

Case summary

Issue(s)

Whether the doctrine of restraint of trade applies to a restrictive covenant in a lease granted by the respondent's predecessor in title to the appellant.

Facts

Mr Shortall, the freehold owner of land in Londonderry, wished to develop a shopping centre on the land. On 2 February 1981 he granted a 999-year lease of part of the land to the appellant. The lease contained a restrictive covenant that any development on the remaining land would not contain a large unit for the purpose of trading in textiles, provisions or groceries. In 1983 Mr Shortall transferred the freehold and his interest in the lease to the respondent. In 2010 the respondent issued proceedings for, amongst other matters, a declaration that the restrictive covenant was unenforceable as an unreasonable restraint of trade. This issue was determined in the High Court as a preliminary issue.