Verdicts Signal Product Liability's Expansion To Digital Realm

By **David Kerschner, Jason Ross and Rachel Forman** (March 31, 2026)

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On March 25, a Los Angeles County Superior Court jury returned a landmark verdict in K.G.M. v. Meta Platforms Inc., finding that Instagram and YouTube were a substantial factor in causing harm to the plaintiff and awarding compensatory and punitive damages totaling $6 million.

That same week, in New Mexico v. Meta Platforms Inc., a jury in the First Judicial District Court of New Mexico held Meta liable for failing to prevent sexual exploitation of minors on its platforms.

At the same time, the U.S. Senate marked the 30th anniversary of Section 230 of the Communications Decency Act with renewed scrutiny of the statute.

These developments are not confined to social media. They reflect the continued expansion of product liability theories into a wide range of digital products — including AI tools, online gaming and sports betting platforms, dating applications, and other services that rely on algorithmic design and user engagement features.[1]

Also last week, two Pennsylvania plaintiffs brought Sage v. DraftKings Inc., a suit against online gaming companies DraftKings and FanDuel, in the Court of Common Pleas of Philadelphia County, Pennsylvania. The plaintiffs allege that features of the companies' apps, such as live in-game microbetting, convert "casual sports fans and recreational gamblers into hardcore gambling addicts."[2]

Earlier this month, in Gavalas v. Google LLC, a Florida family filed a lawsuit in the U.S. District Court for the Northern District of California, alleging that their son's death by suicide was caused by Google's Gemini AI chatbot, after it facilitated a romantic relationship with their son and coached him to take his own life.[3]

And late last year, in In re: Gateway Video Game Addiction Products Liability Litigation, the Judicial Panel on Multidistrict Litigation refused to consolidate 39 cases across 11 districts alleging that Roblox, Fortnite and Minecraft target minors with psychologically addictive features. As a result, the cases will proceed separately in various states.[4]

For companies operating in these spaces that have historically enjoyed protection from product liability claims, the implications of all these developments are significant and cross-cutting.

This article highlights lessons digital platform companies should learn from the recent social media trials. It focuses on how companies can evaluate product design through a litigation lens, strengthen internal documentation and risk assessment processes, and prepare for the central role that internal documents and company witnesses will play at trial.

A Litigation Theory Gaining Traction With Private Litigants and in Enforcement

Actions

The plaintiff in K.G.M. sued Meta, Google LLC, Snap Inc. and TikTok Inc., alleging she became addicted to their applications as a child; attributing that addiction to features such as infinite scroll, autoplay and notifications; and linking her use to a range of psychological harms.

The case is the first bellwether in a coordinated proceeding in Los Angeles County, involving more than 1,000 cases, alongside a parallel multidistrict litigation in the Northern District of California.[5]

Snap and TikTok settled with K.G.M. for an undisclosed amount before trial. After nearly two weeks of deliberations, the jury awarded $3 million in compensatory and $3 million in punitive damages to the plaintiff. Meta was assigned 70% liability, and Google 30%.

The theory advanced in K.G.M., and in all the parallel social media cases, is straightforward. Plaintiffs allege that platforms are defectively designed to maximize engagement by exploiting user psychology, particularly among minors.

Although framed as novel, the structure of these claims is not. Plaintiffs are repurposing familiar product liability theories, including design defect, failure to warn and corporate knowledge of risk, and applying them to modern technologies.

The social media companies in K.G.M., and in other jurisdictions, tried to challenge the claims early on, arguing the alleged conduct is protected content, but most courts disagreed, and are increasingly allowing these claims to proceed when they target product design rather than third-party content.

That distinction is significant. Section 230 of the Communications Decency Act was passed as a free speech measure, intended to protect online service providers from liability for third party content posted to their platforms, but it does not shield against claims targeting features and functionality.

That gap has become a real opening for plaintiffs — and may grow wider. At a recent Senate committee hearing, legal experts discussed the possibility of reforming the law to be more plaintiff-friendly, balancing the need to protect free speech against the lack of accountability for harmful content.

Coordinated enforcement activity has advanced alongside private litigation. In the New Mexico lawsuit, the jury found Meta failed to protect minors and awarded $375 million in penalties.

Similar actions are being filed by state attorneys general against other digital platforms as well.

Last month, in Washington v. Playtika, Washington's attorney general filed a complaint in the U.S. District Court for the Western District of Washington against companies behind casino applications, alleging the companies have taken in more than $225 million from Washingtonians since 2020.[6]

And in January, 35 attorneys general sent a letter to Elon Musk's xAI, the developer of Grok, demanding measures to prevent Grok from producing deepfake nonconsensual intimate images.[7]

For companies, the practical consequence is not simply increased exposure, but multifront risk, where civil litigation, regulatory enforcement and public scrutiny reinforce one another.

How These Cases Are Being Tried

K.G.M. and the New Mexico AG action offer an early look at how these cases are being presented to juries.

In K.G.M., internal emails and studies formed the backbone of the plaintiff's narrative that Meta and Google understood the potentially addictive qualities and mental health risks associated with their platforms but failed to act, and in some instances designed features to increase user engagement.

Public reporting of the trial indicates that the plaintiff highlighted documents stating that the goal was "viewer addiction," as well as internal exchanges characterizing Instagram as "a drug."[8] The plaintiff also pointed to internal analyses regarding youth engagement and a Meta-led study suggesting that adolescents experiencing stress or trauma may be more vulnerable to compulsive use.[9]

This approach mirrors prior mass tort litigation, where internal documents often become the centerpiece of the liability narrative, particularly when presented without context and reinforced by expert testimony.

Consistent with that model, the plaintiff's expert testimony focused on the neurological effects of social media use in adolescents and the role of platform features in reinforcing dopamine-driven behavior.

The defendants, in turn, focused on disputing causation, challenging whether the plaintiff's platform use rose to the level of addiction, and emphasizing alternative explanations for the her injuries.

Public reporting of the trial indicates that defense witnesses drew distinctions between clinical addiction and what they described as problematic use.[10] Defense witnesses also presented evidence that the plaintiff's mental health challenges could be explained by external factors such as family dynamics and other life stressors.[11]

These defenses underscore a critical point: Even as courts permit these claims to proceed, causation remains a central and often dispositive battleground.

The defendants also disputed that the design of their apps was defective or unreasonably dangerous. Senior executives and company witnesses played a critical role.

Testimony about product design, user safety and corporate priorities often serves as the lens through which juries interpret internal documents. In K.G.M., company witnesses emphasized efforts to test features, balance user experience with safety and respond to evolving research.[12]

But even well-developed testimony and defenses can be undercut if company witnesses are not prepared to address difficult documents and explain design choices in a clear and credible way.

What This Means for Companies Now

Several lessons emerge from these cases and verdicts.

First, product design decisions will be scrutinized with the benefit of hindsight. Companies should assume that core features, particularly those that drive engagement, will be recast as potential sources of harm and evaluated accordingly.

Second, internal documents will continue to shape outcomes. Informal communications, preliminary analyses and internal debates can take on outsized importance once placed before a jury.

Disciplined documentation practices are not simply good governance. They are a critical component of litigation risk management.

Third, companies should invest early in developing affirmative trial themes. Internal documents that plaintiffs will characterize as evidence of corporate indifference often contain context and countervailing views that can support a very different story.

Identifying that evidence before litigation begins is a critical step in managing risk.

Fourth, emerging scientific research will play an increasing role. Plaintiffs are already relying on developing literature regarding behavioral and psychological effects.

Companies that lack a structured approach to evaluating and responding to that research are at risk of being portrayed as inattentive and slow to respond to known or knowable risks.

Finally, companies should anticipate parallel proceedings and plan accordingly. The same underlying conduct may give rise to product liability claims, consumer protection actions and regulatory investigations, each reinforcing the other.

A Familiar Playbook, Applied to New Technologies

While the technologies at issue are new, the litigation trajectory is not. The current wave of cases reflects a familiar pattern from prior product liability contexts, including early bellwether trials, increasing coordination among plaintiffs, expanding regulatory scrutiny, and growing reliance on internal documents and developing scientific evidence.

K.G.M. is unlikely to be an outlier. It is better understood as an early signal of how these cases will be framed and tried.

The K.G.M. and New Mexico verdicts may also serve as early benchmarks for case value, and as reference points for future settlement negotiations across both private litigation and enforcement actions.

A seven-figure bellwether verdict, while not determinative, can validate plaintiffs' theories before a jury, increase settlement leverage and raise the expected value of remaining claims.

For companies operating in this space, the implications are immediate, and underscore that litigation risk in the digital platform sector is not merely theoretical, but real.

The most effective defenses will not be built solely in litigation, but through the processes

that precede it, including how products are designed, how risks are assessed and how decisions are documented.

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[1] See, e.g., De Leon v. Draftkings Inc., Case No. 1:25-cv-644 (DLC) (S.D.N.Y.) (putative class action alleges defendants caused plaintiffs' addiction to online sports gambling platform); Garcia v. Roblox Corp., Case No. 2:25-cv-3476 (WLH) (C.D. Cal.) (putative class action alleges defendants violated privacy rights of its users, including children under 13); Oksayan v. MatchGroup Inc., Case No. 3:24-cv-888 (LB) (N.D. Cal.) (putative class action alleges defendants intentionally designed Tinder, Hinge and The League to have "addictive, game-like design features, which lock users into a perpetual pay-to-play loop").

[2] Complaint, Sage v. DraftKings Inc., Case No. 260303384 (Pa. Ct. Com. Pl.).

[3] Gavalas v. Google LLC, Case No. 5:26-cv-1849 (VKD) (N.D. Cal.).

[4] Order Denying Transfer, In re: Gateway Video Game Addiction Prods. Liab. Litig., MDL No. 3168 (J.P.M.L. Dec. 10, 2025).

[5] In re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation [hereinafter, "In re: Social Media"], MDL No. 3047 (N.D. Cal.).

[6] Washington State Office of the Attorney General, Press Release, AG's Office Sues Illegal Gambling Apps That Have Taken More Than $225 Million from Washingtonians (Feb. 3, 2026), available at https://www.atg.wa.gov/news/news-releases/ag-s-office-sues-illegal-gambling-apps-have-taken-more-225-million.

[7] https://ag.ny.gov/sites/default/files/letters/multistate-letter-to-xai-letters-2026.pdf.

[8] Dara Kerr, "IG Is A Drug": Jury to Deliberate As US Trial Over Social Media Addiction Wraps Up, The Guardian (March 12, 2026), available at https://www.theguardian.com/technology/2026/mar/12/social-media-addiction-trial.

[9] Bobby Allyn, Zuckerberg Grilled About Meta's Strategy to Target "Teens" and "Tweens", NPR (Feb. 18, 2026), available at https://www.npr.org/2026/02/18/nx-s1-5717117/zuckerberg-testimony-social-media-addiction-trial; Kaitlyn Huamani and Barbara Ortutay, Google, Meta, Push Back on Addiction Claims in Landmark Social Media Trial, AP News (Feb. 10, 2026), available at https://apnews.com/article/meta-youtube-addiction-design-trial-e95054a356d73ca66736d42234013012.

[10] Sanya Mansoor, Instagram CEO Dismisses Idea of Social Media Addiction in Landmark Trial, The Guardian (Feb. 11, 2026), available

at https://www.theguardian.com/technology/2026/feb/11/instagram-adam-mosseri-social-media-addiction-trial.

[11] Nancy Loo, Meta, YouTube Await Verdict in Landmark Civil Trial on Mental Health, News Nation Now (March 19, 2026), available at https://www.newsnationnow.com/business/tech/meta-youtube-trial-mental-health-tech/

[12] Mansoor, supra.