

Pharmaceutical Experience Matters in Defending Pharmaceutical Securities Cases

A photograph of a modern building with a curved glass facade, showing multiple floors and windows, set against a light blue sky.

PUBLICATIONS | 1 MIN READ

January 30, 2020
By: Matthew Becker
Axinn Update

It is no secret that the number of securities class actions filed against pharmaceutical companies has soared in recent years. From a historical average of 12 per year from 1997-2016, the number of securities cases against pharmaceutical companies rose to 30 in 2017 and 24 in 2018.¹ In recent years, the pharmaceutical industry has been the single largest recipient of securities suits across all listed companies.

What is the best response to this tsunami of securities filings? A firm grasp of securities law fundamentals is obviously critical. But does expertise and experience in the pharmaceutical industry matter as well?

Recent case law shows that pharmaceutical industry knowledge can lead to better results in securities suits in the pharmaceutical industry. Stand-out early resolutions of securities claims against pharmaceutical companies reflect the defendant's ability to talk knowledgeably about such industry-specific issues as:

- Clinical studies and special protocol reviews
- Interaction of patent applications with clinical studies

- Comparisons of a drug candidate with other drugs
- Significance of statements at various stages of clinical trials
- Pronouncements by the FDA and independent committees

These “technical” points go to the central securities-law elements of whether a misrepresentation was made, its materiality, the defendant’s scienter, and damages. In many industries, securities defense amounts to a formulaic consideration of these elements, with little regard to the industry at issue. As the cases discussed below attest, in the pharmaceutical world, industry experience can be crucial in constructing a winning securities defense.

The balance of this memorandum summarizes recent securities decisions illustrating the relevance of pharmaceutical industry knowledge and experience to the successful defense of securities claims against a pharmaceutical defendant.

Click [here](#) to access the entire memorandum.

Related People



Matthew J. Becker

Related Services

Intellectual Property
Litigation & Trials

To subscribe to our publications, [click here](#).

Featured Insights

- Consumer Brands CPG Legal Forum 2026

SPEAKING ENGAGEMENT

- NBA CLS 39th Annual Corporate Counsel Conference

SPONSORSHIP ANTITRUST

- New Frontiers of Antitrust – 16th Annual International Conference of Concurrences Review

SPEAKING ENGAGEMENT ANTITRUST

- GCR Live Global: Navigating the Future of Antitrust 2026

SPEAKING ENGAGEMENT ANTITRUST

- Why Should I Care About Property Controls?

SPEAKING ENGAGEMENT ANTITRUST

- What's the Score, Your Honor? Conversation With Judge Richard Boulware

PODCAST

- LCA Renaissance Symposium XIX 2025

SPEAKING ENGAGEMENT ANTITRUST

- Stakeholders 25th Annual CYOC Career Development Conference

SPONSORSHIP ANTITRUST

- Japan Competition Law Update

AXINN VIEWPOINTS ANTITRUST

- California's Crackdown on Algorithmic Pricing

AXINN VIEWPOINTS ANTITRUST