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# 1st Circuit Clarifies Scienter Requirements

*Law360*

Taylor Washburn authored a June 15 article in *Law360* titled “1st Circuit Clarifies Scienter Requirements.” The article discusses the First Circuit decision dismissing claims against a pharmaceutical developer, concluding that the plaintiffs’ complaint did not allege facts giving rise to the “cogent and compelling” inference of scienter required by the Reform Act.

The key question in *Brennan* was whether Zafgen knew that nondisclosure of the superficial events would render its public statements false. Yet the articles cited by the plaintiffs did not support such an inference. Two of these articles, for example, “simply analyze[d] the general effects” of drugs in the same class as Beloranib, while three of the others “examine[d] clinical trials conduct for drugs other than Beloranib which were used to treat cancer, not severe obesity.” *Id.* at 614.