

Benesch Secures Precedent-Setting California Appellate Victory for Peet's Coffee

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Benesch's [Retail and E-Commerce](#) and [Appellate Practice Groups](#) secured a significant victory in the California Court of Appeal for all e-commerce platforms, setting precedent that clarifies the scope of California Civil Code Section 1670.8, commonly known as the "Yelp Law." The ruling binds courts throughout California and neutralizes a threat of significant exposure for businesses facing statutory-penalty claims based on website terms of service.

The plaintiff alleged that provisions in Peet's Coffee's online terms of service violated Section 1670.8 because she interpreted them to inhibit consumer speech. Benesch convinced the trial court that the statute authorizes penalties only when a business enforces a nondisparagement clause, threatens to do so, or otherwise takes punitive action against a consumer for making a statement about the company. The trial court sustained Peet's demurrer and dismissed the claims.

After the plaintiff appealed, the California Court of Appeal affirmed. In a published opinion issued Wednesday, July 29, the court held that plaintiffs may pursue statutory penalties under Section 1670.8 only if a business has taken or threatened punitive action against a consumer.

"This decision confirms that the statute targets efforts to punish consumer speech, not hypothetical interpretations of contract language divorced from any enforcement activity," said [Michael D. Meuti](#), a chair of the Litigation Practice's [Appellate Practice Group](#) and lead attorney on the matter. "The ruling takes away billions of dollars in exposure for companies that sell online to Californians."

The decision clarifies the meaning of Section 1670.8's private right of action, and will lead courts to dismiss a spate of lawsuits filed in recent years seeking substantial statutory penalties based solely on the plaintiffs' idiosyncratic readings of website terms of service.

The Benesch team representing Peet's Coffee was led by [Litigation](#) Partner Michael D. Meuti, supported by Associate [Kennedy Dickson](#).