Client Alert: Massachusetts SJC Clarifies Non-Compete Agreement Requirements

BY ROBERT G. YOUNG • NOVEMBER 23, 2026

On November 17, 2026, the Massachusetts Supreme Judicial Court issued its decision in *Anaplan Parent, LP v. Brennan*, deciding that the Massachusetts Noncompetition Agreement Act (the "Act") means what it says: a non-compete agreement must be signed by the actual employer in order to satisfy the requirements of the Act.

Timothy Brennan began working for software company Anaplan, Inc. (the "Subsidiary") in 2019. In 2022, Mr. Brennan entered into an equity incentive agreement with Anaplan Parent, LP ("Anaplan"), the ultimate parent company to Subsidiary. As part of that equity incentive agreement, Mr. Brennan became a limited partner of Anaplan and also became subject to certain restrictive covenants. One of those covenants was a non-compete: Mr. Brennan agreed that, for a period of 12 months after his employment with Subsidiary ended, he would not compete with Subsidiary. Mr. Brennan and Anaplan signed the agreement, but Subsidiary did not (though the agreement did specifically call out Subsidiary as a third-party beneficiary to the agreement). In 2025, Mr. Brennan accepted a job with a competitor of Subsidiary.

Anaplan and Subsidiary both sued Mr. Brennan, seeking to prevent him from working for a competitor. A Superior Court judge denied their request for an injunction, and the companies appealed. Ultimately, the SJC sided with Mr. Brennan as well.

The Court reasoned that the plain wording of the Act was unambiguous: among the "minimum requirements" it sets out to have a valid non-competition agreement, the Act requires that the agreement be "in writing and signed by both the employer and employee." G.L. c. 149, 24L. Because Subsidiary was Mr. Brennan's employer and Anaplan was not (that is, because Mr. Brennan performed services for Subsidiary and not for Anaplan), the absence of Subsidiary's signature on the non-competition agreement meant that the non-competition covenant did not comply with the Act and therefore was invalid.

The Act contains several specific, technical requirements to create a valid and enforceable non-compete agreement. *Anaplan* serves as a reminder that employers must adhere strictly to the requirements the Legislature has set out. If they do not, they can lose a significant measure of protection against a departing employee.

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