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Gibson Dunn Secures Complete Summary Judgment Victory for US WorldMeds Partners

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Gibson Dunn secured a complete summary judgment victory for life sciences company US WorldMeds Partners, LLC, requiring Supernus Pharmaceuticals to pay the entire withheld milestone payment, together with contractual interest and attorneys' fees and costs — without discovery and on a pure question of contract interpretation.

The victory arose from a 2020 transaction in which US WorldMeds sold a pharmaceutical portfolio to Supernus Pharmaceuticals for $300 million up front and up to $230 million in contingent milestone payments. After the first U.S. commercial sale of one of the acquired products triggered a $30 million milestone, Supernus paid only a portion and sought to retain the balance under a contractual set-off provision based on two separate lawsuits.

The Gibson Dunn team made a bold strategic choice: Rather than permit the payment dispute to expand into discovery concerning the collateral lawsuits, US WorldMeds moved for summary judgment on the ground that the agreement was unambiguous and required payment as a matter of law. The strategy put the case — and the client's recovery — on a single proposition: that the contract admitted only one reasonable interpretation.

Judge Kathleen M. Miller of the Delaware Superior Court's Complex Commercial Litigation Division agreed. She granted US WorldMeds' motion in full, denied Supernus' cross-motion, and resolved the case without reaching the collateral factual disputes.

The ruling has significance beyond the parties because milestone and earn-out provisions are common in life sciences transactions and frequently generate post-closing disputes. The Court held that the agreement did not permit Supernus to retain an earned milestone as security against potential liabilities in separate litigation. As the Court explained, Supernus was "*not actually seeking to effectuate a set-off*," but was instead "*attempting to withhold payment as security*." The Court further emphasized that it could not, "*under the guise of construing the contract, grant a party rights it failed to secure for itself at the bargaining table*."

The Court awarded US WorldMeds the full withheld milestone balance, attorneys' fees and costs under the agreement's fee-shifting provision, and pre- and post-judgment interest at the contractual rate from the date payment was due.

Mary Beth Maloney led the Gibson Dunn team and strategy; Jonathan Fortney led briefing; and Mark Mixon argued the motion. Daniel Silver and Sarah Delia of McCarter & English served as Delaware counsel.

The case is US WorldMeds Partners, LLC v. Supernus Pharmaceuticals, Inc., C.A. No. N25C-07-121 KMM (CCLD) (Del. Super.).

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