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California Cases To Watch In 2026

By **Dorothy Atkins**

Law360 (January 2, 2026, 12:03 PM EST) -- Legal experts following California courts in 2026 are tracking high-stakes personal injury, antitrust and copyright battles against giants in the social media, artificial intelligence and entertainment industries, as well as wide-ranging legal disputes arising from Los Angeles wildfires and high-profile appeals pending before the California Supreme Court.

Here's a look at some major fights attorneys will be watching closely in the new year.

LA Wildfires Spark Litigation Uncertainty

Insurance recovery attorney Jeremy King, who is a partner at Lowenstein Sandler LLP, told Law360 that he's keeping an eye on insurance and liability litigation arising out of the series of devastating Los Angeles wildfires that broke out in early January 2025 in the Pacific Palisades, Malibu, Altadena and Pasadena.

The fires burned more than 57,000 acres, destroying thousands of structures, forcing more than 200,000 to evacuate and killing at least 31. The devastation set off a wave of wildfire litigation by homeowners, insurance companies, shareholders and the government in state and federal courts over who's to blame for the fires, and who should ultimately be on the hook for wildfire-related losses.

In the wake of the fires, hundreds of claims have been filed against Southern California Edison Co. for allegedly sparking the Eaton Fire, which spread to the Altadena community.

The California Insurance Commissioner launched an investigation into State Farm's handling of thousands of wildfire insurance claims. Meanwhile, California residents filed multiple lawsuits accusing the California FAIR Plan Association, the state's "insurer of last resort," of inadequate coverage under an illegal policy that denied smoke damage coverage to homeowners.

King said these cases will likely set the stage for precedential decisions in 2026 regarding wildfire coverage and how California businesses will be covered in similar catastrophes in the future.

King expects courts to take a close look at policies and clarify key policy terms, including what is covered in terms of smoke, ash and other types of damages, as well as what policy language triggers business interruption coverage.

King also expects to see a rise in disputes between policyholders and insurers over delays in

investigating and paying claims, and courts will likely be tasked with determining what reasonable practices are in terms of evaluating and valuing physical property damage claims.

"Certainly these cases pose fertile ground for the evolution and examination of California's bad faith law," he added. "Those kinds of bad faith issues put pressure on policyholders to settle their claims for potentially less than what they are entitled to."

In the coming months, King also expects insurers to raise potential concurrent causation defenses, which could create novel disputes for courts to consider, like whether a policy applies if a property was damaged indirectly by a mudslide that was triggered by a fire. Additionally, King expects the civil evacuation orders may play a role in whether insurers must pay.

"Just the sheer number of cases arising out of the wildfires means that there is going to be a good deal of interpretation of policy terms," King said.

The FAIR Plan litigation is Ronald Barak et al. v. California FAIR Plan Association et al., case number 25STCV10670, and Smith et al. v. California Fair Plan Association et al., case number 25STCV12265, among others, in the Superior Court of the State of California, County of Los Angeles.

The state consolidated property owner litigation over the Eaton Fire liability is Jeremy Gursey v. Southern California Edison Co. et al., case number 25STCV00731, and the insurance litigation over Eaton fire liability is American Modern Home Insurance Co. et al. v. Southern California Edison Co. et al., case number 25STCV09753, both in the Superior Court for the State of California, County of Los Angeles. The federal government's case over the Eaton Fire is U.S. v. Southern California Edison Co., case number 2:25-cv-08357, in the U.S. District Court for the Central District of California.

Big Tech Injury Suits Head to Bellwether Trials

Farid Yaghoubtil, a personal injury attorney at DTLA Law Group, said he's following personal injury litigation pending against social media giants, along with wrongful death cases that have recently been filed against AI companies, which he noted is a "nascent field."

"Social media and AI, coupled with unchecked mental health issues, will be a developing field, and determining who is responsible is a question for the courts and juries to decide," Yaghoubtil said.

In the social media injury litigation, thousands of plaintiffs claim Facebook owner Meta Platforms Inc., SnapChat owner Snap Inc., YouTube owner Google LLC and TikTok owner ByteDance designed their multibillion-dollar revenue-generating platforms with addictive features to the detriment of minors' health and livelihoods.

Los Angeles County Superior Court Judge Carolyn B. Kuhl is expected to preside over the state court bellwether trials, with the first set to begin Jan. 27, while U.S. District Judge Yvonne Gonzalez Rogers is expected to hold the first bellwether trials in parallel federal multidistrict litigation this summer. The MDL was consolidated in Oakland in 2022, and it currently involves thousands of claims by the families of minors, school districts, attorneys general and Native American tribes.

As social media giants face juries in 2026, similar litigation against OpenAI Inc. and its CEO Sam Altman is just beginning. In those recently filed cases, ChatGPT users and suicide victims' families accuse OpenAI of knowingly releasing a dangerously designed sycophantic, psychologically manipulative, addictive

version of its chatbot.

Yaghoubtil said he is particularly interested in where courts and juries will draw the line on liability and fault between the companies and their end-users

"This type of litigation has not been tested," Yaghoubtil said. "It will be for the courts to determine liability against the entities responsible for harms caused by the use of AI."

Yaghoubtil also noted that the wave of personal injury cases against tech and AI companies comes as the Golden State has seen a sharp rise in wrongful death verdicts — a pattern he expects to continue well into 2026.

"I believe this trend will continue in the near future, as public sentiment increasingly favors holding corporations accountable when their decisions cause real-world harm," Yaghoubtil said.

The state JCCP case is Social Media Cases, case number JCCP5255, and lead case number 22STCV21355, all in the Superior Court of the State of California, County of Los Angeles. The social media personal injury MDL is In re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation, case number 4:22-md-03047, in the U.S. District Court for the Northern District of California.

Wrongful death litigation against OpenAI includes four Los Angeles-filed cases: Jennifer "Kate" Fox et al. v. OpenAI Inc. et al., case number 25STCV32379, Christopher "Kirk" Shamblin et al. v. OpenAI Inc. et al., case number 25STCV32382, Hannah Madden v. OpenAI Inc. et al., case number 25STCV32383, and Allan Brooks v. OpenAI Inc. et al., case number 25STCV32386, in the Superior Court of the State of California, County of Los Angeles. Three San Francisco-filed cases are Cedric Lacey et al. v. OpenAI Inc. et al., case number CGC-25-630808, Karen Enneking et al. v. OpenAI Inc. et al., case number CGC-25-6308009, and Jacob Lee Irwin v. OpenAI Inc. et al., case number CGC-25-630811, in the Superior Court of the State of California, County of San Francisco.

Media, Tech Cos. Face Surge in Litigation as IP Fights Heat Up

BCLP LLP partner Eric Schroeder told Law360 that 2025 was notable for the increase in the number of lawsuits against social media companies and traditional media outlets. Schroeder said that trend has been driven in part by President Donald Trump's push to overturn or narrow the "actual malice" standard of *New York Times v. Sullivan*, and as more plaintiffs mount legal challenges to the protections extended to tech companies under Section 230 of the Communications Decency Act.

Schroeder said he expects 2026 will continue to bring a "rising tide of lawsuits" against social media companies, as well as traditional media outlets, and he expects the uptick may even be fueled in part by a new wave of AI-written complaints by pro se or small law firm plaintiffs.

Meanwhile, legal experts are watching ongoing high-stakes copyright cases challenging the AI industry's practice of using copyrighted material to train their large language models. In 2025, the Judicial Panel on Multidistrict Litigation **centralized** the pretrial work of multiple copyright infringement and Digital Millennium Copyright Act lawsuits against OpenAI in New York federal court. That order temporarily moved the legal action of four California IP cases to the Empire State.

Even so, legal experts are still following other copyright battles against AI companies that are pending in California, including copyright litigation against Anthropic, which has cut a controversial \$1.5 billion

deal with authors to settle, and Disney and Universal's recently filed lawsuit against AI company Midjourney.

King of Lowenstein Sandler told Law360 that amid the backdrop of the IP litigation, in 2026 he also anticipates seeing the emergence of insurance products in the cybersecurity space that aim to address cybersecurity, privacy and IP risks that AI tools may pose to consumers, companies and even IP owners that use the technology.

The case against Anthropic is Andrea Bartz et al. v. Anthropic PBC, case number 3:24-cv-05417, in the U.S. District Court for the Northern District of California. The Disney case is Disney Enterprises Inc. et al. v. Midjourney Inc., case number 2:25-cv-05275, in the California Central District Court.

The California IP cases centralized for pretrial work in New York are Tremblay et al. v. OpenAI Inc. et al., case number 3:23-cv-03223, Silverman et al. v. OpenAI Inc. et al., case number 3:23-cv-03416, Chabon et al. v. OpenAI Inc. et al., case number 3:23-cv-04625, and Millette v. OpenAI Inc. et al., case number 5:24-cv-04710, all in the U.S. District Court for the Northern District of California.

FTC Battles With Live Nation Over Ticket Resellers

Tyler Young of Yetter Coleman LLP, whose practice includes representing corporations as both plaintiffs and defendants in antitrust cases, told Law360 that he's following antitrust litigation against major tech companies Google and Apple, as well as the Federal Trade Commission's antitrust lawsuit against Live Nation in the New Year.

The FTC case seeks to address the conduct of ticket brokers and resellers who are able to purchase concert and event tickets at lower prices and resell them at a profit.

Young noted that the common thread running through many of these antitrust cases is what, if any, responsibility a platform owner should have in regulating the conduct of users on their platform — especially where the conduct on the platform isn't itself illegal.

"At bottom the problem here are higher prices, and the higher prices are the result of the ticket brokers," Young said. "It is not clear that the platform should have an affirmative obligation to stop brokers from engaging in voluntary, legal transactions."

As the FTC case and other antitrust litigation proceed, including the U.S. Department of Justice's parallel antitrust case against Live Nation pending in New York, Young said he'll be closely following how courts evaluate the platform's liability.

In the New York litigation, he's also interested in whose version of the antitrust market definition courts adopt and how courts will interpret allegedly exclusive deals.

The case is Federal Trade Commission et al. v. Live Nation Entertainment Inc. et al., case number 2:25-cv-08884, in the U.S. District Court for the Central District of California.

Calif. Justices to Clarify Forum, Access to Justice Rules

The Norton Law Firm partner Josephine Petrick told Law360 she's keeping a close eye on multiple high-profile cases pending before the California Supreme Court.

Those cases include *Lathrop v. Thor Motor Coach*, which will determine whether companies can rely on forum-selection clauses that require consumers to litigate in other states when it may affect California's unwaivable statutory protections. Petrick noted that the justices ordered briefing in the *Lathrop* case shortly after deciding another dispute over forum selection clauses — *EpicentRx Inc. v. Superior Court of San Diego County* — in July.

In the *EpicentRx* case, the California Supreme Court ruled that a minority shareholder's claims alleging San Diego-based *EpicentRx* and its officers bamboozled investors belongs in Delaware Chancery Court, rejecting arguments that enforcing the biopharmaceutical company's forum selection clause violated Golden State jury trial protections.

However, Petrick observed that the *EpicentRx* dispute involved sophisticated parties, and the justices may now clarify whether the same holding applies to disputes involving consumer contracts. Petrick added that a ruling in *Lathrop* could reshape consumer contracts across industries.

Petrick said the state justices are also expected to issue a significant decision by February in the lemon law dispute *Fuentes v. Empire Nissan*, which will determine whether an employer's "illegible" arbitration agreement is enforceable. A decision reversing the lower court could have wide-spread impact in the automotive industry and invalidate a commonly used form agreement, affecting how dealerships structure dispute-resolution provisions for thousands of employees, she said.

"The case may also clarify how California courts evaluate terms presented in allegedly illegible or visually inaccessible formats in a variety of contracts beyond the arbitration context," Petrick said.

Petrick added that the state justices are additionally expected to decide significant access-to-justice issues, including determining in the case *Family Violence Appellate Project v. Superior Court* whether California's ban on electronic recording of certain hearings is unconstitutional when no court reporter is available and a litigant cannot afford to hire one.

Petrick filed an amicus brief on behalf of law professors supporting the petitioners in that case, and she told Law360 that the outcome could reshape appellate access for thousands of low-income and self-represented litigants, particularly in domestic violence matters, which "speaks directly to structural fairness in our courts."

In another closely watched case, the justices also will decide whether to hear *Kyle Kjoller v. Superior Court of Nevada County*. Kjoller's petition, which has drawn support from nearly two dozen law professors and the California Public Defenders Association, asks the justices to help determine whether county prosecutors should be sanctioned for "apparent serial submission" of AI-generated briefs with nonexistent legal citations in multiple criminal proceedings.

Petrick said in that case, the California Supreme Court may "send a clear signal" to attorneys that they must acknowledge their own mistakes and AI-generated errors. But she added that a ruling framed too broadly could chill the use of AI technology, which has a potential to expand access to justice for self-represented litigants and overburdened public defenders.

Jon Welner of Crowell & Moring LLP said in 2026 he is following two significant cases pending before the intermediate state appellate courts that could have significant repercussions for developers and local environmental analysis rules.

In one of the closely watched cases — *The New Commune DTLA LLC v. City of Redondo Beach* — the California Supreme Court is being asked to consider whether an intermediate appellate court was right to prohibit the use of zoning overlays to comply with California's affordable housing laws. Welner said if the decision is upheld, it could disqualify housing elements adopted by many cities across California and leave local governments vulnerable to expedited development applications for projects under the "builders remedy" process.

The case has garnered widespread attention, and letters in support of review have been submitted by the League of California Cities, the California State Association of Counties and multiple local governments.

In another closely watched case — *Tiburon LLC v. Town of Tiburon* — the appellate court is being asked to clarify the scope of the town of Tiburon's environmental analysis under the California Environmental Quality Act.

"The superior court's decision departs from longstanding CEQA precedent by requiring a detailed analysis for a specific project area, rather than the traditional high-level review for zoning changes followed by more detailed analysis when a project is proposed," Welner, who is the mayor of Tiburon, said.

Oral arguments in that appeal were held Dec. 22, and a decision is expected within 90 days. The town has received amicus support from the California Attorney General, the California Department of Housing and Community Development, the League of California Cities and the California State Association of Counties.

The intermediate appellate cases are *New Commune DTLA LLC v. City of Redondo Beach*, appeal case number B336042, in the California Court of Appeals for the Second Appellate District, and the *Committee for Tiburon LLC v. Town of Tiburon*, case number A171983, in the California Court of Appeals for the First Appellate District.

The state high court cases are *Lathrop v. Thor Motor Coach*, case number S287893; *Evangelina Yanez Fuentes v. Empire Nissan Inc.*, case number S280256; *Family Violence Appellate Project v. Superior Court*, case number S288176; and *Kyle Kjoller v. Superior Court of Nevada County*, case number S293723; in the Supreme Court of the State of California.

--Additional reporting by Lauren Berg. Editing by Kelly Duncan and Alyssa Miller.