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Gibson Dunn Wins Ninth Circuit Injunction Blocking California Climate Disclosure Law

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Gibson Dunn, on behalf of a coalition of leading business organizations, won a major victory in the U.S. Court of Appeals for the Ninth Circuit. The court enjoined California Senate Bill 261 pending appeal, preventing the law from taking effect while litigation over its constitutionality continues.

SB 261 would have required thousands of companies doing business in California to publish extensive “climate-related financial risk” reports under the framework of the Task Force on Climate-related Financial Disclosures (TCFD) — compelling pages of narrative statements, speculative risk analyses, and policy views on climate change. The law applied even to companies that have never spoken publicly about climate issues or sold products in the state, and it imposed penalties of up to $50,000 per year for noncompliance.

The injunction halts enforcement of SB 261 while the appeal proceeds, ensuring that companies will not be forced to issue compelled climate disclosures by the upcoming January 1, 2026 deadline. This important ruling safeguards businesses from being conscripted into state-sponsored climate advocacy and reinforces the constitutional limits on government-compelled speech.

The case is *Chamber of Commerce of the United States et al. v. Sanchez et al.*, No. 25-5327 (9th Cir.).

The Gibson Dunn team representing the plaintiffs included partners Eugene Scalia, Bradley Hamburger, and Jonathan C. Bond and associate Brian Richman.

Related People

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Related Capabilities

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