

Simpson Thacher Obtains Appellate Victory for Jabil Inc.

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On September 29, 2022, Simpson Thacher secured the reinstatement of Jabil Inc.'s fraud counterclaims against Beckman Coulter, Inc. and its parent company Danaher Corporation based on Beckman's and Danaher's material omissions during the negotiation of the parties' 7-year supply contract. Beckman sued Jabil in June 2021 alleging breaches of the parties' contract by which Jabil agreed to manufacture certain printed circuit board assemblies at a discounted price. Jabil counterclaimed for breach of contract against Beckman and also asserted fraud claims against both Beckman and Danaher, alleging that it had been fraudulently induced by Beckman's and Danaher's material misrepresentations and omissions to enter into the long-term deal.

Justice Schecter of the Commercial Division, New York County, granted Beckman's and Danaher's motion to dismiss Jabil's fraud claims. On September 29, 2022, the First Department modified Justice Schecter's decision, finding that the Supreme Court erred in dismissing Jabil's fraud claims to the extent based on allegations of fraudulent omissions, focusing on Beckman's and Danaher's plans for a new Danaher subsidiary that detrimentally impacted Jabil's deal with Beckman.

Rachel Sparks Bradley argued the appeal. The Simpson Thacher team also included Lynn Neuner and Josh Hazan.

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