

Mrs. Fields Brand, Inc. v. Interbake Foods LLC: a trademark license agreement dispute

Legal Issues and Cyber Laws

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April 4, 2025



Introduction

- Mrs. Fields
 - Cookie company
 - Sold to retail stores
- Interbake Foods LLC
 - Industry expert in quality cookie products
- Struck a deal in 2012 (2012-2017)
 - Mrs. Field will sell under Interbake's license

Case Summary

- Significant Contractual terms:
 - 2M annual royalty to Mrs. Fields from Interbake
 - Cocontract can be terminated if MAE occurred or...
Mrs. Fields made the company commercially unviable for Interbake
 - Termination also possible if Mrs. Fields annual sale dropped under 20M
- In 2015 sale was below 20M
 - Interbake attempts to terminate contract
 - Mrs. Fields sued Interbake to prevent it
- Legal battle started that lasted 14 months

Primary Legal Issues

- Did Interbake had the right to terminate?
- Did Mrs. Field sabotage Interbake?

Cyber Law Implications (If Applicable)

- Since this dispute is purely contractual there were no cyber law implications involved

Key Stakeholders

- Mrs. Fields (Licensor)
- Interbake (Licensee)
- Consumers, courts, potential buyers

Judicial/Regulatory Outcomes

- Interbake termination attempt deemed invalid
- Only Mrs. Fields had the power to terminate
- No sabotages done by Mrs. Fields, No MAE occurred as well

- Failed negotiations played a big part
 - 2014, 2015 Interbake tried to buy out the cookie company
- Room left for ambiguity in their agreement
- Misinterpretation of contract clauses

Conclusion

- Importance of well defined termination clauses
- Should follow good business practices
 - No room should be left for exploitation
- Professional approach in the corporate world

References

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