

DISTRICT COURT OF APPEAL OF FLORIDA, THIRD DISTRICT

Quix Snaxx, Inc. v. Sorensen

710 So. 2d 152 (Fla. Dist. Ct. App. 1998) · No. No. 97-2843 · Decided April 22, 1998

SUMMARY

The Florida Third District Court of Appeal held that contemporaneously executed agreements concerning the same transaction should be construed together. Because the License Agreement and Purchase Order Agreement incorporated and referred to one another and the License Agreement contained a mandatory arbitration provision, the court concluded that Sorensen was required to arbitrate his royalty-payment claim. The court reversed the order denying Quix Snaxx's motion to compel arbitration and remanded for further proceedings.

CASE DETAILS

COURT	District Court of Appeal of Florida, Third District
WRITING FOR THE COURT	Nesbitt, Judge; Nesbitt; Levy; Sorondo
JURISDICTION	Florida
DECIDED	April 22, 1998
DOCKET	No. 97-2843
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appellants challenged the trial court's denial of their motion to compel arbitration in a breach-of-contract action brought by an alleged third-party beneficiary.
PRECEDENTIAL VALUE	Published Florida Third District Court of Appeal opinion
PARTIES	Quix Snaxx, Inc., Quix Snaxx, International, Inc. v. Richard H. Sorensen, Sorensen EE Konsultants, Inc.

TOPICS

- arbitration
- contract interpretation
- third party beneficiary
- contracts
- commercial litigation

PRACTICE AREAS

- Contracts
- Arbitration
- Civil procedure
- Commercial litigation

QUESTIONS PRESENTED

1. Whether the contemporaneously executed Purchase Order Agreement and License Agreement should be construed together as a single contractual arrangement.
2. Whether the arbitration provision in the License Agreement required Sorensen to arbitrate his royalty claim under the Purchase Order Agreement.

HOLDINGS

1. The Purchase Order Agreement and License Agreement, which were executed contemporaneously, concerned the same transaction, referred to each other, and addressed the same royalty obligation, had to be construed together rather than the Purchase Order Agreement being considered in isolation.
2. Sorensen was obligated to arbitrate the royalty claim because the License Agreement's mandatory arbitration provision applied to the integrated contractual arrangement governing the royalty payments.

KEY QUOTATIONS

“Documents executed by the same parties, on or near the same time, and concerning the same transaction or subject matter are generally construed together as a single contract.” (710 So. 2d at 153)

“In sum we conclude that the License Agreement and the Purchase Order agreement, both referring to the royalties and referring to each other, were contemporaneously executed documents obligating Sorensen to arbitrate his claim.” (710 So. 2d at 154)

FACTUAL BACKGROUND

Richard Sorensen invented a french fry vending machine and was associated with companies involved in its manufacture and distribution. In resolving prior federal litigation, the parties executed a Settlement Agreement, a License Agreement, and a Purchase Order Agreement within days of one another. The Purchase Order Agreement provided for a \$250 royalty to Sorensen for each machine, while the License Agreement contained a mandatory arbitration clause and expressly referred to the royalty obligation. Sorensen sued for unpaid royalties, and Quix Snaxx sought to compel arbitration.

PROCEDURAL HISTORY

Sorensen brought a breach-of-contract action seeking royalty payments under a Purchase Order Agreement. Quix Snaxx argued that a contemporaneously executed License Agreement required arbitration. The trial court denied Quix Snaxx's motion to compel arbitration, and Quix Snaxx appealed. The Third District Court of Appeal reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded for further proceedings in compliance with the court's determination that the royalty dispute was subject to mandatory arbitration.

CASES CITED

- United States Rubber Products, Inc. v. Clark, 145 Fla. 631, 200 So. 385, 388 (Fla. 1941)
- Citicorp Real Estate, Inc. v. Ameripalms 6B GP, Inc., 633 So. 2d 47, 49 (Fla. 3d DCA 1994)
- Hurley v. Slingerland, 461 So. 2d 282, 284 (Fla. 4th DCA 1985)
- Edelblut Const. Co. v. Free, 149 So. 2d 360, 364 (Fla. 2d DCA 1963)
- Diana Stores Corporation v. M. & M. Electric Co., 108 So. 2d 486, 487-88 (Fla. 3d DCA 1959)
- Collins v. National Fire Insurance Co., 105 So. 2d 190, 194-95 (Fla. 2d DCA 1958)
- Kantner v. Boutin, 624 So. 2d 779, 781 (Fla. 4th DCA 1993)

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