NORTON ROSE FULBRIGHT



2026 Annual Litigation Trends Survey

PERSPECTIVES FROM CORPORATE COUNSEL



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Executive summary

Corporations across the United States face sustained litigation pressure in 2026 as they navigate a changing landscape defined by complexity and concentrated risk. While the number of lawsuits and regulatory actions declined last year, cybersecurity exposure continues to escalate and employment disputes remain a persistent challenge. These concerns are compounded by rising verdict amounts, evolving enforcement priorities and resource constraints that challenge even the most sophisticated legal departments.

Cybersecurity remains a dominant threat. As increasingly sophisticated attacks penetrate businesses' digital defenses, data breaches are exposing companies to multijurisdictional privacy enforcement – with state regulators stepping in as federal oversight recedes. This fragmented landscape demands proactive governance and readiness for litigation that can arise from compliance gaps as much as the incidents themselves.

Drawing on insights from more than 400 US general counsel and in-house litigation leaders, Norton Rose Fulbright's 2026 Annual Litigation Trends Survey – conducted in September 2025 – offers a clear view of how legal departments are responding to these pressing issues. The findings reveal evolving risk management strategies, operational adjustments and renewed focus on cost control as organizations prepare for a year of increased complexity and regulatory unpredictability.

This year's survey provides deeper insights into key industries – energy, financial institutions, healthcare and technology – while also examining sectors such as consumer markets, retail, real estate and construction, logistics and transportation, and food and beverage.

Top litigation concerns vary by industry. Nearly a quarter of energy companies expect increased exposure to disputes over environmental contaminants like PFAS (per-fluoroalkyl and poly-fluoroalkyl substances). Class actions pose a persistent challenge for healthcare organizations and those in consumer markets, while intellectual property (IP) disputes remain a defining risk for technology companies. In a lighter-touch regulatory era, financial institutions report the lowest overall exposure across key dispute categories, though cryptocurrencies and consumer fees are two emerging sources of risk, particularly for mid-size firms.

The share of corporate counsel who feel "very prepared" to address pending litigation declined, suggesting that the areas of highest litigation risk are commanding increased attention in an uncertain environment even as some concerns temper. Budget constraints and rising litigation costs are top of mind for those who feel less than fully prepared. And as the pace of in-house legal hiring moderates, law departments are accelerating adoption of customized generative and agentic AI tools while continuing to support AI use by outside counsel.

> ***"The US litigation landscape is in a state of flux, with uncertainty now a defining condition for corporate counsel. Even though overall disputes volume has declined slightly, risk in areas like cybersecurity and employment continues to climb. Legal teams are navigating a more fragmented enforcement environment, rising costs and evolving technologies – all while facing consistent expectations to do more with less."***
>
> **Steven Jansma**
> Head of Litigation and Disputes, United States

This report examines how in-house legal professionals are adapting to the evolving litigation environment and what they expect in 2026, with supporting analysis and practical insight from lawyers across Norton Rose Fulbright.

Highlights of findings

Litigation exposure remains elevated as new industry hotspots emerge

Litigation risks show little sign of easing in 2026. Respondents report consistent year-over-year dispute exposure across most areas highlighted last year, maintaining the already elevated levels seen in 2024. Cybersecurity and data privacy exposure deepened in 2025 for 38% of organizations, the biggest area of increased risk, followed by employment and labor disputes (31%). That exposure is expected to intensify, with industry-specific hotspots forecast in technology (regulatory investigations, antitrust and IP disputes), consumer markets (contract and IP disputes) and retail (employment matters).

Regulatory matters declined in 2025, but states are playing a more active role

The share of organizations involved in at least one regulatory proceeding declined to 56% in 2025 from 70% in 2024, as the current administration tapped the brakes across several federal enforcement areas. This year is shaping up to be a mixed bag. While 42% of respondents expect the volume of regulatory proceedings against their organizations to stay the same in the next 12 months, 39% anticipate an uptick. States are stepping in to fill the gap, with 82% of respondents reporting increased state enforcement activity in response to shifting federal priorities.

Big-ticket verdict concerns intensify, fueling settlement and cost pressures

The majority of respondents (77%) are increasingly concerned about "nuclear verdicts" – jury awards surpassing US$10 million – and 58% feel the same about "thermonuclear verdicts" in excess of US$100 million. The escalation is fueling broader litigation challenges, including larger settlement demands, higher litigation costs and decreased willingness of plaintiffs to settle. Relatedly, more than four in 10 (41%) say third-party litigation funding has increased their litigation risk.

Actual litigation exposure was lower than expected

Respondents report less exposure in 2025 than predicted in most areas, underscoring changes in the litigation climate since our 2025 Annual Litigation Trends Survey report. Employment and labor is the most significant area of divergence, with 31% reporting increased exposure in 2025 – 10 percentage points lower than the 41% who had expected it would increase over that year. Organizations also faced lower-than-expected exposure to IP litigation, antitrust and environmental, social and governance (ESG) disputes. Cybersecurity and data privacy was the exception, with 38% of respondents reporting increased exposure last year, a seven percentage-point increase from the 31% who anticipated that change.

AI is gaining ground in legal operations, with caveats

Corporate counsel support of generative AI use by their outside law firms remains strong, with an emphasis on cost and time savings. The majority of respondents also allow their employees to use free or publicly available AI tools, and more than 60% use generative and agentic AI tools that have been created or customized to their business needs. Yet most remain cautious about the potential challenges of AI, with a majority (59%) saying that managing litigation risks surrounding AI has been a challenge.

Cybersecurity and ESG class actions escalated

Class actions increased slightly in 2025, with 28% of corporate counsel experiencing such litigation compared with 25% the previous year. Cybersecurity and data privacy class actions increased year-over-year – 40% of the above group report such matters, compared to 32% in 2024 – reinforcing a key trend. The share that experienced an ESG-related class action nearly doubled, with 30% reporting, up from 16% the previous year. But employment and labor class actions saw a double-digit decline to 41% from 58% in 2024 and the share of respondents who see that type of class action lawsuit as a concern over the next 12 months declined correspondingly (38% versus the 55% who forecast that for 2025).

Confidence in litigation preparedness slips

The share of corporate counsel who feel "very prepared" to address litigation over the next 12 months declined to 29% from 46%, reflecting a complex regulatory and dispute environment – though overall preparedness levels remain essentially flat. This shift in confidence could also be tied to resource constraints around staffing; the pace of law-department hiring is expected to moderate and in-house litigation teams have shrunk. While litigation spend remained steady last year, the share allocated to outside counsel declined; organizations are also reducing the number of firms they use for litigation.

Key statistics



2: The median number of regulatory proceedings commenced against respondent organizations in 2025 – with 56% reporting at least one action, down from 70% year-over-year.



77%: The share of respondents who say "nuclear verdicts" have become more of a concern; 84% of those at high-revenue companies agree, as do 85% of logistics and transportation respondents.



8 in 10: The proportion of companies involved in at least one lawsuit, on par with 2024 (82%).



~½: The proportion of respondents who expect verdict amounts to increase over the next 12 months.



44%: The share of respondents who say several states have increased enforcement activity due to changing federal regulatory priorities; an additional 17% say a majority of states have done so.



29%: The share of respondents who feel "very prepared" to address litigation over the next 12 months, down from 46% in last year's report.



1 in 3: The proportion of respondents in consumer markets who faced increased class action exposure in 2025 – the most of any industry, with 33% expecting that exposure to increase in the next 12 months.



78%: The share of respondents who support generative AI use by outside counsel to assist with their company's litigation work, up from 73%.



US$4.1 million: The average litigation spend for companies with US$1 billion or more in revenue, down from US$4.3 million the previous year.

Major trends

US corporate counsel saw the volume of some legal disputes ease as the litigation landscape recalibrated in the first year of the second Trump administration, though concerns about escalating verdict and settlement amounts underscore ongoing risks.

The average number of lawsuits against organizations declined in 2025 to 48 from 62 in 2024 while the share of those involved in at least one lawsuit remained essentially flat year-over-year at 80%. There was an even sharper decline in regulatory investigations and proceedings on that basis, with 56% of respondents' organizations involved in at least one such matter versus 70% the previous year – a 14 percentage-point drop. Arbitration was the only dispute type to notch growth, with 49% of organizations involved in at least one arbitration, up from 38% in 2024.

Looking ahead, just under half of respondents (46%) expect a rise in lawsuits against their organization over the next 12 months, slightly lower than the previous year; the share of those expecting a significant increase dropped to 14% from 24%. Retail (62%), financial institutions (53%) and consumer markets (50%) were the industries with the largest proportions expecting an increase in lawsuits. Nearly four in 10 (39%) respondents expect a rise in regulatory proceedings and arbitrations in 2026.

Cybersecurity and data privacy disputes continue to command attention as cyberattacks mount and companies navigate a complex patchwork of federal, state, industry-specific and international rules. While the incidence of such disputes decreased, it is the second-most concerning area of litigation for corporate counsel over the next 12 months after contracts. It is also the leading area where respondents say litigation exposure increased – and where they expect more exposure in the year to come.

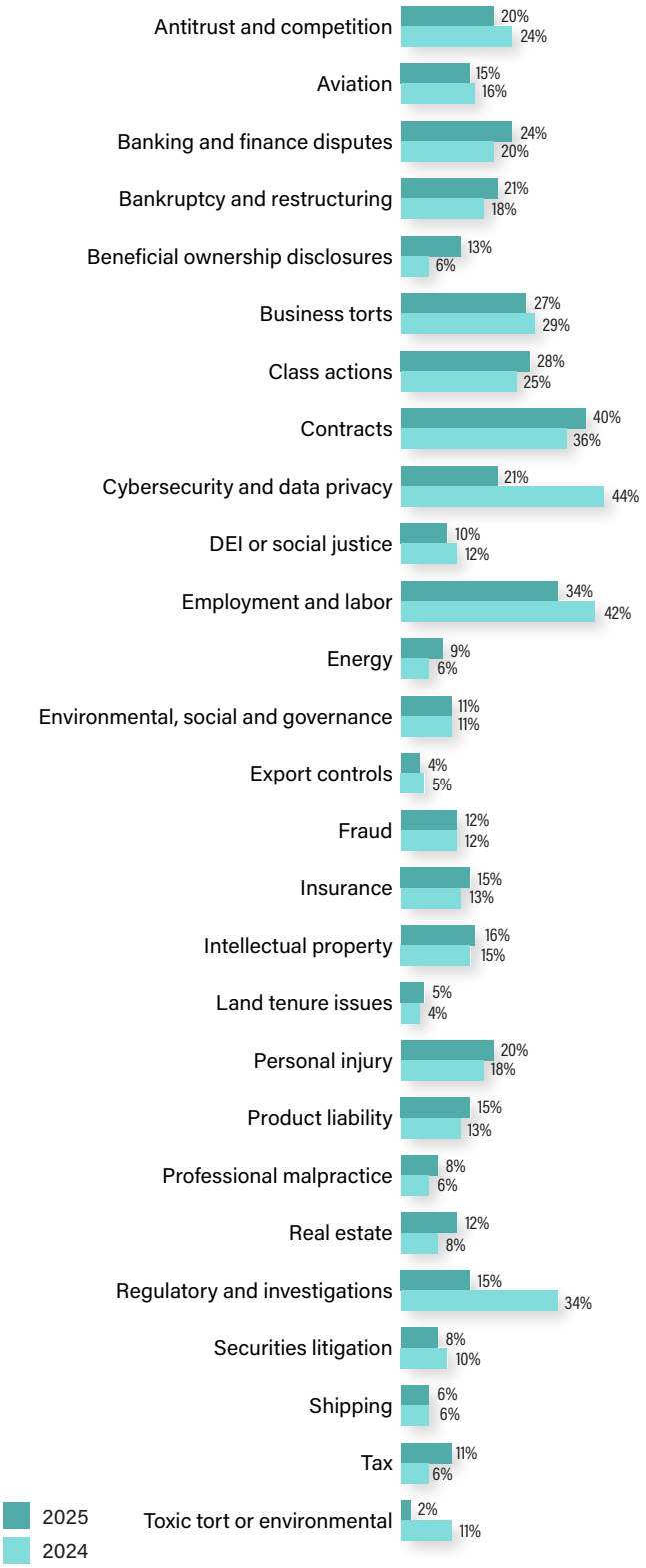
Employment and labor disputes also remain top of mind for corporate counsel. It is the second most common area where respondents experienced litigation and also ranked second among areas of increased exposure. About a third (30%) of respondents expect such exposure to deepen over the next 12 months.

Some litigation types notched moderate year-over-year increases, with a greater share of respondents reporting experience with class actions (28%), banking and finance disputes (24%), bankruptcy and restructuring (21%), and personal injury (20%) matters. Antitrust and competition matters dipped slightly, to 20% from 24%, while business torts (27%) and IP disputes (16%) remained roughly flat.

The current administration's deregulatory approach to environmental policy appears to be having some impact on related litigation. Just 2% of respondents report experiencing toxic torts and environmental matters last year, compared with 11% in 2024. The incidence of ESG-related litigation was largely unchanged.

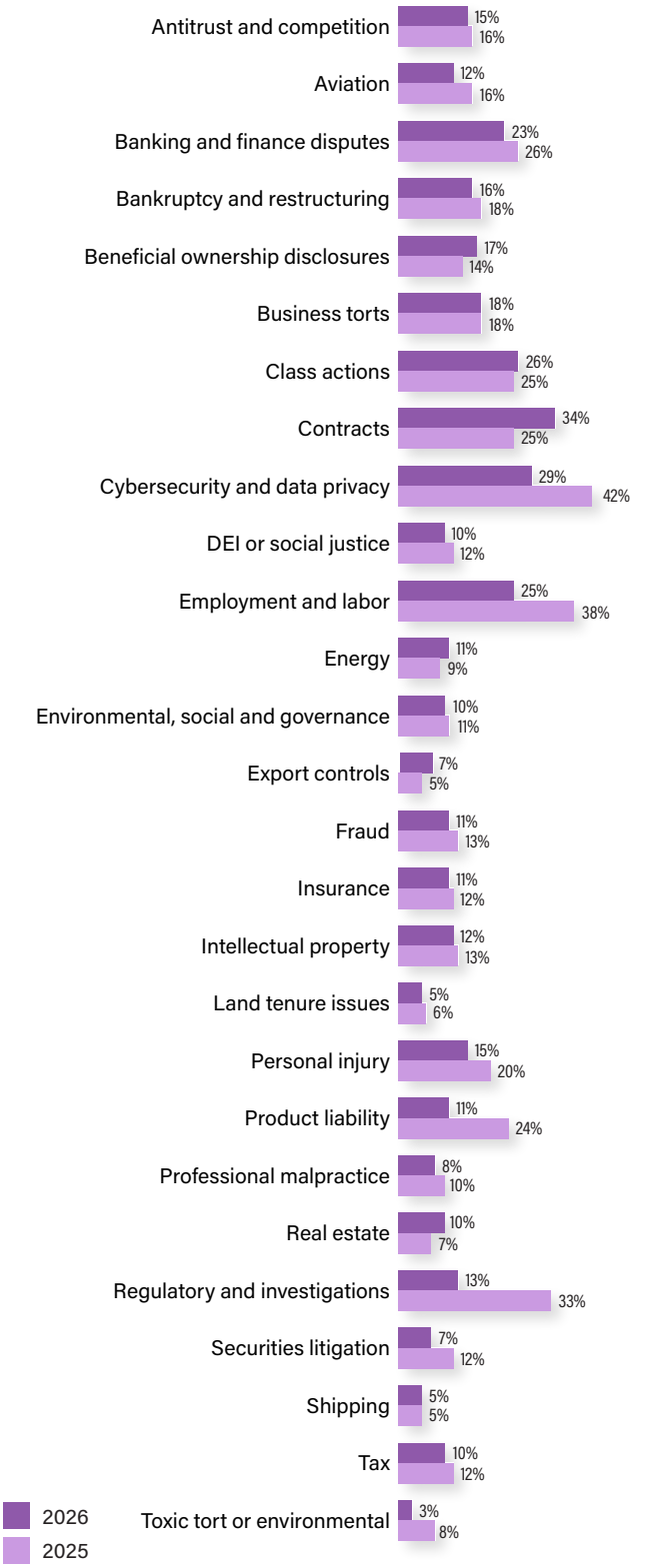
46% expect more lawsuits against their organization in 2026.

Litigation areas experienced over the past 12 months



Q. In which of the following areas did your organization experience litigation matters over the past 12 months? Please select all that apply.

Areas in which litigation is expected over the next 12 months



Q. In reviewing the full list of litigation areas below, what are the most concerning areas for your organization over the next 12 months? Please select all that apply.

Settlements and verdicts

While the volume of some litigation types is trending down, many corporate counsel see the cost of verdicts and settlements going in the opposite direction. About half (49%) expect average verdict amounts to increase in the coming year, while 48% say the same of settlements. Retail respondents accounted for the largest share by industry, with 60% expecting an increase in both areas.

Large companies are especially wary, likely because their extensive financial resources and higher profile make them frequent targets for lawsuits. Sixty-two percent of high-revenue companies (those making more than US$1 billion annually) are bracing for higher verdicts, while 51% expect increased settlement amounts.

"The name of the game in litigation is leverage for settlement," said one energy company respondent.

"Nuclear verdicts" surpassing US$10 million remain top of mind for corporate counsel as such awards increase in both frequency and magnitude. More than three-quarters of respondents (77%) say "nuclear verdicts" have become more of a concern over the past 12 months, with 50% concerned to a large or moderate extent. This year, nearly six in 10 (58%) are also more concerned about "thermonuclear verdicts" of US$100 million or more.

"Nuclear verdicts are a huge worry," said a technology respondent. "We haven't been hit with one, but we're close to some, and we are trying to prepare for it. We talk to jury consultants when it's appropriate and work with them to evaluate potential issues sooner rather than later."

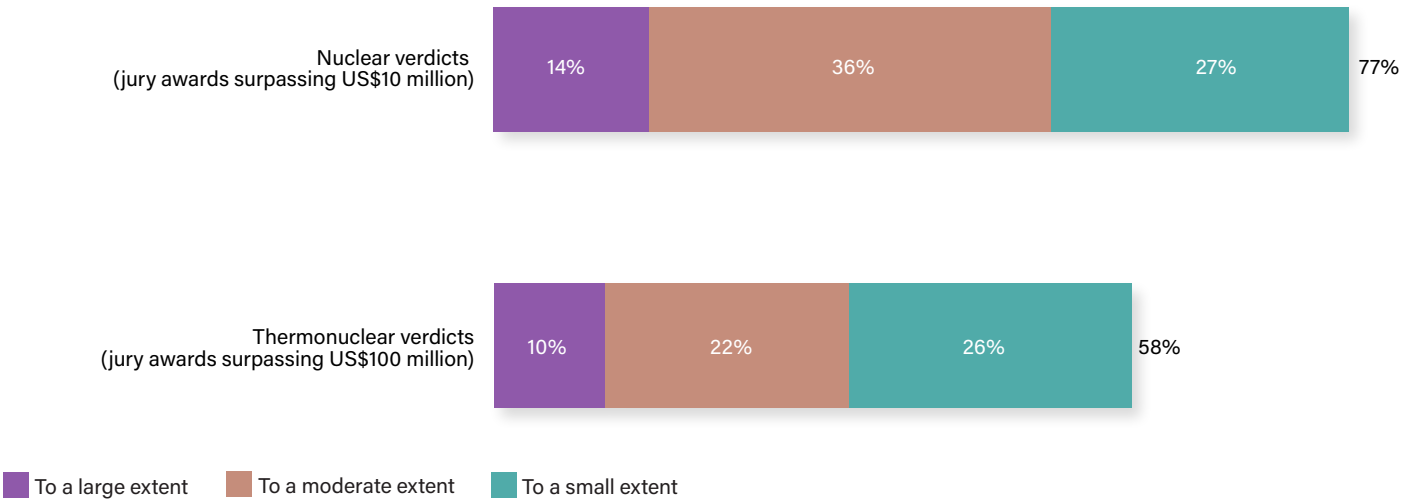
The costs and impacts of such verdicts are also increasing and fueling other litigation challenges. Among those who say "nuclear" or "thermonuclear verdicts" are an increased concern, nearly two-thirds (64%) say such awards have resulted in higher settlement demands and more than half (53%) cite increased litigation costs while 45% say such verdicts decrease plaintiffs' willingness to settle. Other issues include increased insurance premiums, greater difficulty reaching pre-trial settlement and increased use of outside counsel or jury consultants.

"It turns into a high-stakes, zero-sum game," said a respondent at an energy infrastructure company.

> ***"The rise in nuclear and thermonuclear verdicts is a wake-up call for every corporate legal department. It's no longer enough to rely on traditional defense tactics. We advise clients to stress-test their case theories with focus groups, encourage honest feedback within their teams, and be ready to pivot strategy as evidence evolves. Early action is critical to avoid being caught off-guard by a runaway jury award."***
>
> **Edward Casmere**
> Co-Head of Litigation and Disputes, Chicago

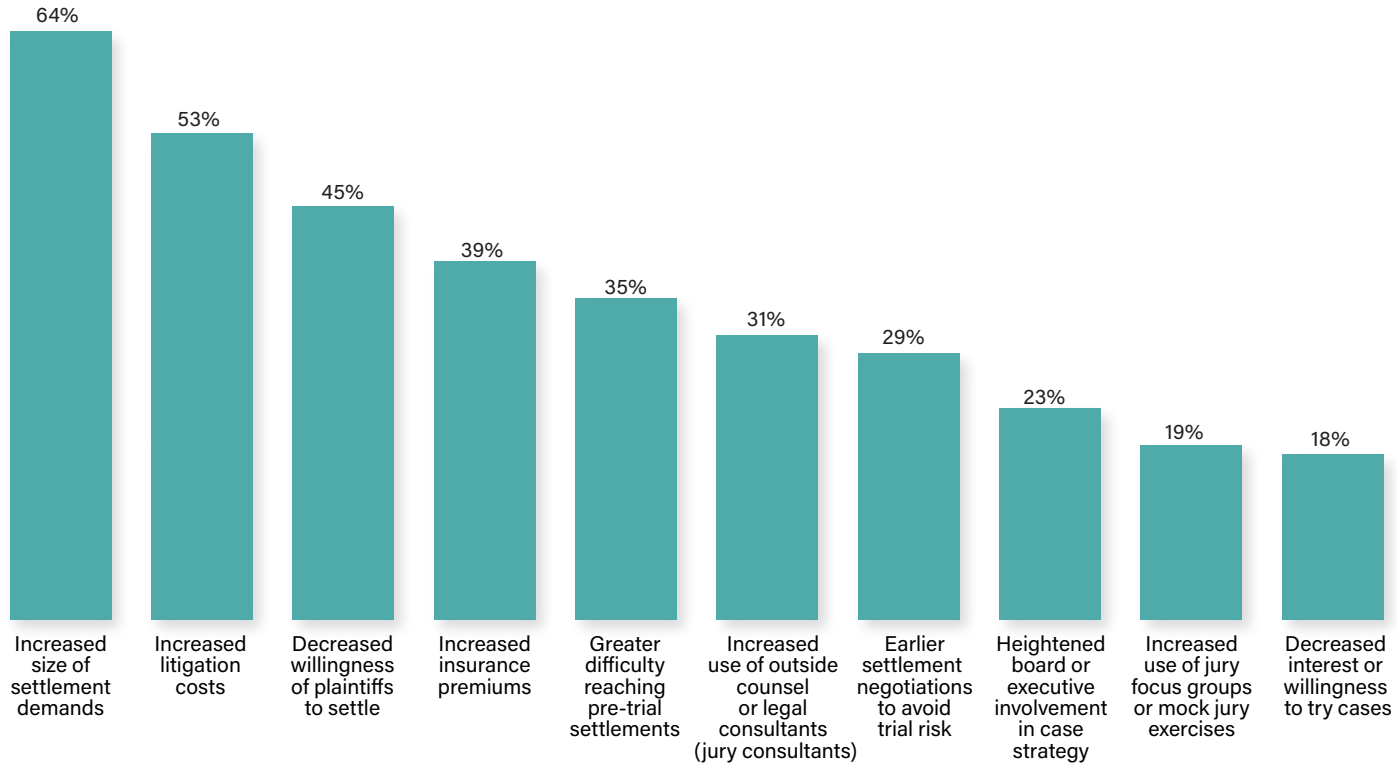
77% of respondents cite increased concern about "nuclear verdicts."

Extent to which "nuclear" and "thermonuclear verdicts" have become more concerning over past 12 months



Q. Over the past 12 months, to what extent have the following become more of a concern for your organization?

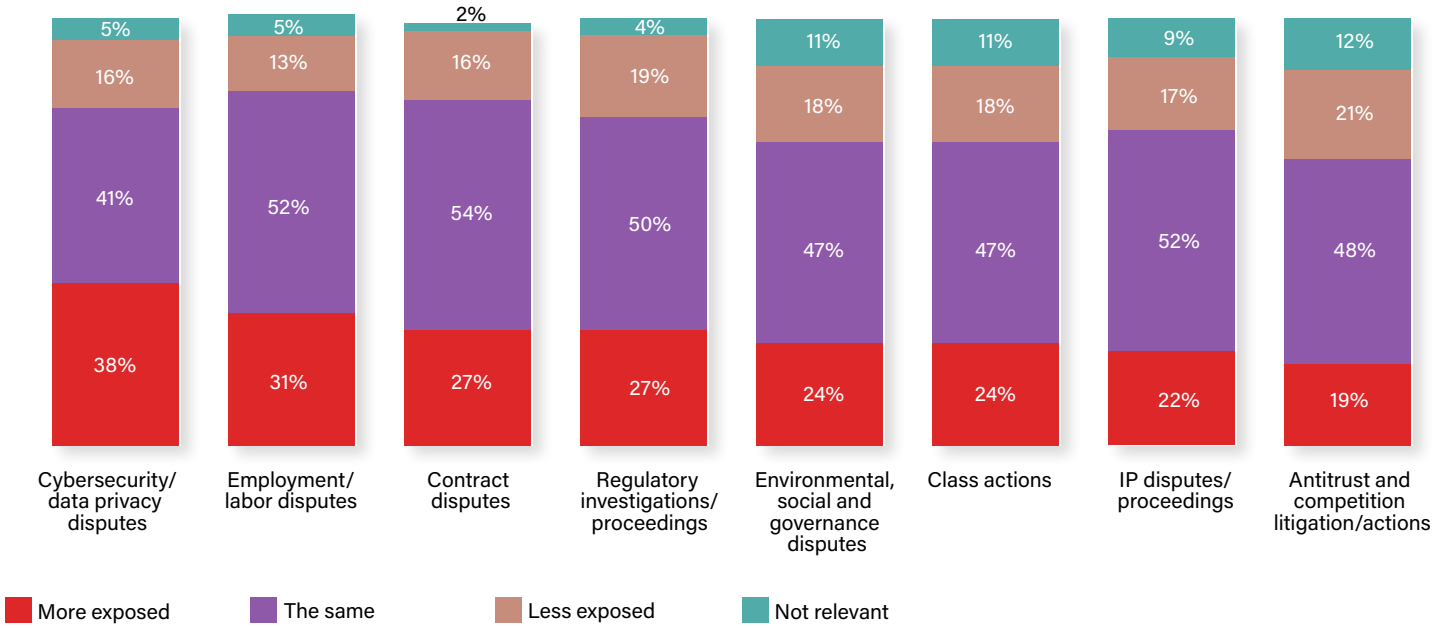
Impact of increasing "nuclear verdict" concern over past 12 months



Q. Asked to those who say "nuclear" or "thermonuclear verdicts" have become more of a concern. Over the past 12 months, which of the following have you observed as a result of your level of concern over "nuclear verdicts"? Please select all that apply.

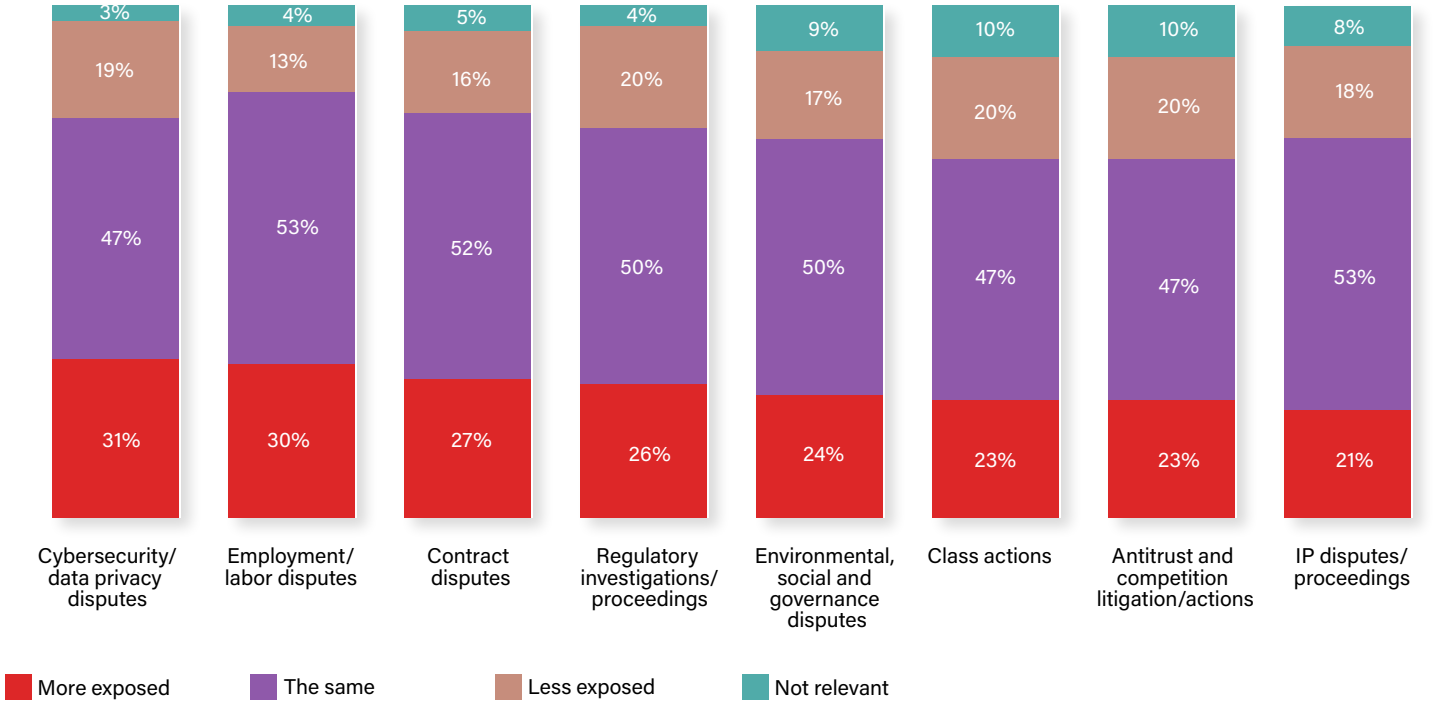
Key dispute areas

Change in dispute exposure over the past 12 months



Q. Please indicate any change in dispute exposure that your business experienced over the past 12 months.

Expected change in dispute exposure over the next 12 months



Q. Please indicate any change in dispute exposure that your business expects to experience over the next 12 months.

Cybersecurity and data privacy

Cybersecurity and data privacy remains one of the key concerns for US corporate counsel facing a fragmented regulatory landscape and increasingly sophisticated cybersecurity threats emboldened by AI.

Nearly four in 10 (38%) respondents say their business's exposure to cybersecurity and data privacy disputes deepened over the past 12 months, even as the proportion experiencing cybersecurity and data privacy matters declined year-over-year. It is the leading area of increased exposure in a year when cyber incidents hit companies across industries. As cybercriminals increasingly target third-party service providers and businesses, regulators have intensified their focus on third-party compliance.

Consumer markets and logistics and transportation are the leading industries where cybersecurity and data privacy exposure deepened, with food and beverage and healthcare the top industries expecting more exposure in the next 12 months.

"Cyberattacks are a constant risk," said an aviation industry respondent. "We see lots of ransomware attacks, so that is an area of concern. We've also seen an increase in the number of hackers targeting the aviation industry in recent years."

Cybersecurity and data privacy, the top litigation concern for corporate counsel going into 2025, dropped to second place for 2026. Although it remains a key issue over the next 12 months, the level of concern has declined significantly, with the share of respondents ranking it among their top litigation concerns dropping from 42% in 2025 to 29% in 2026. Notably, cybersecurity and data privacy is the only dispute type where the actual increase in exposure (38%) outpaced respondent predictions for 2025, when 31% of respondents expected an increase.

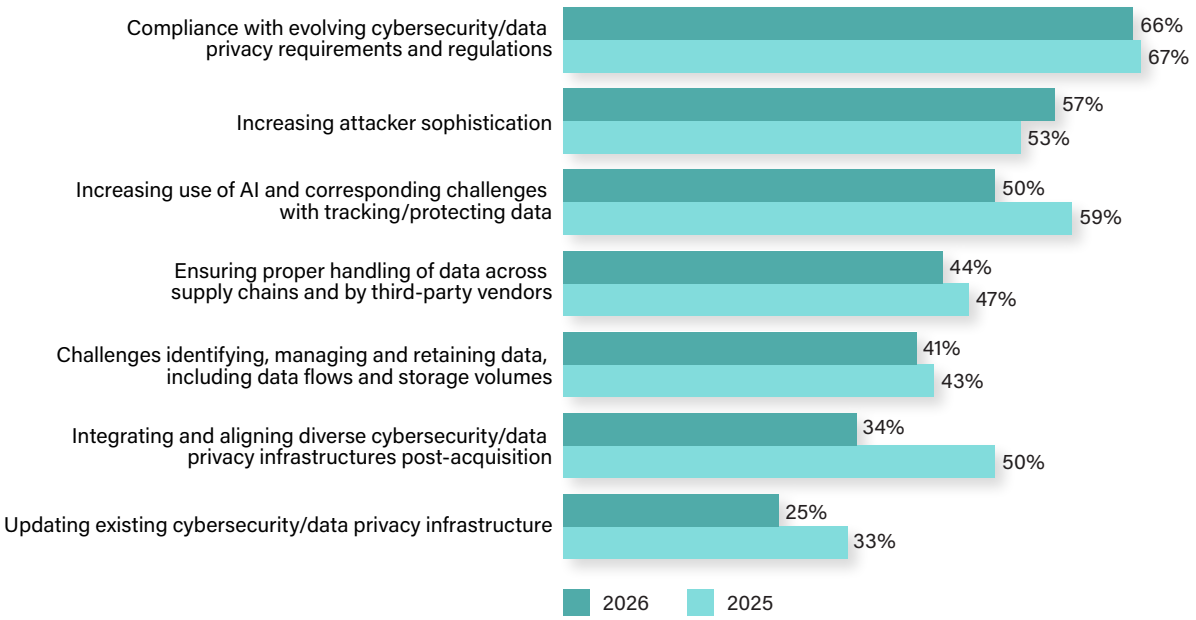
Looking ahead, 31% anticipate increased exposure in this area in the coming year. Drivers include evolving requirements and regulations, which 66% of that group cite as a contributing factor, followed by increasing attacker sophistication (57%) and increasing use of AI and corresponding challenges with data tracking and protection (50%). Data privacy compliance tools such as Norton Rose Fulbright's NT Analyzer can help spot potential legal risks in apps or sites used by consumers.

Despite uncertainties in the federal landscape, companies should anticipate more robust and coordinated enforcement under initiatives like the US Consortium of Privacy Regulators, an expanding bipartisan group of state attorneys general and regulators.

> ***"As more states develop, implement and enforce cybersecurity and data privacy laws and regulations, organizations will face increasing pressure to enhance their practices.***
>
> ***Whether the risk is from a recent acquisition or a third-party provider in your supply chain, establishing thorough due diligence and remediation protocols is key to mitigating the broad scope of exposure.***
>
> **Ji Won Kim**
> Partner

38% said their exposure to cybersecurity and data privacy disputes increased in 2025.

Trends contributing to increased cybersecurity and data privacy exposure



Q. Asked to those who expect to be more exposed to cyber/data protection disputes over the next 12 months. Which of the following trends or issues do you expect to contribute to this increase in exposure? Please select all that apply.

Employment and labor

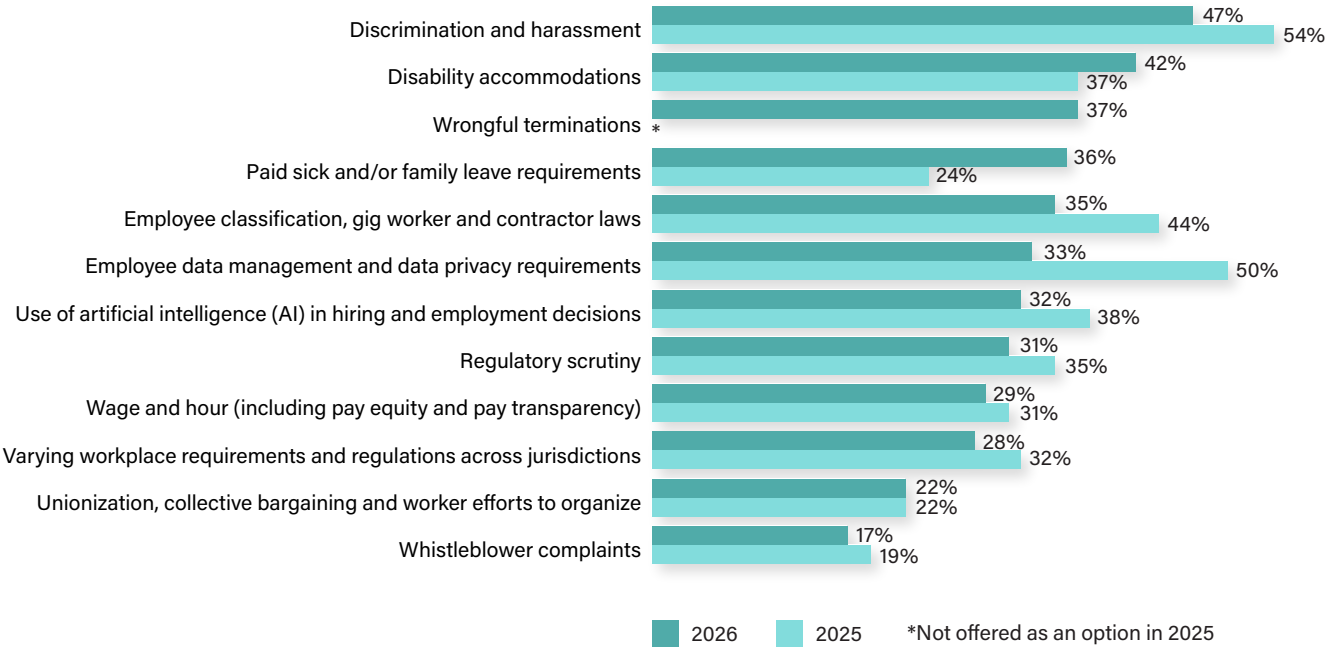
Corporate counsel are seeing shifts in the employment and labor litigation landscape as the Trump administration advances new federal enforcement priorities. The share of respondents experiencing employment and labor litigation declined slightly, with 34% of respondents experiencing this type of litigation compared to 42% in last year's report. Still, it remains the second most common litigation area overall.

Employment and labor disputes also rank second among areas where exposure increased (31%) and where companies anticipate such exposure over the next 12 months (30%). "The biggest challenge is navigating different employment laws around the globe," an energy industry respondent said. "It's difficult to be consistent across office locations."

Certain concerns have receded as the employment law landscape continues to shift under the new administration, while others have gained prominence. Among respondents anticipating greater employment and labor exposure in the year ahead, fewer point to issues like discrimination, harassment or employee classification. Instead, a growing share cite disability accommodation issues and paid sick or family leave arrangements as contributing factors.

> ***We've seen an increase in disability accommodation requests after the COVID-19 pandemic, as well as those related to remote work and mental health. More recently, we've also started to see employer pushback on accommodation requests, which could result in more litigation.***
>
> **Kimberly Cheeseman**
> Co-Head of Litigation and Disputes, Houston

Trends contributing to increased employment and labor exposure



Q. Asked to those who expect to be more exposed to employment/labor disputes over the next 12 months. Which of the following trends or issues do you expect to contribute to this increase in exposure? Please select all that apply.

Intellectual property

The rapid advance of AI has the potential to enhance IP enforcement, providing a powerful tool to detect infringement, but it also introduces new legal complexities regarding authorship and inventorship.

Despite those worries, risk from IP disputes and proceedings has yet to meaningfully accelerate. Twenty-two percent of respondents report increased litigation exposure in 2025, down from 27% in 2024. IP also ranks lowest in terms of anticipated risk, with just over one-fifth (21%) expecting increased exposure in the next 12 months.

"Last year, we saw a significant number of copyright disputes over data used to train AI models," said Norton Rose Fulbright partner Stephanie DeBrow. "AI-related IP litigation continues to be concentrated in the copyright space, with several major cases in 2025. Companies developing and training AI models that use third-party information face real risk of copyright lawsuits."

Trademark and licensing are the areas where companies feel the most exposed to IP disputes in the coming year, with both cited by 38% of respondents who expect a change in exposure. The other areas where respondents forecast more IP risk are fairly evenly spread, with about a third selecting US Patent Trial and Appeal Board (PTAB) proceedings, patents, trade secrets and copyright.

> ***"Recent PTAB policy changes to inter partes review (IPR) proceedings challenging the validity of patent claims have led to a decline in 2025 IPR filings. We anticipate a continued decline in IPR activity in 2026."***
>
> **Stephanie DeBrow**
> Partner

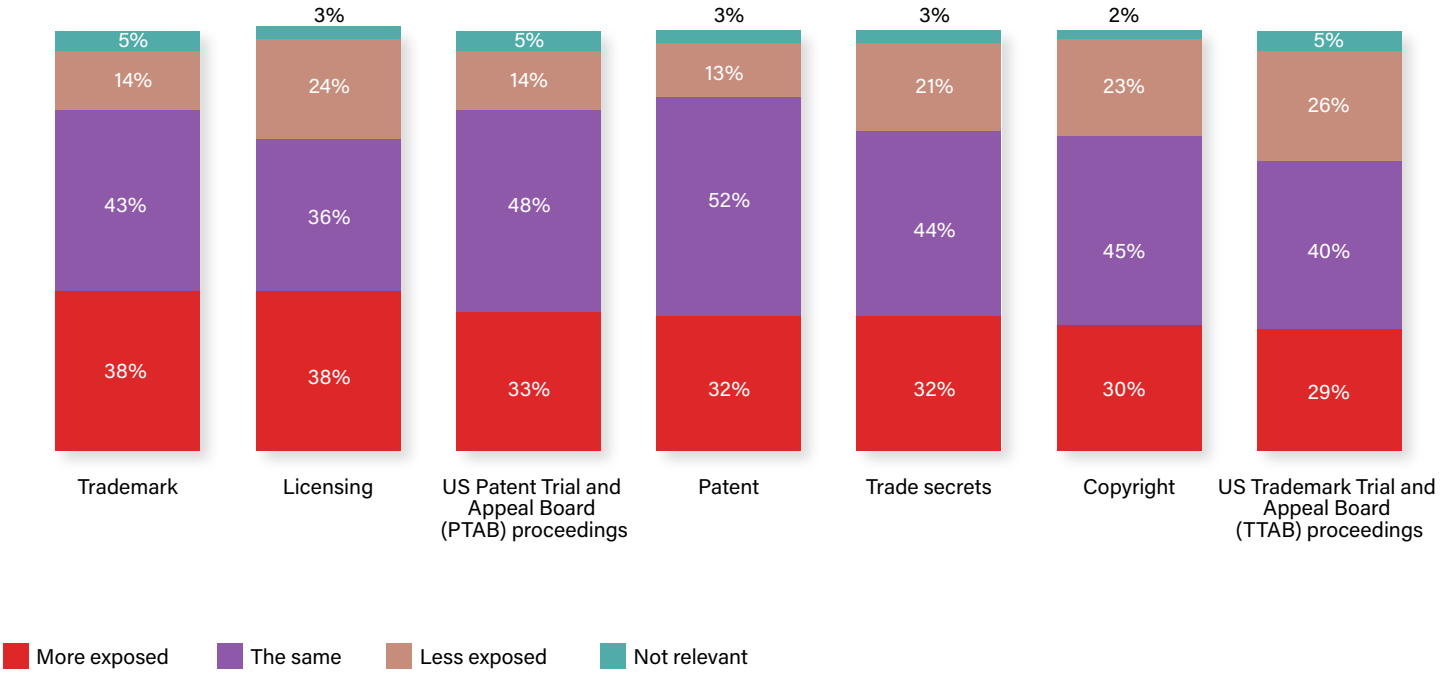
Third-party litigation funding is also fueling increased IP dispute activity by non-practicing entities (NPEs) – which hold patents but don't make or sell products or services based on those patents – said an assistant general counsel of a financial services company.

"Once under-resourced, small NPEs now have backing from private equity and other investors, enabling them to hire top Big Law talent and pursue more sophisticated claims," a technology respondent said. "As a result, we've seen more frivolous claims, not just from marginal players, but from sophisticated litigators."

Overall, 41% of respondents say third-party funding has increased their litigation risk, with 17% strongly agreeing. "We see it a lot in patents, and I worry it's behind class actions – or will be," said a consumer technology respondent.

41% say third-party funding has increased their litigation risk.

Expected change in level of exposure in specific IP areas over the next 12 months



Q. Asked to those who expect a change in intellectual property dispute/proceeding exposure over the next 12 months. Specifically, how do you expect your exposure to change for the following areas of IP law?

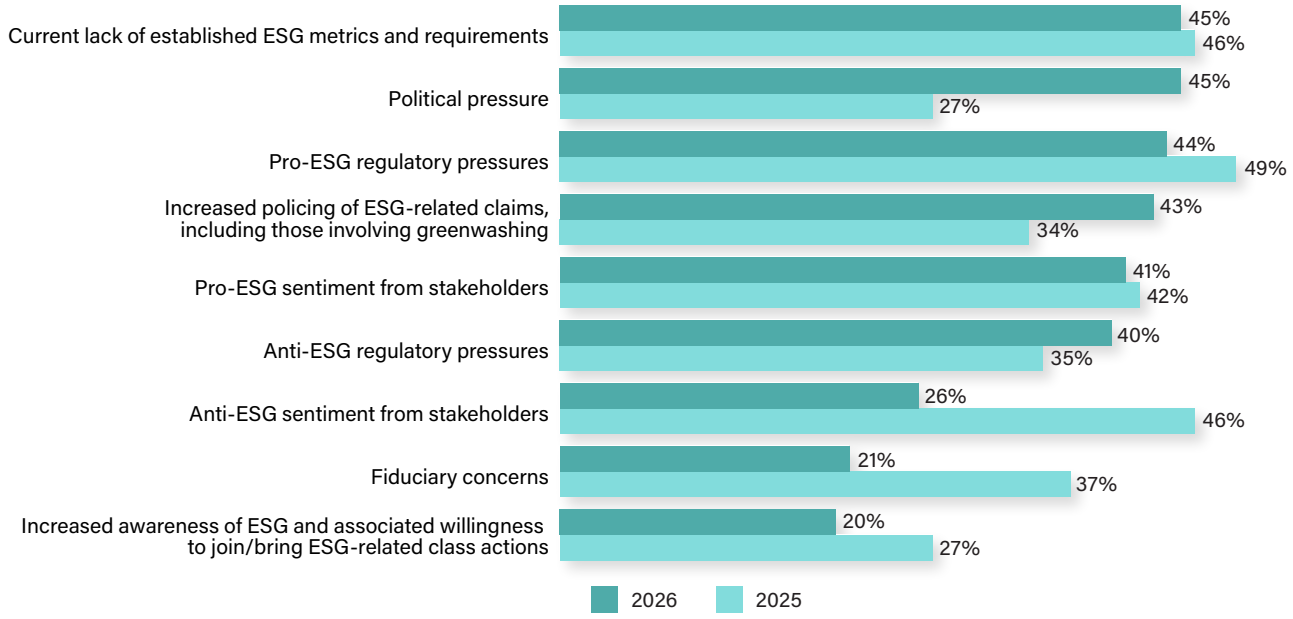
Environmental, social and governance

The swing away from ESG disclosure requirements under the current administration is reducing some pressure around those metrics even as other scrutiny intensifies. Less than a quarter (24%) say ESG dispute exposure increased in 2025 – down from 30% the previous year. While only 10% cite ESG litigation among the most concerning areas in 2026, 24% anticipate increased ESG dispute exposure, perhaps reflecting risk from non-litigation disputes like shareholder proposals or political pressure.

"With the Trump administration, ESG has become less of an area of scrutiny from investors. They've really backed off since he has come back into office," said an aviation industry respondent.

24% say ESG exposure increased in 2025 – down from 30% the prior year.

Trends contributing to increased ESG exposure



Q. Asked to those who expect to be more exposed to ESG disputes over the next 12 months. Which of the following trends or issues do you expect to contribute to this increase in exposure? Please select all that apply.

Policy differences now play a significantly larger role in ESG dispute risk, as more states pass anti-ESG legislation and the administration continues to criticize ESG investing and metrics. Among respondents who anticipate more exposure, 45% cite political pressures – an 18 percentage-point jump from the previous year. Respondents also cite both pro-ESG and anti-ESG forces to explain increased exposure – roughly four in 10 expect pro-ESG (44%) and anti-ESG (40%) regulatory pressures will contribute to this increase.

Fiduciary concerns and anti-ESG sentiment from stakeholders both saw double-digit declines as contributing factors to heightened exposure in 2025. But increased policing of ESG-related claims, including those involving greenwashing, rose to 43% from 34%. That aligns with a sharp rise in the share of respondents who experienced ESG-related class actions over the past 12 months, suggesting the plaintiffs' bar continues to see opportunity in this area.

> ***"Companies continue to balance competing pressures on their ESG approach. For many, the current administration's policies and anti-ESG activity at the state level seem to lessen focus on ESG initiatives. On the other hand, companies are under pressure from the plaintiffs' bar and pro-ESG state authorities as those groups increasingly scrutinize corporate ESG practices against companies' public statements and commitments.***
>
> **Rachel Roosth**
> Partner



Industry trends

Litigation exposure varies widely by industry and organizational size. This year, we focused in on four key industries, with some consistencies among industries – such as ongoing healthcare class actions and cybersecurity fears – along with several emerging risks.

Energy

The litigation landscape is shifting for US energy companies as operators continue to digitize operations and as utilities, grid operators and pipelines face mounting cyberattacks. More than four in 10 (44%) energy respondents report greater exposure to cybersecurity and data privacy disputes over the past year – the highest for any concern area we asked about. Thirty-one percent expect cyber incidents to drive litigation risk in the year to come – particularly mid-tier revenue energy companies, where nearly half (48%) identified it as a litigation concern.

Large jury verdicts are a particular worry for larger energy companies. Ninety-five percent of energy respondents with 2024 revenues exceeding US$1 billion are increasingly concerned about "nuclear verdicts" and 90% say the same of "thermonuclear verdicts." Mid-tier revenue energy companies appear to have somewhat less exposure, with 67% citing increased concern regarding "nuclear verdicts" and 48% for "thermonuclear verdicts."

High revenue:
More than US$1 billion

Mid-tier revenue:
US$100 million-US$999 million

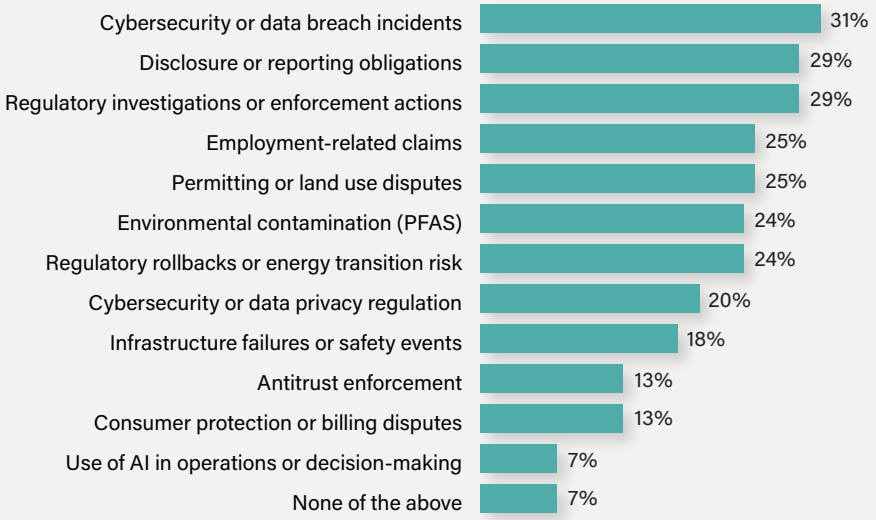
Low revenue:
Less than US$100 million

High-revenue energy companies most often cite disclosure and reporting obligations as their primary litigation concern, while smaller organizations point to permitting and land use disputes. Environmental contamination litigation, including matters related to PFAS, presents uneven risks across the sector. Nearly a quarter of energy respondents (24%) cite such disputes as an area of rising litigation exposure. Concern is concentrated among high- and mid-tier revenue companies (30% and 29%, respectively), while only 8% of smaller companies identify it as an increasing risk.

"The bigger litigation pain points for us are in the regulatory space – challenges to permitting operations and rate making," said one energy respondent.

95% of large energy company respondents are more concerned about "nuclear verdicts."

Energy: Areas expected to increase litigation exposure over next 12 months



Q. Asked to those whose organizations primarily operate in the energy industry. Which of the following areas do you expect will likely increase your organization's litigation exposure over the next 12 months? Please select all that apply.

Financial institutions

Financial institutions report the lowest levels of increased litigation exposure on average – and the lowest of any industry for cybersecurity, employment, contracts and ESG. This comes as federal regulators scale back enforcement in many areas of white-collar crime and consumer protection and shift other areas toward a risk-based compliance approach.

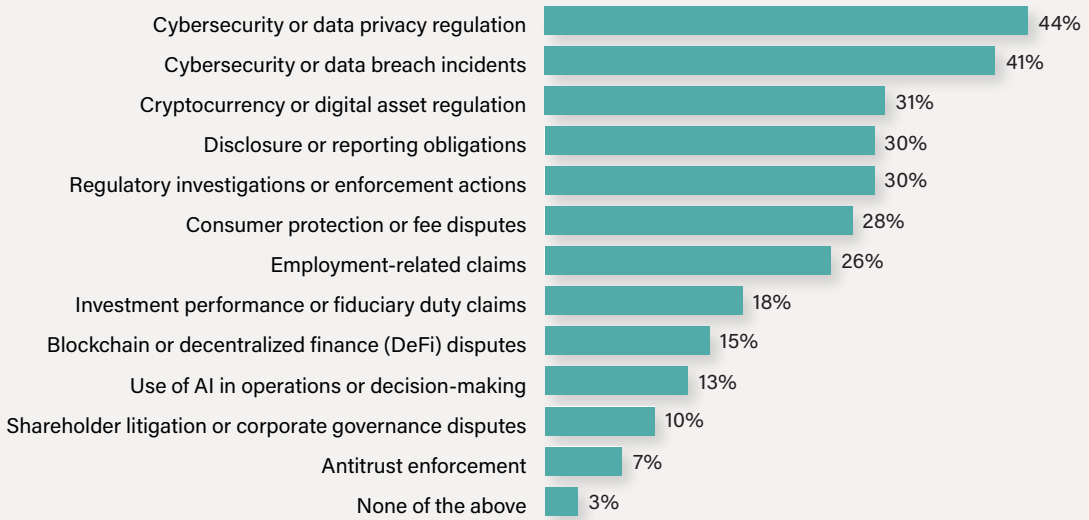
Cybersecurity remains a concern, with drivers varying by company size**.** Fifty-five percent of financial institution respondents expect the same amount of exposure to cybersecurity disputes over the next year. However, 57% of mid-tier revenue institutions say cybersecurity or data privacy *regulation* will increase exposure, while 56% of high-revenue organizations say cybersecurity or data breach *incidents* will increase theirs.

Emerging litigation risk areas for the industry include cryptocurrencies, consumer fees and employment. Mid-revenue firms cite crypto regulation (46%) and consumer protection or fee disputes (43%) as rising sources of exposure, while smaller institutions flag employment claims (39%).

Those results likely reflect concerns about an active plaintiffs' bar and expectations that states will increase enforcement as federal efforts recede. "Attorneys general and district attorneys in New York, California and other big states are well positioned to step in – including at the criminal level, if federal prosecutors in New York and elsewhere decline to pursue such cases," said Norton Rose Fulbright partner Andrey Spektor.

55% of financial institution respondents expect the same amount of exposure to cybersecurity disputes over the next year.

Financial institutions: Areas expected to increase litigation exposure over next 12 months



Q. Asked to those whose organizations primarily operate in the financial institutions industry. Which of the following areas do you expect will likely increase your organization's litigation exposure over the next 12 months? Please select all that apply.

Healthcare

Cybersecurity exposure is deepening in an industry where troves of high-value patient data and expanding points of potential cyber exposure have drawn aggressive ransomware and malware incursions. Such breaches are costly and can impact patient care, exposing healthcare organizations to steep regulatory fines and lawsuits. Thirty-seven percent of healthcare respondents reported greater exposure to cybersecurity and data privacy disputes over the past year, and the same share expect increased exposure in the year ahead.

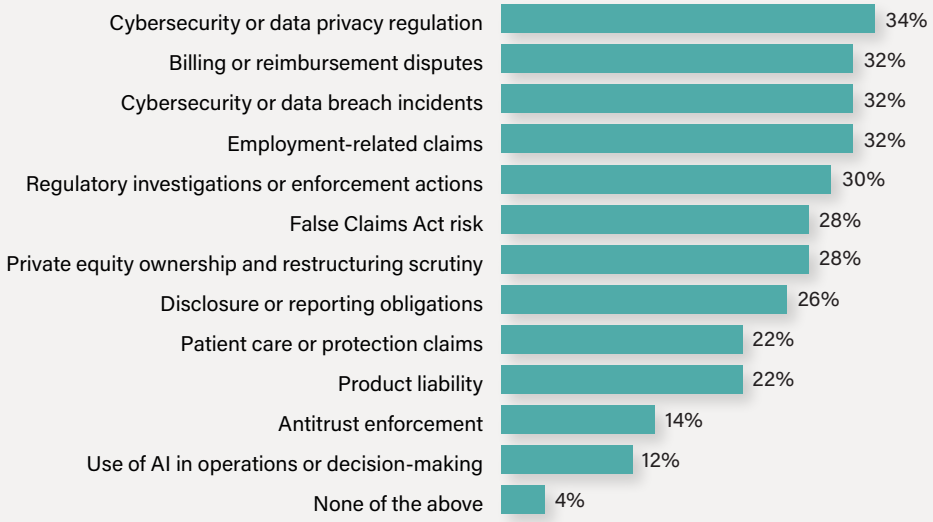
"I work closely with our privacy and cybersecurity teams, and it's not a question of if something happens, it's when," a healthcare respondent said.

Nearly a third of healthcare respondents (30%) report greater exposure to class actions over the past 12 months. A similar proportion expect employment and labor disputes to increase over the next 12 months, with high-revenue organizations particularly concerned (39%) about such claims.

Private equity ownership and restructuring scrutiny are driving risk for smaller healthcare organizations amid ongoing federal and state reviews. Roughly four in 10 mid-tier revenue (43%) and smaller healthcare company respondents (38%) identify it as a leading source of litigation risk in the year ahead.

30% of healthcare respondents saw increased class action exposure in 2025.

Healthcare: Areas expected to increase litigation exposure over next 12 months



Q. Asked to those whose organizations primarily operate in the healthcare industry. Which of the following areas do you expect will likely increase your organization's litigation exposure over the next 12 months? Please select all that apply.

Technology

Cyberattacks and data privacy are a persistent issue for technology respondents. The majority (51%) expect cybersecurity or data breach incidents will increase their litigation exposure over the next 12 months.

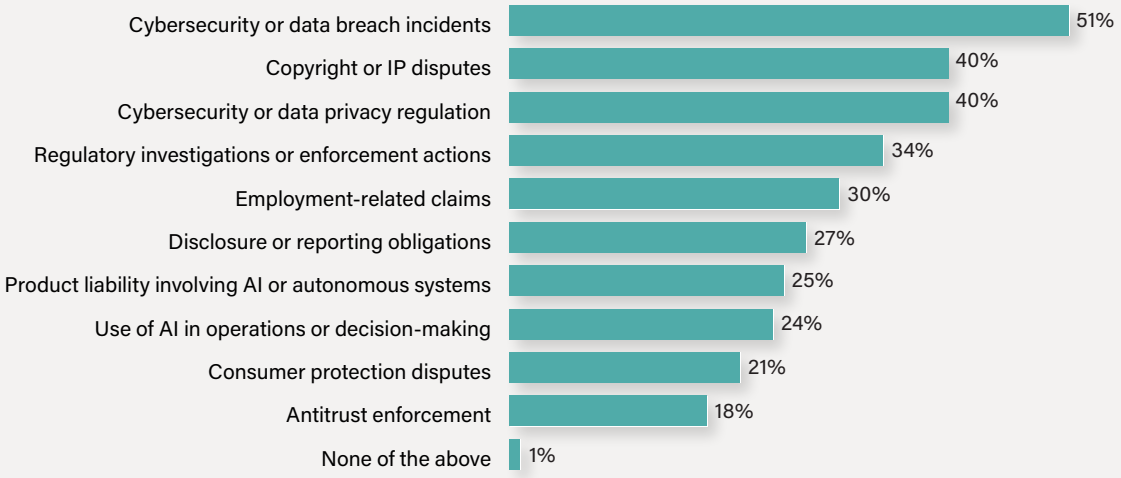
Complex and fragmented regulatory frameworks are another point of vulnerability in this area. Of the 32% of tech respondents who expect increased exposure to cybersecurity and data privacy disputes in 2026, nearly three-quarters (73%) cite compliance with evolving requirements and regulations as a driver.

Intellectual property disputes remain a defining risk for technology companies amid burgeoning AI-related complexities around ownership, patentability and copyright infringement. Technology respondents report the highest exposure to IP disputes and proceedings over the past year (37%) and 35% expect these to increase over the next 12 months. The industry is also bracing for higher verdict amounts, with 57% predicting an increase – the second-highest share by vertical, after retail. Litigation risk factors vary considerably by revenue band. Low-revenue tech firms are far less concerned with IP and copyright disputes (20%) but more focused on AI product liability (47%). High-revenue tech firms point to antitrust (32%) and consumer protection (32%) significantly more than low- and mid-tier revenue organizations.

Regulatory investigations loom larger for technology than any other sector. More than four in 10 (41%) technology respondents anticipate greater exposure to regulatory investigations and proceedings in the year ahead – more than 10 percentage points higher than any other industry.

"We're prepared for whatever comes, but we have to be ready to pivot in this 'brave new world,'" one technology respondent said. "We try to operate within known confines but be ready for the unknown."

Technology: Areas expected to increase litigation exposure over next 12 months



Q. Asked to those whose organizations primarily operate in the technology industry. Which of the following areas do you expect will likely increase your organization's litigation exposure over the next 12 months? Please select all that apply.

Regulation and investigations

Changing federal enforcement priorities under the current administration are creating an uncertain regulatory outlook for corporate counsel, with reverberations from the US Supreme Court's overturning of the *Chevron* doctrine in 2024 bringing added complexity.

The incidence of regulatory and investigations litigation declined significantly in 2025 – 15% of respondents experienced such matters compared to 34% the year prior – with a similar year-over-year decline in the share of those who rank it among the most concerning areas over the next 12 months.

Regulatory proceedings and investigations also decreased. About half (56%) report at least one such proceeding against their organization in 2025 – down from 70% in 2024 but still above pre-2023 exposure levels. Looking ahead, nearly four in 10 (39%) expect regulatory investigations and proceedings against their organization to increase in the coming year.

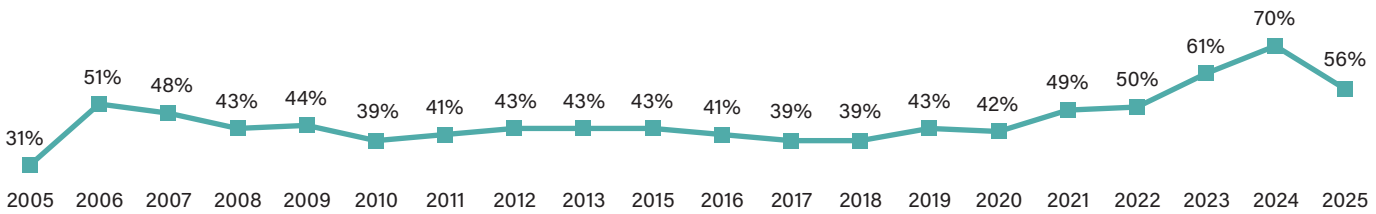
"There is a general lack of clarity and stability," said a management consulting respondent. "We are not sure what areas are going to be enforced."

Expectations vary by industry. Over half of logistics and transportation (55%) and technology (51%) respondents anticipate an increase in regulatory proceedings against their organizations. Thirty-nine percent of financial institution respondents say the same, followed by retail (38%), food and beverage (38%), healthcare (35%) and energy (33%).

"We are used to a swinging regulatory pendulum, but it's usually swinging right around the middle," an energy respondent said. "Recently, it's swung very much one way and now equally as far in the other direction – and that makes it hard for us to plan the best way to comply."

15%: Share of respondents that experienced regulatory and investigations litigation in 2025, down from 34% in 2024.

Share reporting one or more regulatory proceeding



Q. How many [regulatory investigations/proceedings] were commenced against your organization over the past 12 months?
**Chart includes historical data from US-based respondents only.*

Chevron deference impacts

The majority of corporate counsel see continued repercussions from the US Supreme Court's 2024 overturning of the *Chevron* doctrine, the 1984 precedent that led courts to defer to an administrative agency's reasonable interpretation of ambiguous statutory language.

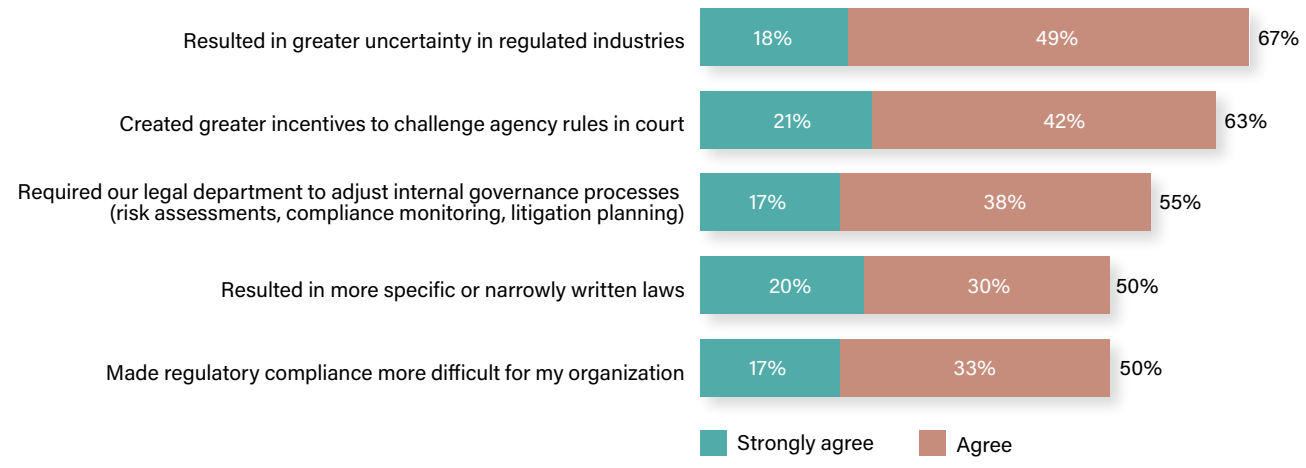
Fifty-five percent of respondents believe overturning *Chevron* increased the number of lawsuits involving regulatory matters over the past 12 months, with those in regulated industries reporting greater impacts. Seven in 10 healthcare respondents (70%) agree with that statement – the highest share by industry – followed by technology (66%) and energy (59%).

The decision also created greater incentives to challenge agency rules in court, according to 63% of those surveyed. Fifty-five percent say their legal department had to adjust internal governance processes in *Chevron's* wake, and half say it made regulatory compliance more difficult.

Some *Chevron* impacts appear less extensive than corporate counsel had predicted in the decision's immediate aftermath. While more than two-thirds (67%) say the decision has resulted in greater uncertainty in regulated industries, 74% expected as much in going into 2025. The divergence was larger when it came to the decision's impact on legislation, with 50% agreeing that it resulted in more specific or narrowly written laws, versus 66% who predicted that outcome in 2024.

55% of respondents say overturning *Chevron* led to more regulatory lawsuits in 2025.

Level of agreement: The overturning of *Chevron* has...



Q. To what extent do you agree with the following statements?

Federal retreat spurs more state-level scrutiny

Corporate counsel are paying closer attention to state-level policy shifts as attorneys general and state agencies step in to fill federal enforcement gaps. More than eight in 10 (82%) respondents report increased state enforcement activity in response to shifting federal priorities; 44% say several states have heightened such activity and 17% report a majority of states have done so. These developments come as companies already face a complex patchwork of state regulations, from mandated climate disclosures to data privacy requirements.

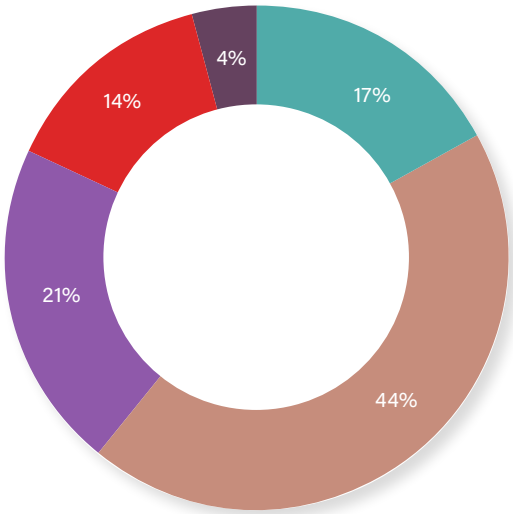
"Whatever the government doesn't do, the state AGs pick up," the business services respondent said.

The shift is hitting a range of businesses. Ninety percent of respondents in the food and beverage and logistics and transportation industries report increased state oversight. Nearly nine in 10 say the same in real estate and construction (87%), healthcare (86%), financial institutions (85%) and technology (85%).

"State AGs are talking to each other," a healthcare respondent said. "If one succeeds in a case others often follow that path."

82% report increased state regulatory enforcement in response to changes in federal regulatory priorities.

Extent to which state regulatory enforcement increased in response to federal regulatory changes



- To a large extent: Majority of states have increased enforcement activity
- To a moderate extent: Several states have increased enforcement activity
- To a small extent: Isolated instances of states increasing enforcement activity
- Not at all: No observed change in states increasing enforcement activity
- Unsure

Q. To what extent have you observed an increase in enforcement and oversight by state attorneys general or other state regulators in response to changes in the federal regulatory priorities?

Class actions

US corporate counsel reported slightly more class actions in 2025, with 28% experiencing such litigation compared with 25% the previous year. The largest increases are in cybersecurity and data privacy – reported by 40% of the above group compared to 32% in 2024 – and ESG-related class actions, which jumped to 30% from 16% the previous year.

Employment and labor class actions declined notably from the previous year, with 41% of those who experienced class actions involved in such cases, down from 58%. Toxic tort or environmental matters also dropped, with just 6% of this group reporting them versus 19% the previous year.

Expectations around anticipated class action hotspots were generally lower than last year. Cybersecurity and data privacy held steady at 39%, and is the leading area among the roughly one quarter of respondents (26%) who see class actions as a concern over the next 12 months. Personal injury increased to 37% from 31% as an area of future concern, while antitrust advanced three percentage points to 27%.

While respondent concern around consumer protection class actions in the next 12 months dropped significantly – to 37% from 48% – they remain front and center for some corporate counsel we spoke with, especially in technology. "We see challenges to the way we describe products or services," a technology respondent said. "It's a steady stream."

Actions by the Department of Health and Human Services could provide fodder for plaintiff-side litigation, including class actions, said Norton Rose Fulbright partner Edward Casmere. "We're likely going to see an increase in areas from healthcare to food and beverage and consumer markets," he said. "Those industries are clearly in the litigation crosshairs."

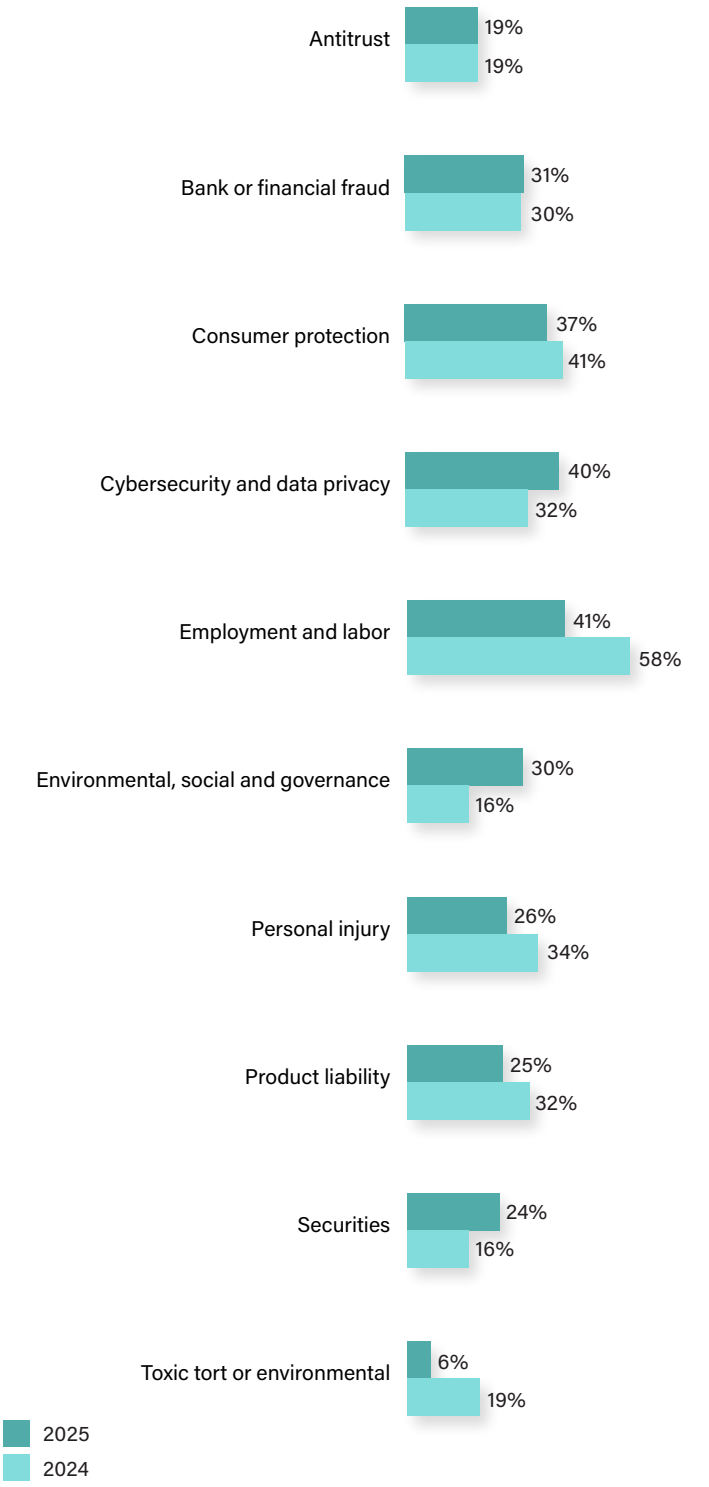
Plaintiffs' attorneys have initiated thousands of individual arbitration claims as companies increasingly include class action waivers in their terms of use. Around 45% of retail, consumer markets, and technology respondents expect arbitrations to increase in 2026, as do 55% of those in logistics and transportation.

Such claims can generate substantial cumulative filings fees that, in some cases, could exceed the cost of defending a class action, potentially motivating corporate defendants to settle. Nearly three-quarters of respondents (74%) say they faced mass arbitration fees as a strategy to circumvent class action waivers in 2025. Food and beverage companies report the highest share by industry (85%), followed by financial institutions (79%) and healthcare (78%).

"We were seeing mass-arbitration threats – thousands of filings with per-case fees that really add up," an entertainment industry respondent said, adding that in the past 12-18 months modifications to rules for mass arbitration have provided some relief.

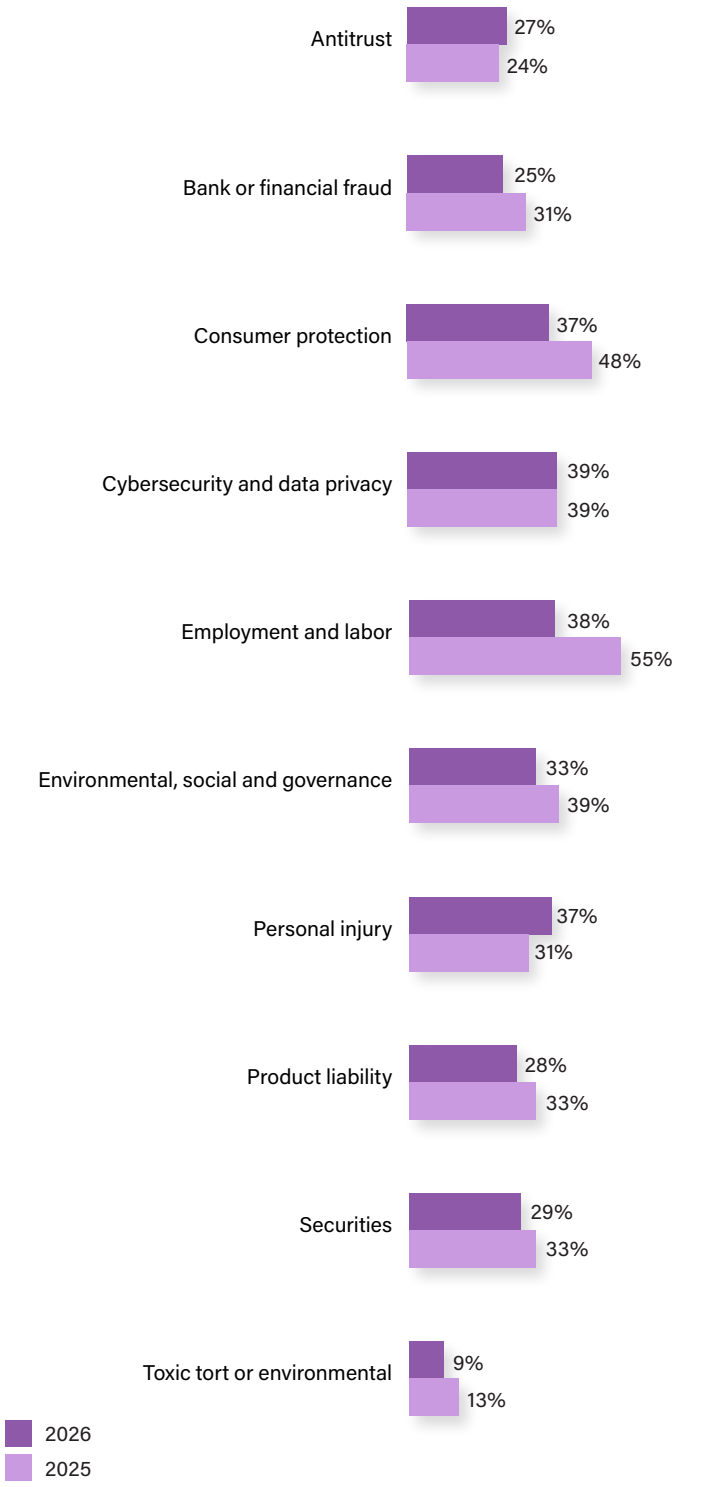
> ***"We're seeing a marked rise in hybrid product liability-style class actions, with plaintiffs' lawyers increasingly targeting not just the products themselves, but the labels, advertising, and marketing claims – especially those they allege are aimed at children. This shift is forcing companies to rethink risk across the entire consumer experience, as the line between traditional product liability and consumer protection litigation continues to blur."***
>
> **S. Jamal Faleel**
> Head of Consumer Markets, United States

Class action involvement over the previous year



Q. Asked to those who experienced class action litigation over the past 12 months. Specifically, in which type of class action(s) was/were your organization involved? Please select all that apply.

Class actions of future concern



Q. Asked to those who identified class action litigation as a concern over the next 12 months. Specifically, which type of class action(s) is/are of future concern? Please select all that apply.

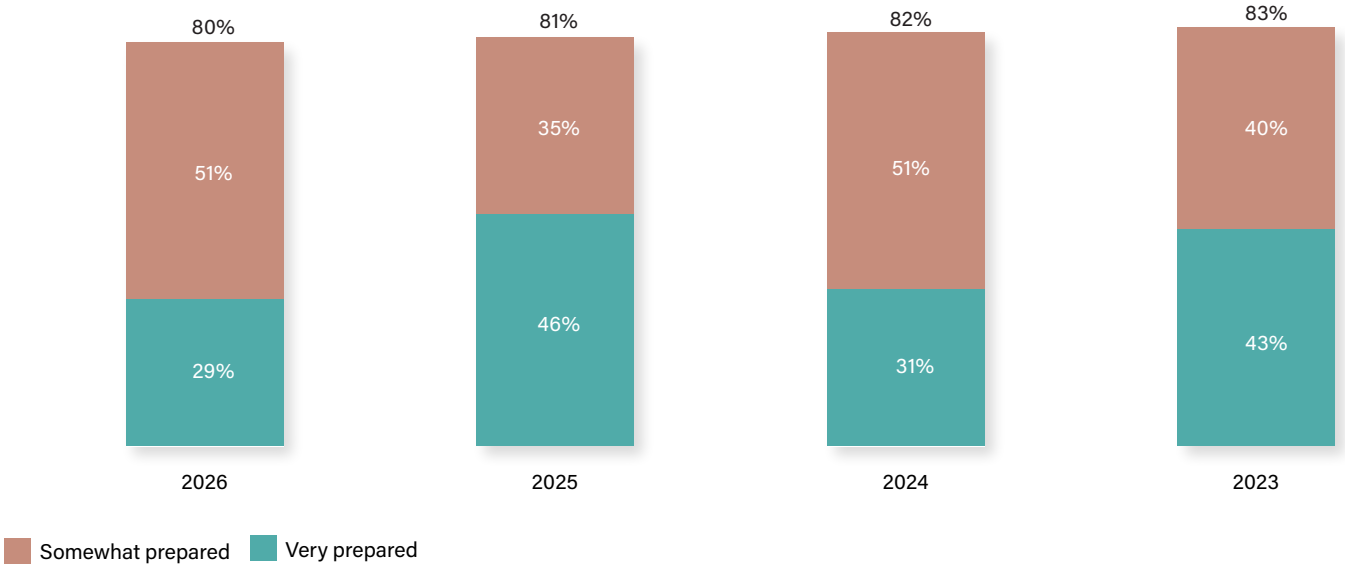
Preparedness and tools

Tight resources and uncertainty around the broader litigation landscape are undercutting corporate counsel's confidence in their ability to field the challenges ahead. While overall preparedness levels held roughly steady at 80%, the share of respondents who feel "very prepared" to address litigation over the next 12 months slipped to 29% from 46%, even as companies faced fewer lawsuits and regulatory proceedings.

The top reasons cited by those who feel less than fully prepared are cost and budget constraints coupled with macroeconomic uncertainty, lack of internal expertise or experience and insufficient legal department staff. More than three in 10 organizations (32%) now have five or fewer in-house lawyers to handle disputes, up from 23% in 2024. The pace of hiring is also moderating, with 56% planning to add in-house lawyers over the next 12 months compared to 60% in last year's report.

More than three in 10 organizations (**32%**) now have five or fewer in-house lawyers to handle disputes.

Litigation preparedness



Q. What is your level of preparedness in addressing litigation over the next 12 months?

Reason for feeling less than fully prepared	2026 Rank	2025 Rank	2024 Rank	2023 Rank
Limited or flat legal budgets	1 (tie)	1	N/A	N/A
Rising cost of outside counsel fees limit engagement	1 (tie)	2	1	1
Uncertainty of macroeconomic factors	3	4	2	3
Lack of internal expertise or experience	4	N/A	N/A	N/A
Not enough staff in our legal department	5	3	3	2
Lack of confidence in outside suppliers	6	N/A	N/A	N/A
Lack of insurance coverage	7	N/A	N/A	N/A

Q. Asked to those who do not feel "very prepared" to address litigation. Specifically, what are the reasons why you feel less than fully prepared to address litigation over the next 12 months? Please select all that apply.

Litigation prevention

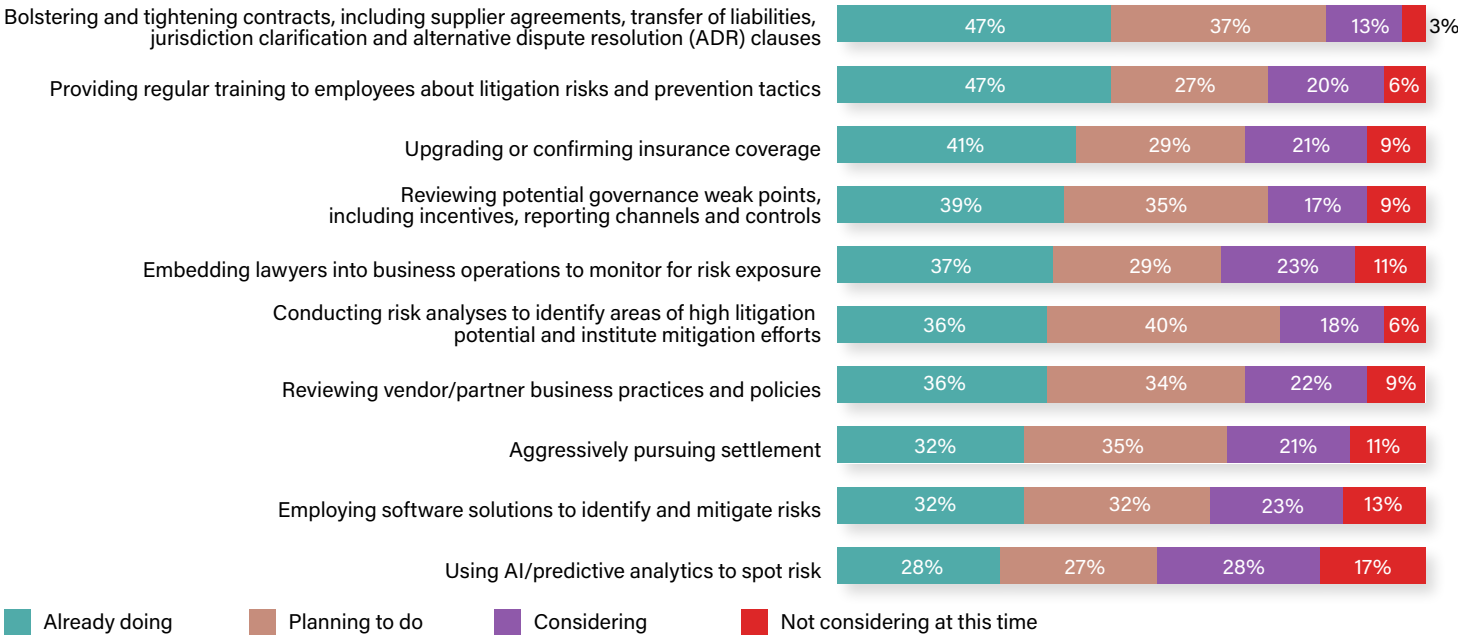
Corporate counsel who feel very confident in addressing litigation over the next 12 months attribute that to the strength of their in-house legal teams and experience in common dispute types, as well as sufficient resources, staffing and support. Strong litigation management systems and a proactive approach to risk mitigation contribute to this sentiment. Respondents cite factors including "having a war chest," and "drafting strategy plans based on particular issues," as well as being "very knowledgeable about these types of cases," and having "simplified internal escalation and documentation procedures [that] guarantee prompt action."

The most popular ways to prevent litigation are bolstering and tightening contracts and providing regular training to employees about litigation risks and prevention tactics. Nearly half of respondents (47%) are already employing both, with an additional 37% planning to bolster contracts and 27% planning to provide such trainings over the next 12 months.

To address potential litigation, corporate counsel rely on monitoring industry trends – the top choice, with 46% already doing so and 33% planning to do so. About a third of respondents are either engaging (32%) or planning to engage (33%) external advisors and consultants other than outside law firms, with similar shares looking to litigation software and AI and predictive analysis.

Nearly half (**47%**) are bolstering contracts and providing litigation prevention trainings.

Means of preventing litigation



Q. Which of the following measures do you expect to employ as a means of preventing litigation over the next 12 months?

Litigation spending

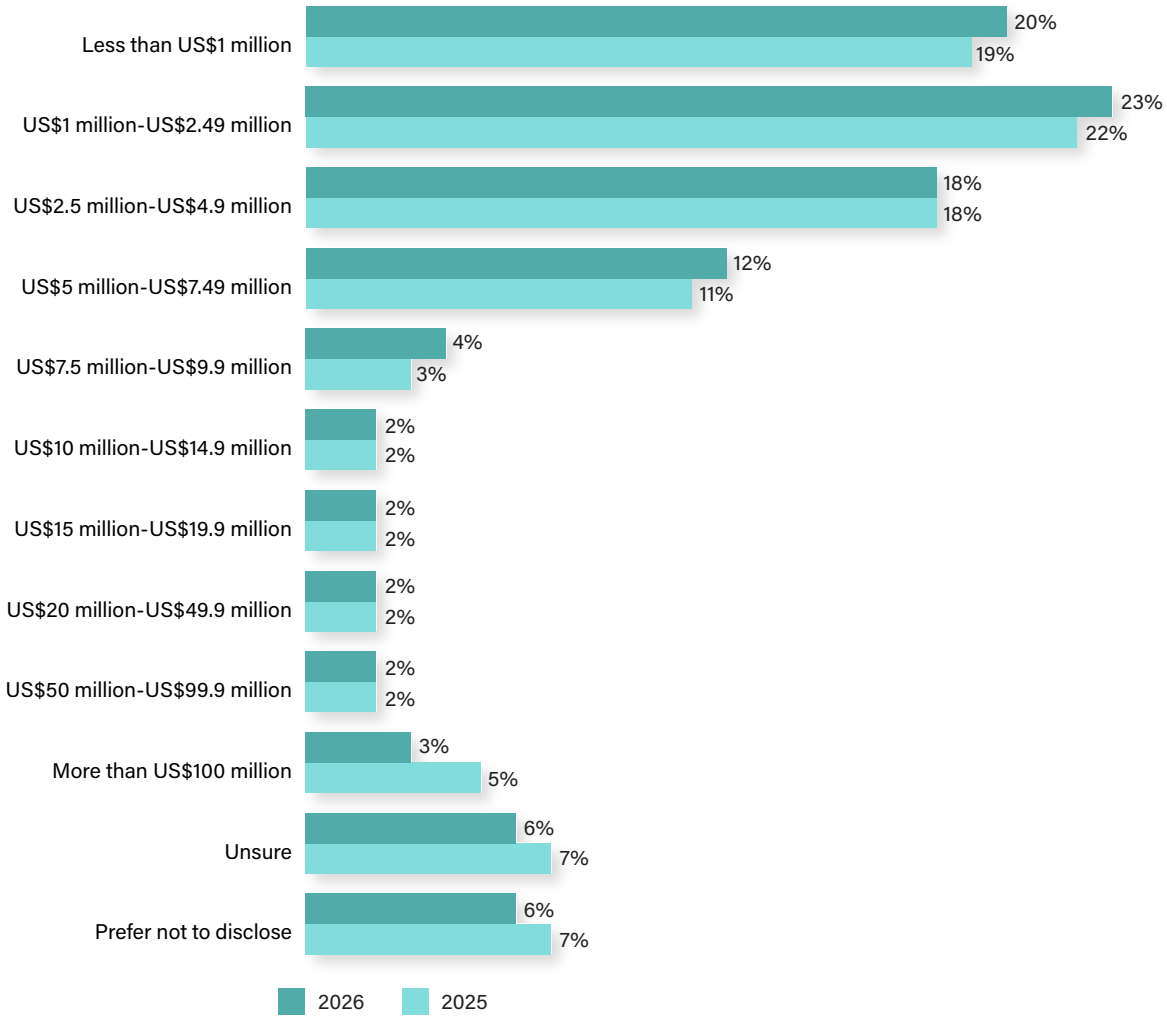
Litigation spend remained flat while the share allocated to outside counsel declined. Organizations spent, on average, US$2.4 million, with that figure nearly doubling for those with more than US$1 billion in annual revenue, to US$4.1 million. More than half (56%) of that budget went to outside law firms – compared to 62% in 2024 – potentially reflecting lighter caseloads as the volume of lawsuits declined.

US$2.4 million
2026 average

US$2.4 million
2025 average

Annual revenue	Average litigation
Under US$100 million	US$735,000
US$100 million - US$999 million	US$1.9 million
Over US$1 billion	US$4.1 million

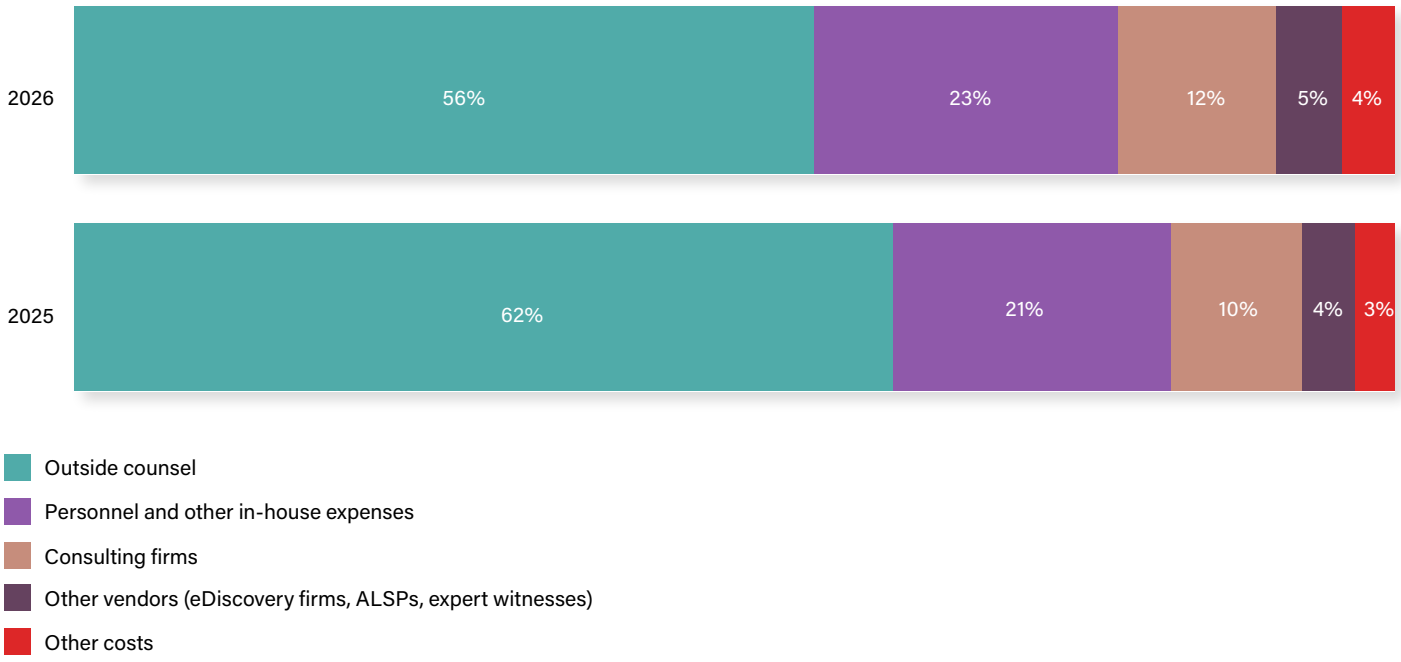
Annual litigation spend



About half of respondents cite cost and fee structure (54%), industry knowledge and experience (48%) or communication and responsiveness (46%) as the most important attributes when hiring or working with outside counsel. Organizations are also reducing the number of outside law firms they use for litigation, with 62% employing between one and five – up from 55% in 2024 – and the share of those using six to 10 outside firms falling eight percentage points, to 26%.

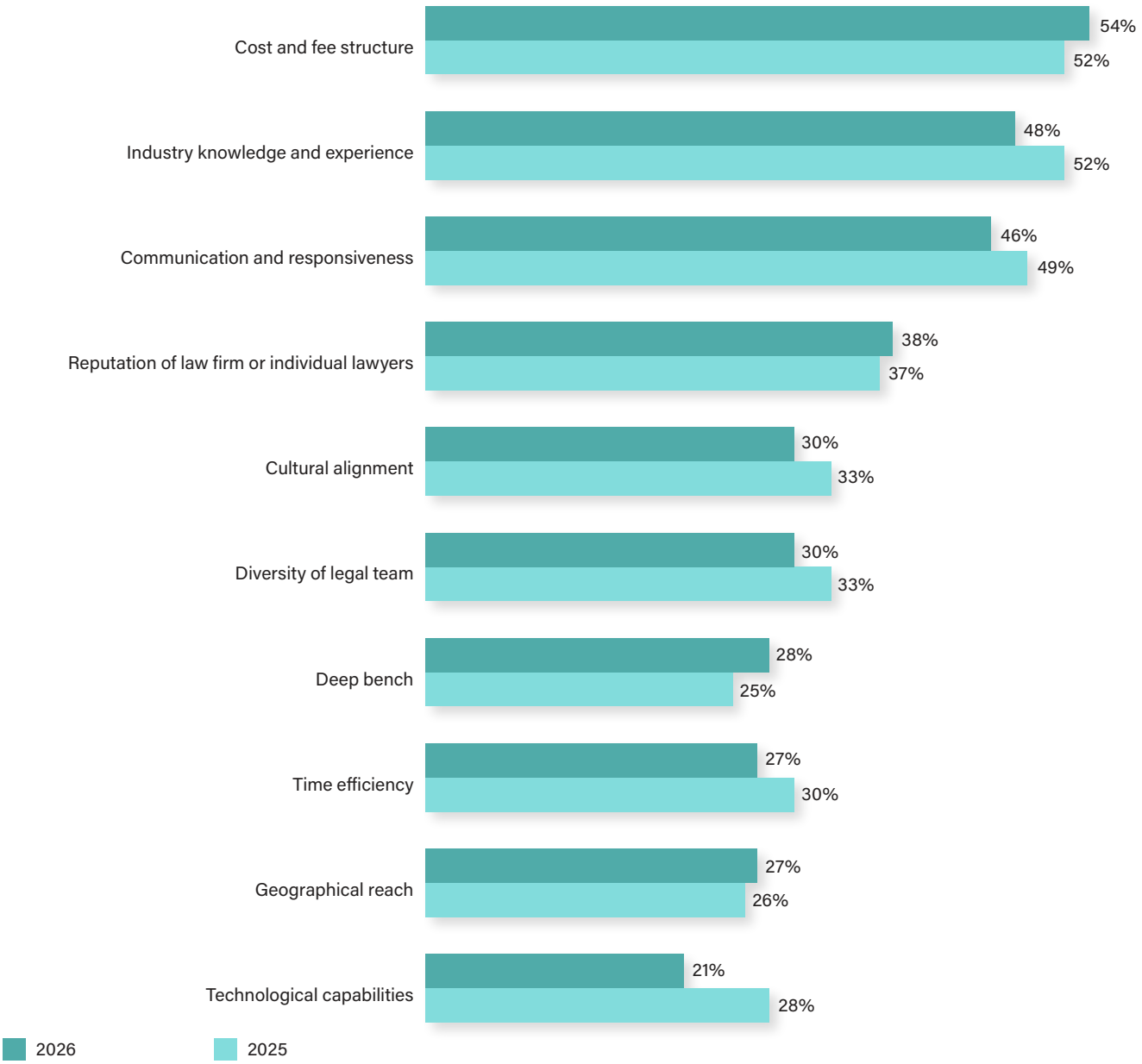
Organizations spent an average of **US$2.4** million on litigation in 2025.

Total litigation spend allocation



Q. Approximately what percentage of your annual litigation spend (excluding cost of settlement and judgements) is allocated to the following areas? Figures should add up to 100%

Most important attributes in hiring or working with outside counsel



Q. Which of the following attributes are most important to your organization when hiring and/or working with outside counsel? Please select all that apply.

AI and legal technology

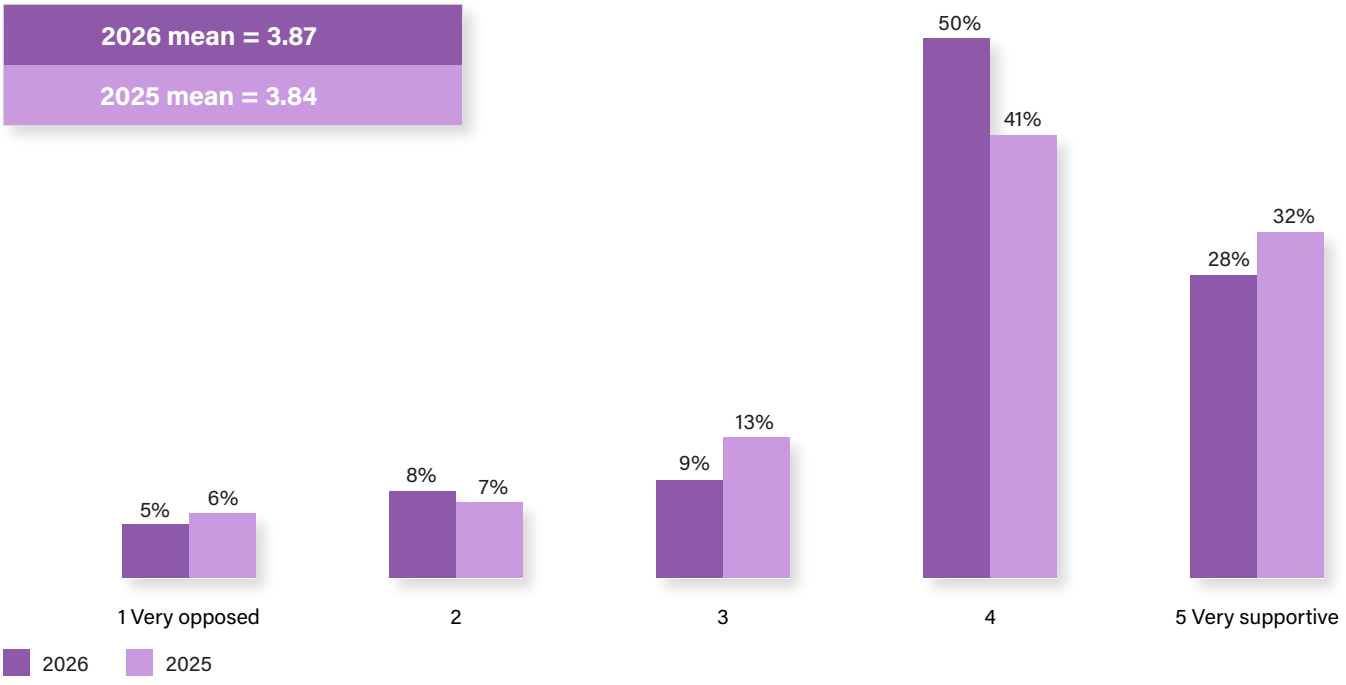
AI is fast becoming more embedded in legal operations as the technology advances.

Most organizations (60%) permit the use of free or publicly available generative AI tools for work purposes, while more than half (51%) permit the use of free or publicly available agentic AI tools. Notably, more than six in 10 are deploying customized generative and agentic AI tools, with the share of those using customized generative AI (64%) up 3 percentage points year-over-year.

Yet adoption of AI remains uneven across legal workflows. Use of AI and predictive analytics was the least popular measure that respondents use for litigation prevention, with just 28% of organizations doing so. Legacy tools are likely being cannibalized by newer generative AI technologies. The share of respondents using AI and predictive analytics to address litigation fell to 30% from 37% last year. And corporate counsel continue to be wary of the potential hazards of AI, with most (59%) saying managing litigation risks surrounding AI has been a challenge.

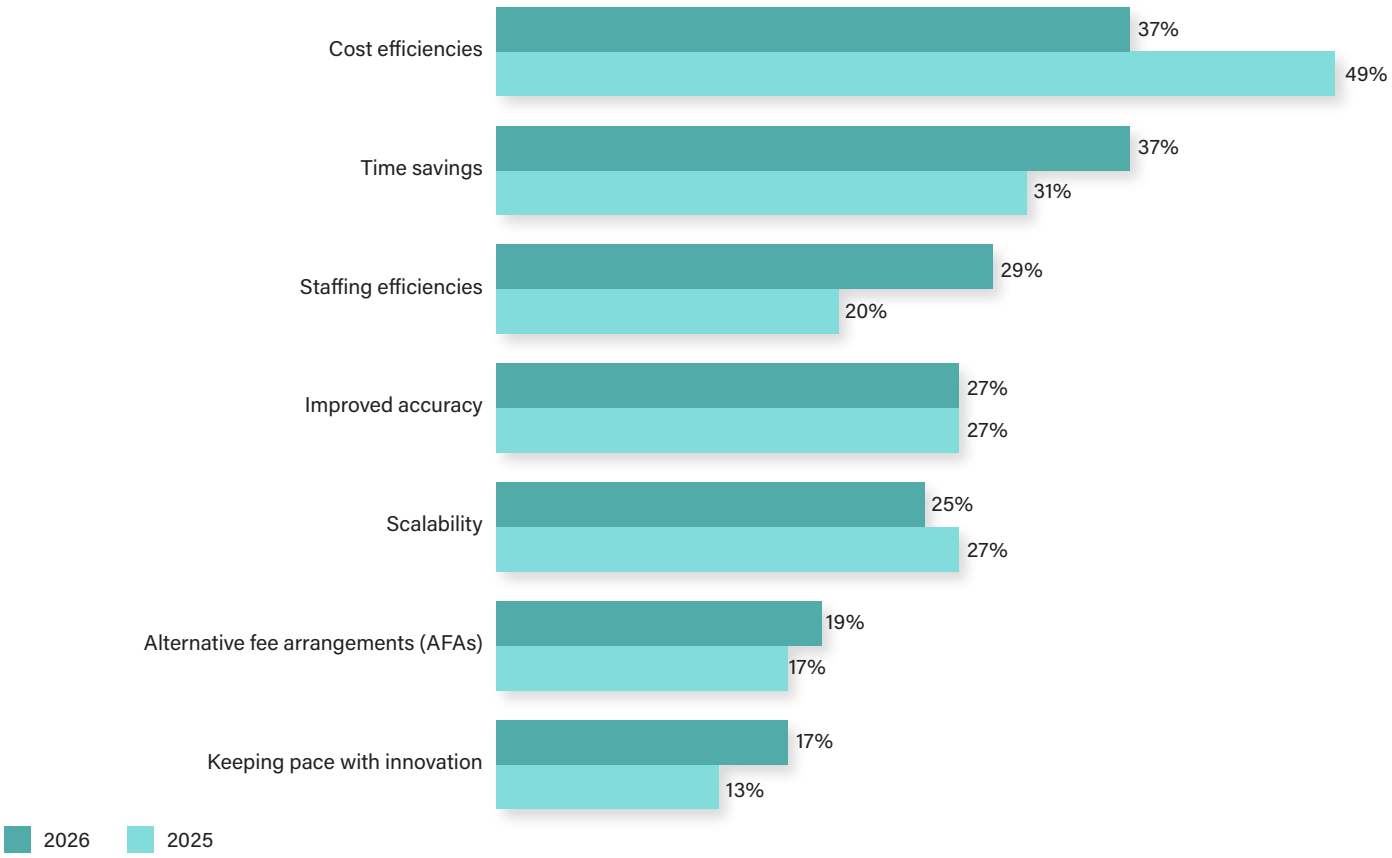
Law departments are increasingly receptive to their outside counsel using generative AI, especially to cut costs and boost efficiency. The average level of support for that use on a scale of 1 to 5 (with 5 being very supportive) is 3.87, on par with 3.84 last year. Those who support AI use by outside counsel cite cost efficiencies and time savings (37% each), as well as staffing efficiencies (29%) and improved accuracy (27%).

Organizational support of generative AI by outside counsel



Q. On a scale of 1 to 5, where 1 = Very opposed and 5 = Very supportive, how does your organization feel about the use of generative AI by outside counsel to support your company's litigation work?

Reasons for supporting use of generative AI by outside counsel



Q. Asked to those who support AI use by outside counsel. Which of the following factors most influence your support of generative AI use? Please select up to two responses.

Conclusion

The litigation landscape remains complex and unpredictable as corporate counsel navigate 2026. While the volume of lawsuits and regulatory actions has declined, law departments face mounting risks in areas like cybersecurity and employment, along with rising verdict and settlement costs.

State-level enforcement is increasing amid federal retrenchment. Budget pressures and shrinking in-house teams are reshaping legal strategies, with companies consolidating outside counsel and cautiously embracing AI-driven tools. Legal teams can position themselves for the challenges ahead by adapting to evolving risks, investing in technology and litigation support and keeping a close watch on regulatory developments.

Litigation and disputes

Our global litigation and disputes lawyers advise many of the world's largest corporations and financial institutions on complex, high-value and sensitive multijurisdictional disputes. With more than 50 offices across the globe, we have one of the largest disputes legal practices in the world, with significant experience resolving domestic and cross-border mandates, international arbitrations and investigations and enforcement for clients across all the key industry sectors including financial institutions; energy, infrastructure and resources; transport; technology; life sciences and healthcare; and consumer markets.

Our lawyers both prevent and resolve disputes by providing clients with practical, creative legal advice that focuses on their strategic and commercial objectives. Our experience includes the full spectrum of dispute resolution and litigation mechanisms ranging from negotiation, mediation, conciliation and conflict resolution to vigorous courtroom strategy, multiparty and class action lawsuits and appellate proceedings. We have acted on some of the world's highest profile domestic and multijurisdictional investigations, including regulatory inquiries, regulatory enforcement, criminal investigations and prosecutions, and related civil disputes and litigation.

Contact us to learn more about how to stay ahead of litigation trends and prepare for what comes next.

Methodology and demographics

Norton Rose Fulbright's 2026 Annual Litigation Trends Survey draws from both qualitative and quantitative research findings.

On the qualitative side, we conducted 12 interviews with corporate counsel. Interviews completed prior to the survey were used to develop this year's survey questions and update year-over-year questions. The interviews that occurred after survey fielding provided additional context for the results.

On the quantitative side, we conducted an online survey to track litigation trends over the previous year and gauge perceptions of litigation leaders regarding what the next 12 months may bring. This year's survey was fielded in September 2025 where more than 400 corporate counsel answered a mix of quantitative and qualitative questions. Respondents come from organizations based in the US and represent a wide array of industries.

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NT Analyzer

Technical privacy testing on all platforms

NT Analyzer is Norton Rose Fulbright's proprietary privacy testing tool suite. It uses sophisticated network traffic analysis to evaluate the data collection footprint of client websites, mobile applications and embedded systems such as smart TVs, medical devices and IoT services. The goal is to identify over-collection, data leakage, non-working opt-outs and other privacy issues.

NT Analyzer provides reports and actionable remediation items across a broad range of compliance objectives under various laws, including VPPA, HIPAA, CIPA, GLBA, CCPA (and similar comprehensive state privacy laws) and GDPR. It also provides technical support and documentation for privacy risk assessments.

Why network traffic analysis? Hidden data collection by third parties

Companies rely heavily on third parties for analytics, marketing, targeted advertising, location services and many other features embedded in websites and mobile apps. Those third parties operate out of view through third-party software development kits (SDKs) and code libraries that trigger data collection directly from a consumer's device to the third party, preventing inspection by the company. NT Analyzer provides visibility into all of this data collection.

Detection of transmitted data

NT Analyzer detects a broad range of transmitted data, including:
Traditional forms of directly identifiable data
Hashed and encoded data
Unique IDs, including ad IDs, hardware IDs and network names
Geolocation information, such as latitude/longitude
Cookies and HTML5 local storage

NT Analyzer features

NT Analyzer offers specialized features to achieve any compliance objective:
Remote host identification
Detection of transmitted data
Full key-value pair dump of all transmitted data
API mapping
JavaScript file analysis
Consumer opt-out testing
Cookie banner testing

NT Analyzer empowers organizations to take control of their digital privacy footprint. By illuminating hidden data flows and third-party transmissions, it enables proactive risk management and supports robust compliance across a complex regulatory landscape.

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