *

"[In] *Rousillon v. Rousillon*, 14 Ch. Div. 351, * * * the opinion * * * declares the rule to be that the protection of the covenantee is the only test of the reasonableness of the contract * * *."

And further, at page 738, the court said:

"* * * There are acts which a man may agree not to do and which he may legally refrain from doing, but which he cannot so bind himself not to do, that the courts will oblige him to abstain. In the class above indicated are all agreements in general restraint of trade—those where the abstention tends to create a monopoly, or to oppress the public. No court would, by its decree, compel a man, for the benefit of the public, to work at his trade or practice his profession, or carry on his business in competition with his rivals; he may, if he likes, agree not to do and may refrain from doing any of these things, no matter how disadvantageous to the community his omission may be, but if it be sought to restrain him by enforcing his agreement in the courts, the question whether the agreement when it is made, was against public policy, will be considered. And this view, involving the protection of the interests of the public, will be taken even if not suggested by the parties. *Richardson v. Buhl*, *ubi supra* (77 Mich. 660)."

POINT V.

A preliminary injunction will not be granted where the act complained of will not result in irreparable injury and the balance of inconvenience favors the defendant.

The non-enforcement of the preliminary injunction of January 2nd, 1930, will not result in any injury, much less in irreparable injury to the complainant, whereas its enforcement will operate in irreparable injury to the defendant, with slight, or no benefit to the complainant.

The law of this state on the rule respecting the balancing of relative conveniences or inconveniences in deciding an application for a preliminary injunction, is clearly and succinctly stated by Vice-Chancellor Fallon in the case of *Howard v. Mayor and Aldermen of Jersey City*, 140 Atlantic 261, at page 264 (not officially reported), where he says:

“In deciding an application for preliminary injunction the court will generally be governed by considerations of the relative convenience or inconvenience which may result to the parties from granting or withholding the writ, and where, upon balancing such considerations, it is apparent that the act complained of is not likely to result in irreparable injury to the complainant, and the balance of inconvenience preponderates in favor of the defendant, the injunction ought not be granted. In *High on Injunctions* (4th Ed.), Sec. 13, the author says:

‘Indeed, the consideration of relative convenience and inconvenience to the parties is

one of the principal guides which governs courts of equity in the matter of granting or withholding relief by interlocutory injunction.' ”

So, also, in the case of *Sternberg v. O'Brien*, *supra*, Vice-Chancellor Van Fleet, speaking for the court, at page 376 said :

“* * * The rule is fundamental that an injunction should never be granted when it will operate oppressively or contrary to the real justice of the case, or where it is not the fit and appropriate method of redress under all the circumstances of the case, or when the benefit it will do the complainant is slight in comparison with the injury it will do the defendant. The great office of the writ is to protect and preserve, not to destroy.

“Testing the complainant’s right to an injunction by the principles above stated, I think it is clear that this court cannot grant him what he asks without transcending its jurisdiction. He wants the court to restrain the defendant from working at a particular employment in two of the largest cities of the state. To many persons the right to labor is the most important and valuable right they possess; it is their fortune, constituting the only means they have to obtain food, raiment and shelter and to acquire property. To such persons a deprivation of this right is ruin, and to abridge it is to do them an injury which will very likely result in their ruin. When, therefore, a court is asked either to deprive a person of this right, or to abridge it, it is its duty, before it acts, to consider with the ut-

most care whether, if it does what it is asked to do, it will not, on a careful comparison of the consequences, do more injustice than justice. * * *.”

We respectfully submit that the said order of the Chancellor, dated January 2nd, 1930, should be wholly reversed, set aside, and for nothing holden.

LICHTENSTEIN, SCHWARTZ & FRIEDENBERG,
Solicitors for and of Counsel
with the Defendant-Appellant.

HARRY SCHWARTZ,
of Counsel.
WILLIAM BOORSTEIN,
on the Brief.

PRESS OF FREMONT PAYNE, 80 Washington Street, New York City.

[50246]

New Jersey Court of Errors and Appeals

Between

IDEAL LAUNDRY COMPANY,
Complainant-Respondent,

and

JOSEPH GUGLIELMONE,
Defendant-Appellant.

On Appeal from the
Court of Chancery.
Sat below,
Fielder, V. C.

Appeal from Order
Granting Temporary
Injunction Enforcing
Negative Covenant
of Employee Not to
Work for Competi-
tor, Etc.

STATEMENT OF THE CASE.

Defendant, an employee of complainant, as a condition to his continued employment made a contract as follows:

“AGREEMENT.

EMPLOYMENT CONTRACT, between IDEAL LAUNDRY COMPANY and JOSEPH GUGLIELMONE as follows:

The IDEAL LAUNDRY COMPANY hires and Joseph Guglielmone accepts employment in the plant of the IDEAL LAUNDRY COMPANY at West New York, Hudson County, New Jersey, and the employee is hereby designated as Assistant Floor Supervisor.

The employment is on the following terms:

1. From this date to September 28, 1930, at a salary of not less than thirty-nine dollars per week, payable each week.
2. The employment is to be to the satisfaction of the employer and the employee agrees to devote all of his time and attention to the business of the employer.
3. It is further agreed that in the event of the termination of this agreement for any cause whatsoever (employer being the sole

judge as to whether this said agreement is terminated) that the employee should not enter into, manage, engage, concern himself, operate or conduct, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by Ideal Laundry Company, in the entire Counties of Hudson and Bergen, in the State of New Jersey, for a term of two years from the date of the termination of this agreement.

Dated, September 28, 1928."

Complainant, for twenty-three years, has been engaged in the general laundry business throughout the Counties of Hudson and Bergen (p. 9); defendant was employed as Assistant Floor Supervisor of the Float-ironed Department (p. 12); after the making of the contract, the wages of defendant were raised so that at the time he left he received \$43 a week (p. 18); on November 22, 1929, defendant voluntarily left the employ of complainant (p. 25); he immediately entered into the employ of the Holland Laundry Company, conducting a general laundry business in Hudson County, a direct competitor of complainant (p. 27). These facts are admitted.

On December 10, 1929, complainant filed its bill (p. 9) to enforce the negative terms of the contract (second prayer) and to enjoin the disclosure of secret information. Upon the filing of the bill, an order to show cause was made containing *ad interim* restraint enjoining defendant from violating the negative covenant and from disclosing secret information. The order to show cause was advised by Vice Chancellor Church. After an adjournment, the hearing came on before Vice Chancellor Fielder and answering affidavits were presented (p. 31). The Vice Chancellor advised the order of January 2, 1930 (p. 66), which en-

joined defendant in the language of the negative covenant, "from entering into, managing, engaging himself in, concerning himself in, operating or conducting, directly or indirectly, either personally or otherwise, or as an employee in the laundry business or similar business as that conducted by complainant in the entire Counties of Hudson and Bergen, in the State of New Jersey" until the further order of the Court, which is the order appealed from.

In appellant's brief (p. 46) it is stated that the Vice Chancellor "denied a temporary injunction against the disclosure of alleged secret methods and processes, yet granted a temporary injunction restraining the defendant from entering", etc. This is an unfair statement of what occurred. While the fact is that the order appealed from does not in so many words enjoin against the disclosure of the alleged secret methods and processes, the reason is that it was conceived that the injunction granted, which enjoins defendant from "* * * engaging himself in, *concerning himself in*, * * * directly or indirectly * * * in the laundry business * * *", adequately prevented a disclosure of secrets.

The notice of appeal was filed January 4, 1930 (p. 1); on January 7, 1930, a petition for a stay of the restraint pending appeal was filed (p. 67), and on that petition an order to show cause was made (p. 72), returnable on January 13, 1930. In his affidavit in support of the stay, defendant contended that the effect of the injunction was to leave him without prospect of employment (p. 70). He said:

"* * * I will thereby lose the executive position which, up until the service upon me of the order to show cause dated December 10th, 1929, * * * I held as supervisor of the 'Flat Work Ironing Department' in the Hol-

land Laundry, * * * which position is still open to me to accept * * *";

Complainant offered affidavits showing that specific positions were open to him in Brooklyn or in Manhattan; defendant had applied for a position in Brooklyn and stated that he would like one in Manhattan (p. 75); by the affidavit of Curtis (p. 76) a specific position, precisely similar to that which he held with the Holland Company, and at a salary of \$48 a week, was offered to him; Buckelew, Secretary of the New Jersey Laundry Owners Association, offered to secure a position for him in Essex County.

The Court, conceiving itself bound by *Pennsylvania R. R. Co. v. National Docks Ry. Co.*, 54 N. J. Eq. 647, made the order of January 13, 1930, suspending the operation of the order of January 2, 1930, "until the opening of the next term of the Court of Errors and Appeals, or until said appeal is disposed of by said court."

Had the petition of appeal been filed at the time of the service of the notice of appeal, the cause might have been brought on regularly for argument at the term of this Court which opened February 4th. Its filing was delayed until January 15, 1930 (p. 2). A notice was given by respondent of an application to this Court at its opening February 4, 1930, to suspend the operation of the order of January 13, 1930, or, in the alternative, for a direction that the cause be submitted at the February term, 1930. Upon the argument of that motion, this Court ordered that the cause be added to the list and submitted at the February term on briefs. Although the time to file briefs expired on February 14th, briefs were neither filed by appellant nor served upon respondent until February 18, 1930.

The purpose of this delay is obvious. Under the contract respondent is entitled to protection

for the term of but two years. Much is said as to the destruction of the subject matter of the appeal from the standpoint of appellant, but, on the other hand, every day that appellant is permitted to work for a competitor destroys the right of respondent. The making of the contract, its termination by the voluntary act of appellant and the breach of the negative covenant are admitted.

The answer of appellant to the claim of respondent is that his contract is but waste paper.

A suggestion was made at the bar that appellant is but a forty-three dollar a week man. A forty-three dollar a week man, in the employ of a competitor, may do as much harm as a ten thousand dollar a year man, and we do not apprehend that the employees who were involved in the cases of *American Ice Co. vs. Lynch*, 74 N. J. Eq. 298, and *Owl Laundry Co. vs. Banks*, 83 N. J. Eq. 230, received more than would be equivalent, at present day prices, to \$43 a week.

And we suggest that, in the retention of counsel, the prosecution of the appeal, the printing of the state of the case and the brief, appellant has not demonstrated any lack of resources. It costs money to print an eighty page state of the case and a fifty-three page brief, without regard to the expense of preparation.

A complete answer to the charge that respondent is not injured, as well as a reason for this determined opposition to the enforcement of an admitted contract, is found in the fact that Schreiman, the plant manager of respondent from March, 1923, until March, 1928, after leaving respondent organized the Holland Laundry, to which appellant went after he left respondent (pp. 33-53).

And speaking of Schreiman, appellant says in his affidavit (p. 33) that it was under his administration and direction as its plant manager that

the methods, processes and equipment were adopted and installed by respondent. Schreiman left the employ of respondent in March, 1928, to establish the Holland Laundry (p. 52); in an attempt to indicate that appellant cannot disclose secrets, he says in his affidavit (p. 56):

“Nor is it possible for me to disclose to the Holland Laundry any alleged laundry secrets of the Ideal Laundry Company since, the Holland Laundry through its President, Mr. Schreiman, is fully familiar with *practically* every method and process of the Ideal Laundry Company and with its technique book *almost* in its entirety, since Mr. Schreiman established these in the Ideal Laundry Company, and every change in the methods, processes and technique book made while he was in its plant went through his hands for approval. The changes in the methods, processes and technique of the Ideal Laundry Company since Mr. Schreiman left its employ have been of a *very minor order.*”

Under Schreiman's administration appellant says, “before a person was employed to work in my department, I was called in to state whether or not that party was suitable to me.” That the work is of a technical nature is disclosed by the complaint of appellant that, after Schreiman left respondent to form the Holland Company, the superintendent was “constantly discharging and employing new help and thus bringing into my department employees who were not properly fitted for the work to be performed therein.”

There would not be this intense objection to appellant's being obliged to perform his contract if he were not of peculiar value to the competitor of respondent, the Holland Company.

The statement contained in the affidavit of appellant (p. 52) that the reason for the form of the contract of September 28, 1928, which was

signed by appellant was "merely to prevent you from going with a competitor * * * because you know, after all, that Mr. Schreiman, the former manager, went around soliciting among our men to get them into his proposed new laundry'", defeats the purpose of putting it in the affidavit. Respondent would be wholly unconcerned if the services of appellant were of a casual nature and if he had no secrets to disclose, if he *did* go to a competitor. But when respondent finds that its plant manager and its assistant supervisor of the Float-ironed Department both go to a competitor, it *is* concerned because the plant manager took with him all of the secrets up to the time he left in March, 1928, and the assistant supervisor takes with him knowledge of all the changes which have been made since the plant manager left.

In many portions of the affidavit of appellant we find the expression that any changes made were "*minor*" changes, but he does not tell us what those "*minor*" changes are. He admits that there are changes. Respondent, finding that its plant manager went with all its secrets to establish a competitor, adopted the form of contract signed by appellant on September 28, 1928, to prevent that thing being done again.

Appellant in his brief argues the case under five points, and with his general statements of the law we cannot fail to agree. The difficulty is that they have no application to the instant case.

He fails to discuss any one of those cases in our own jurisdiction which are practically on all four's with the case at bar, and we assume that his failure to discuss them indicates that he *cannot* distinguish them, for he cannot be unaware of them for, on the motion made at the opening of the term, a printed memorandum was submitted by us which *does* refer to all of those cases and which was served upon his counsel.

POINT I.

The petition of appeal is fatally defective and the appeal should be dismissed.

This matter was brought to the attention of the Court on the opening day of the term and also in the printed memorandum submitted at that time (p. 11), but is not referred to in the brief of appellant. The petition of appeal is found on page 2. In paragraph 3 (p. 3), it recites the decretal portion of the order and then, "Whereas said decree ought to have been, that * * * the said defendant * * * is not so commanded * * *". In sub-paragraph B it again recites the decretal portion of the order and then, "Whereas said decree ought to have been that the defendant * * * is permitted and allowed to enter into", etc. In sub-paragraph C, it recites the decretal portion of the order and then, "Whereas said decree ought to have been that the said order to show cause dated December 10, 1929, above mentioned be, and the same is, hereby discharged."

No ground is given in the petition of appeal for a conclusion that the order is erroneous.

Rule 21 of this Court requires that the petition of appeal should state "the order or decree complained of *and the grounds of appeal.*" This rule has been the subject of consideration by this Court in three cases: *Butterfield vs. Third Avenue Bank*, 25 N. J. Eq. 533, at p. 536; *New Jersey Building Loan and Investment Co. vs. Lord*, 66 N. J. Eq. 344, at p. 350; *Supplee vs. Cohen*, 81 N. J. Eq. 500, at p. 504.

In *New Jersey Building Loan and Investment Co. vs. Lord*, 66 N. J. Eq. 344, at p. 350, this Court said:

"Rule 21 of this court requires the appellant to 'file a petition of appeal in which shall

be briefly stated the order or decree complained of and the grounds of appeal.' The object of the rule is twofold—first, to apprise the court, through the petition and the answer thereto, of the issue between the appellant and respondent; and secondly (as already determined in 10 C. E. Gr., at p. 536), 'to require a notice to the opposite party of the points in the proceeding which are to be made the subject of complaint in the appellate court.'"

In *Supplee vs. Cohen*, 81 N. J. Eq. 500, at p. 504, this Court said:

"The petition of appeal avers that the decree appealed from was erroneous for certain specific grounds, eight in number, none of which present this point. It was settled quite recently (1904) in this court, in the case of *New Jersey Building and Investment Co. v. Lord*, 66 N. J. Eq. (21 Dick.) 345, that an appellant cannot be permitted to attack a decree in chancery upon grounds of appeal which are nowhere stated in his petition of appeal."

The petition of appeal presents no ground of appeal whatever.

POINT II.

The inadequacy of the remedy at law and the right to enforce the negative provisions of such a contract as is here involved have been settled.

It is not necessary in such a case that there be any secrets to divulge or any uniqueness in the services.

We of course agree with the statement of Point II of appellant's brief, "A mere breach of con-

tract without more presents no ground for equitable relief", but cases from this jurisdiction, as well as others, indicate that the courts have definitely taken the position that the breach of a contract like that involved in the case at bar presents a case for equitable relief. In *American Ice Co. vs. Lynch*, 74 N. J. Eq. 298, defendant "was employed by complainant as a driver of an ice wagon and canvasser for customers". He probably did not receive more than \$43 a week. The contract provided:

"And further, if the said James Lynch shall leave the service or cease to serve the company without their consent during said term for which he has been employed or shall, after leaving of his own accord or being discharged by the company, engage in the ice business as aforesaid, within the time and territory above described then he shall pay to said company the sum of two hundred dollars, not as a penalty, but as liquidated damages."

The bill was for specific performance and the case was heard upon an application for preliminary injunction. The injunction was granted (Vice Chancellor Leaming).

In *Owl Laundry Co. vs. Banks*, 83 N. J. Eq. 230, defendant was engaged as a solicitor of orders for wet-wash for residents of Hudson County. The contract provided that defendant would not,

"solicit orders of wet wash from any of the customers of the said Owl Laundry Co., Inc., either for myself or as employe of any other person or persons, corporation or corporations, in the County of Hudson, State of New Jersey, and that I will not engage in the wet wash business in any capacity for myself or others either natural or artificial persons in any portion or portions of the County of Hudson, in the State of New Jersey, for the period of two (2) years continuously from

the time of the termination of my employment with the Owl Laundry Co., Inc.”

The case was on final hearing and an injunction was granted, the Court stating:

“The complainant is entitled to an injunction as broad as may be necessary to insure a compliance with both the letter and spirit of the defendant’s agreement.” (Vice Chancellor Backes.)

In *Sarco Co. of New Jersey vs. Gulliver*, 3 N. J. Misc. 641, the complainant was engaged in the business of taking stenographic reports of court trials, etc., and defendant was formerly in complainant’s employ as such a stenographic reporter under a written contract of employment which contained a negative covenant by defendant restricting her right to employment or activity in competition with complainant within certain territory for five years after the termination of the employment. Vice Chancellor Buchanan, 3 N. J. Misc. 641, at p. 644, said:

“It is entirely settled that negative covenants of the kind in question, ancillary to contracts of sale *or of employment*, are valid and enforceable, if reasonable in their terms. *Flickenstein Brothers Co. v. Fleckenstein*, 76 N. J. Law 613; *Owl Laundry Co. v. Banks*, 83 N. J. Eq. 230, and numerous other cases in this state. The most recent pronouncement is in *Nachamkis v. Goldsmith*, 3 N. J. Adv. R. 698 (at p. 701), where the court of errors and appeals reiterates ‘that an agreement not to engage in or pursue a particular business, or profession, when made on a good consideration, *with one whose business interests it is to prevent competition*, is valid, if restrained within reasonable limits,’ is too well settled to be regarded as an open question.”

He further said, p. 647:

“The next point made by defendant is that defendant’s services are not of a kind requiring unique skill and ability. It would seem that counsel is confusing this case with the class of cases where injunction is sought against the violation of a covenant to perform services. *There is nothing in the law as to the enforcement of these negative covenants, so far as I am aware, which makes unique skill or ability a factor in the case.* It is simply a question of reasonable protection to the employer (or vendee of a business) against competition by the covenantor who has received consideration for the covenant. Cf. *American Ice Co. v. Lynch*, 74 N. J. Eq. 298; *Owl Laundry Co. v. Banks*, *supra*; *Eureka Laundry Co. v. Long*, 35 L. R. A. (N. S.) 119, and note on p. 120.”

This Court affirmed upon the opinion of the Vice Chancellor, 99 N. J. Eq., p. 432.

See also

A. Fink & Sons vs. Goldberg, 101 N. J. Eq. 644, Vice Chancellor Berry, and *Langberg vs. Wagner*, 101 N. J. Eq. 383, at p. 387, Vice Chancellor Leaming.

In *Eureka Laundry Co. v. Long*, Wisconsin Supreme Court, 131 N. W. 412, 35 L. R. A., New Series 119, the Court said (p. 122):

“If the restrictive covenants of the contract are held valid, it is apparent that an action at law for their breach would no more furnish an adequate remedy than would an action at law for the breach of similar covenants in a contract for the sale of a business. *That equity alone can furnish an adequate remedy in such cases is well settled.* My *Laundry Co. v. Schmeling*, 129 Wis. 597, 109 N. W. 540.”

After having stated the insistence of counsel that the services to be performed by the employee were not a unique or special nature and that, therefore, there was relief in equity, the Court said (p. 123):

“In all the cases above referred to the plaintiffs alleged damages to their businesses by reason of the fact that the defendants left their employ. We have no such case here. In this case it is not claimed that the plaintiff has in any way been damaged or injured by reason of the fact that defendant has left its employ, and no damages are sought on that account; nor is it sought, either directly or indirectly, to retain the defendant in the employ of the plaintiff, as in many of the cases cited by respondent. *On the contrary, the defendant is sought to be restrained from committing certain acts after he has left the employment of the plaintiff, which will directly injure plaintiff's business, and which in his contract of employment, he specifically agreed that he would not do.* So it is apparent that the cases cited by the respondent have no application to the case at bar. The trial court properly found that the services of the defendant in this case were ordinary services such as could be performed by anyone. But this case presents no question as to the character or kind of service to be rendered. *It does not lie in the mouth of the defendant to say that anyone, whether skilled or unskilled, could cause similar damage to plaintiff's business after leaving its employ. He agreed not to cause such damage.* The agreement was a reasonable and valid one, and a court of equity will enforce it.”

Eureka Laundry Co. v. Long was mentioned with approval by Vice Chancellor Buchanan in *Sarco Co. of New Jersey vs. Gulliver*, 3 N. J. Misc. 641, affirmed on the opinion below, 99 N. J. Eq. 432.

Taylor Iron and Steel Co. vs. Nichols, 73 N. J. Eq. 684, is not to the contrary. The basis of the decision in that case is found in the language of the Court at page 687:

“The necessary result of the enforcement of the contract would be that Nichols must either work for the complainant or remain idle; *and since the restraint is unlimited in point of time or place*, he might, at the option of the complainant *after the expiration of five years, be without employment for the rest of his life at the only trade he knows*. Such a restraint savors of servitude, unrelieved by an obligation of support on the part of the master. The courts have refused to enforce similar contracts. *Alger v. Thacher*, 19 Pick. 51; *Albright v. Teas*, 37 N. J. Eq. (10 Stew.) 171.”

We have no such situation here.

POINT III.

The proofs show that the relationship of appellant to respondent was of such a nature as that if he is permitted to be employed with a competitor irreparable injury will be caused respondent.

The affidavits of Mazur, General Manager of respondent (p. 16), and Borgos, Plant Superintendent of respondent, are circumstantial and to the effect that respondent has developed means and methods of doing business in the Float-ironed Department and other departments,

“which are unique and known only to this company and which is specialized in by the company, and through those means the large business which it conducts at present was secured. The development of such means and

methods has come with great expense and effort and there has been employed in setting up the particular methods a graduate civil engineer, who is steadily in the employ of the company and a score of skilled craftsmen, and with their cooperation with the officers of the company have developed the means and methods of carrying on the work of the 'Float-ironed Department' and the other departments operated."

The affidavits disclose that: in the year 1928 respondent expended a sum of about \$20,000 in improving its method of doing business in the Float-ironed Department (p. 17); the methods and processes of doing business in the Float-ironed Department were known to the officers of the company, supervisors, assistant supervisors and the plant superintendent; appellant, who held the position of assistant floor superintendent in the Float-ironed Department, by reason of his position, learned of the various improvements developed from time to time in such department and of the unique and secret method in use in the establishment; appellant worked for respondent from July 1, 1926, when he was employed as a wrapper, and on May 23, 1927, was advanced to the position of assistant floor supervisor, his earnings steadily increasing.

The affidavits go into detail as to the secrecy of the methods and the warnings given with respect to disclosure (p. 20). It is true that appellant in his affidavit (p. 31) denies that there are any secret methods, or that there is anything unique about them, and indicates that there are many laundries using float-ironed methods. This may be so, just as there are many dyers using *practically* the same methods and the same machinery, but each laundry, like each dyer, has its own variations of the methods and its own

changes in the machinery which, in the course of its business has been developed. On page 45 in his affidavit appellant says:

“The means and methods of doing business used in the various laundries are *substantially* identical, and the differences are in *but minor details * * **”

and on page 44, he says:

“and the methods and processes in different plants vary in *but minor* details to suit the convenience and physical conditions of the particular plant.”

While the differences in methods are what appellant pleases to say in “minor details”, these differences are not unimportant. A very slight change in method may be of supreme importance. Again on page 47, referring to the statement of respondent that it had expended \$20,000 in improving the methods of its Float-iron Department in 1928, appellant says, p. 47:

“There were no new changes in methods, processes or technique made during that period of time, *except minor changes* and the ~~discharging~~ of one of the two well-trie methods of machine ironing.”

discarding

He then explains the discarding, and, in the explaining, indicates that respondent had profited by experience. Again he says (p. 48):

“nor were those methods, processes or technique existing after the making of the contract, different from those existing before the making of the contract, *except for very minor details*”

and—

“As before stated, the methods and processes and departmental organization are *substantially* the same in most laundries * * *.”

On page 52 he repeats that:

“The processes and methods and technique were the same, *except for minor changes*, before the inauguration of these employment contracts as they were after * * *.”

He insists that the book of technique is not secret and is simply “a compilation of written orders to the floor supervisors * * *”, etc., but it is clear that this book of technique is *not* any standard book, but has been developed by respondent. He says it was first begun in 1923 (p. 52), and that the present assistant superintendent and civil engineer condensed it in 1928 (p. 53).

If there were no secrets, and if respondent would not be injured by its employees going to a competitor, why were these employment contracts inaugurated? Appellant gives the reason. Schreiman was the plant superintendent of respondent from 1923 (p. 33) and in that capacity was in charge of all departments, and, on page 56, appellant says that Schreiman:

“is fully familiar with *practically* every method and process of the Ideal Laundry Company and with its technique book *almost* in its entirety, since Mr. Schreiman established these in the Ideal Laundry Company, and *every change in the method, process and technique book made while he was in its plant went through his hands for approval*. The changes in the methods, processes and technique of the Ideal Laundry Company since Mr. Schreiman left its employ have been of a *very minor order*.”

Schreiman left the employ of the respondent about March, 1928 (p. 52), and, almost immediately thereafter, established the Holland Company (p. 53) and is now its president (p. 56). It is this competitor of respondent to which appellant went.

Appellant says that it was because Schreiman left that these employment contracts were inaugurated in September, 1928 (p. 52). That is undoubtedly true, but why? Because respondent saw all of its secrets used against it in competition by its former employee, and it intended, as was its right, to prevent that thing happening again. While Schreiman knew everything which had occurred up to the time he left, he did not know what changes had been made as a result of experience after he left. That there *were* changes, appellant concedes, although he calls them "minor". In March, 1928, Schreiman left, established the Holland Laundry, and, in November, 1929, appellant left and went to the Holland Laundry. By this method the Holland Laundry is keeping abreast of respondent.

In the light of the fact that appellant has been offered positions elsewhere at the same wage, and of the cost of this litigation, printing, etc., to say nothing of counsel fees, it is clear that the *Holland Laundry* is extremely desirous of retaining the services of appellant. Why, if his services are not unique, or if the Holland Laundry does not derive some advantage from the employment of this particular man? The only peculiar advantage which it can obtain arises from the fact that he was previously employed by respondent. Why is appellant so anxious to violate his contract, when, without violating his contract, he can obtain employment at the same wage? Why does he insist upon working for a competitor? He made the contract voluntarily. He makes no claim that he did not understand it. Whether legally or not, he is morally bound by it.

The only supporting affidavit of appellant is that of Lehman, who speaks of nothing circumstantially except the technique book, which he says was not secret. While he says generally that

the methods and processes of respondent were never treated or regarded as being secret, he shows that he was a "clerk" in the production office. As a clerk he would know nothing about the processes and methods. While he says that one of his duties was "keeping the technique book in order", it is clear that he acted merely as a scrivener, probably not understanding what he wrote. It needs a man of experience in active operation to understand the significance of statements contained in such a book. He also says that Carlson, a civil engineer employed by respondent as assistant superintendent, condensed this technique book and made some "minor changes". He does not tell us by whom he is now employed.

That the labor employed in the Float-ironed Department is skilled is indicated by appellant on pp. 59 and 60 of his affidavit, when he complains that, while under Schreiman's administration, "before a person was employed to work in my department, I was called in to state whether or not that party was suitable to me", Carlson was "constantly discharging and employing new help and thus bringing into my department employees *who were not properly fitted for the work to be performed therein.*"

Of course he denies (p. 57) that he intends to disclose any secrets. One must expect that. He complains that others have left the employ of respondent and have not been prosecuted, and that some employees of respondent were not asked, or refused, to sign contracts. This is not an answer. *He* signed the contract. It may be that either the other employees did not have the knowledge or the ability to injure respondent.

It is inconceivable that respondent would be expending the money in the prosecution of this litigation if there was not a well-grounded fear

that respondent would be injured by the retention of appellant in the employ of the Holland Company, its competitor.

It is equally inconceivable that to avoid complying with the terms of his contract, this forty-three dollar a week laborer would expend the money to prosecute this litigation and this appeal, if his services to the Holland Company were not of a peculiar value, and they can be of a peculiar value only because of his past connection with respondent.

Many times in the affidavit the statement is repeated that inspections of the plant of respondent were permitted. That means nothing. To discover the method of operation one must actually operate, not merely look.

We again advert to the fact that appellant in considering the methods of respondent and other laundries, speak of them as "*substantially*" similar, conceding what he terms "*minor*" differences, and that, while insisting that the methods before the departure of Schreiman are substantially similar to those in use now, he concedes what he terms "*minor*" changes.

The *minor* part is a pure conclusion and that they are minor is negated by the affidavits of the general manager and the plant superintendent of respondent annexed to the bill.

The statement contained on page 46 of appellant's brief that the Vice Chancellor denied "a temporary injunction against the disclosure of alleged secret methods and processes" does not represent the fact. As stated before, while the order of January 13, 1930 (p. 66) does not enjoin against the disclosure of trade secrets, this was because it was conceived by counsel for respondent that the injunction in the language of the contract effectively prevented the disclosure of trade secrets.

POINT IV.

The contract is no broader than necessary to protect respondent.

Throughout appellant's brief there are suggestions to the effect that the contract is broader than necessary to protect respondent, and that it is invalid upon that ground.

The contract is limited both as to time and place. As to place, the Counties of Hudson and Bergen, and it is not denied but that respondent's business extends over these Counties. The employment of appellant by any laundry in these two counties would injure respondent. It is limited as to time to two years. It cannot be argued that a two-year limitation is unreasonable. The reasonableness of the limitation both as to time and place is indicated by the cases cited under Point I.

POINT V.

A temporary restraint is justified.

We are familiar with the cases referred to under appellant's Point 3 to the effect that a preliminary injunction will not issue except to prevent some threatening irreparable injury pending final hearing, and will not issue where the facts are denied by the defendant under oath, etc. The answer to appellant's contention is found in *Scherman v. Stern*, 93 N. J. E. 626, in this Court, and in *Salomon v. Hertz*, 40 N. J. E. 400, in the Court of Chancery.

In *Scherman v. Stern*, 93 N. J. E. 626, this Court had before it an appeal from an order of the Court of Chancery advised by Vice-Chancellor Fielder temporarily restraining the defendant

until the further order of the Court "from engaging, directly or indirectly, in the selling of candy, stationery and tobacco, at the post office building in Metuchen, in this State, in competition with the complainants."

In that case the agreement did not have any limitation as to time. There was a conflict in the testimony. This Court stated that it was of the opinion that the injunction should stand until final hearing. This Court said, p. 629:

"Of course the existence of a right violated is a prerequisite to the granting of an injunction. The general rule is that a preliminary injunction will not issue where the material fact in complainants' bill and affidavits, on which the complainants' right depends, is met by a full, explicit and circumstantial denial under oath. *Brunetto v. Montclair*, 87 N. J. E. 338; *Meyer v. Somerville Water Co.*, 79 N. J. E. 613; *Citizens' Coach Co. v. Camden Horse Railway Co.*, 29 N. J. E. 299. But that is not this case. Without regard to what may possibly appear upon final hearing, we think the bare statement of the promise of \$300 contained in Stern's affidavit is no sufficient reason for denying an injunction designed to preserve the *status quo* until final hearing. The affidavit lacked the essential qualities, and upon the entire showing from both sides it appears reasonably probable that the agreement was upon a sufficient consideration which had not failed, and that the complainants had the right claimed."

Of course, for every minute that defendant was prevented from engaging in business there was a destruction *pro tanto* of the subject matter of the litigation considered from the standpoint of the defendant.

Chancellor Runyon said in *Salomon v. Hertz*, 40 N. J. E., 400, at p. 402:

“But it is urged that all of the facts upon which the claim to relief is based have been fully and explicitly denied, and it is insisted that, therefore, the injunction should be dissolved. But it may be that the complainant is able to establish the truth of the statements of his bill notwithstanding the positive denials of the answers. To dissolve the injunction now would, if he indeed has the secret peculiar methods and processes which he claims to have, and which he swears that he discovered and employs, leave him wholly without remedy, and inflict upon him irreparable injury; for if the injunction be dissolved, Hertz and Adolphi may make those methods and processes known to whomsoever they see fit, and so the complainant’s success at the conclusion of the suit, were he to pursue it to the end, would be but a barren and worthless victory. The sole object of the suit is protection by means of injunction. To dissolve the injunction now would practically decide the cause in favor of the defendants, without giving the complainant an opportunity to establish the truth of the case made by his bill. It is the duty of the court in such a case as this, in the exercise of a sound judicial discretion and discrimination, to retain the injunction until the final hearing.”

This case was approved by this Court in *Stone v. Grasselli Chemical Co.*, 65 N. J. E. 756, at p. 759.

POINT VI.

If conveniences are to be waived the injunction should stand.

Under his Point 5 (p. 51) appellant insists that refusal to grant a preliminary injunction will not result “in any injury, much less an irreparable injury to complainant, whereas its enforcement

will operate an irreparable injury to the defendant with slight, or no benefit to the complainant'', citing *Howard v. Mayor and Aldermen of Jersey City*, 140 Atl. 261, p. 264, 6 N. J. Adv. R. 238, not officially reported, and *Sternberg v. O'Brien*, 48 N. J. Eq. 370. In *Sternberg v. O'Brien*, 48 N. J. Eq. 370, the Court said, p. 378:

“The defendant’s period of service under the contract was less than five weeks. He served the complainant under the contract just twenty-seven secular days. This time was entirely too short, and his intercourse with the complainant’s customers much too slight and infrequent to enable him, even if it be conceded that he possessed unusual magnetic power, to acquire much influence over them; certainly not enough to put it in his power to do the complainant any very serious injury.”

In *Howard v. Mayor and Aldermen of Jersey City*, 140 Atl. 261, 6 N. J. Adv. Repts. 238, not officially reported, there was a question of injury to an adjoining building as a result of building operations, and the Vice Chancellor held on the facts that the affidavits of defendant were “more weighty than the affidavits relied upon by the complainant”, and that there was grave question as to the right of a court of equity to determine the matter involved.

In the case at bar, the making of the contract and its breach is admitted. The burden is on appellant to show that the contract which he solemnly made is illegal or a mere form.

It is presumed that parties do not make contracts which are illegal, nor do they make them to break them.

If temporary relief were denied, the subject matter of the contract would be destroyed, for respondent is only entitled to protection for two years after appellant left its employ.

Appellant complains that if, pending litigation, he is compelled to perform his contract, his right

to work as he pleases will be destroyed, but if it is, it is due to his own act in making the contract.

This case falls within that class of cases in which an injunction issues to maintain a status. The status here is that of two parties with a contract between them. All that appellant is required to do is to perform that which the status requires. It is he who attempts to destroy the status by an insistence that the contract is unenforceable.

It is clear that if respondent has rights, a failure to grant a temporary injunction seriously affects them, and it is equally clear that if appellant is required to perform his contract *pendente lite*, he will suffer no inconvenience, for, while he said in his affidavit that he could not get employment elsewhere, employment has been offered to him (p. 75).

It is respectfully submitted that the order should be affirmed.

WOLBER & GILHOOLY,
MERRITT LANE,
Of Counsel with Respondent.

