Elon Musk hits legal losing streak ahead of showdown with OpenAI's Sa

The world's richest man has lost in cases ranging from shareholder fraud to claims that his rivals stole AI secrets

Stephen Morris and **George Hammond** in San Francisco and **Sujeet Indap** in New York

Elon Musk has suffered the worst streak of courtroom losses in a career punctuated by legal battles, showing the pitfalls of his aggressive litigation tactics and polarising public persona ahead of a showdown with Sam Altman and OpenAI later this month.

Since January, Musk has faced setbacks in cases about OpenAI allegedly stealing secrets from his xAI start-up, advertisers' boycott of X and two suits about his 2022 takeover of the social media group, then called Twitter, including a fraud verdict that could cost him billions of dollars.

The billionaire's legal team has responded by complaining about "bias" against the world's richest man. They have objected to a Delaware judge "liking" a LinkedIn post critical of Musk and challenged the Twitter verdict over what they called a "bizarre and highly questionable" joke involving the marijuana reference "4.20" in a jury document.

As he prepares for the trial against [OpenAI](#) later this month in Oakland, California, in which Musk claims the AI start-up sold out its charitable purpose, the seemingly endless courtroom battles have exposed Musk to embarrassing questions and irked his own staff.

Some lieutenants see them as a hindrance to improving performance at X and xAI and organising their merger with SpaceX ahead of its initial public offering, planning for June at a $1.75tn valuation.*

"For the most part, Elon is a pretty thoughtful, reactive CEO," said one lawyer who has worked with him. "He takes advice more than expected, especially on the technical nature of the law at critical junctures."

"But he has a lot going on in his life, which is a distraction," they added. "This ego pissing match with Sam at OpenAI, for example."

Musk has tried to leverage his massive, freewheeling social media presence to reinforce his case against OpenAI, deriding his opponent as "Scam Altman" and pledging to donate any damages in the case to charity.

But the series of recent decisions highlights the pitfalls of Musk's online persona, with his frequent posts opening him to legal attacks and alienating swaths of public opinion.

His lawyers in the Twitter fraud case argued that he could not receive a fair trial in San Francisco — following his alliance with US President Donald Trump — because "we have so many people in the [jury pool] who hate him".

Musk, centre, arrives at federal court in San Francisco in March © Bloomberg

Musk wants to convince a jury in Oakland to block OpenAI's transition to a for-profit company and remove Altman, who he accuses of abandoning its original non-profit charter mission to enrich himself.

Altman and Musk, who co-founded OpenAI together, have become increasingly bitter rivals since Musk walked out of the lab in 2018.

The $852bn start-up failed to get the case dismissed. But the judge's early comments have been unsympathetic to Musk's claim for $134bn in damages, which she described as like "pulling these numbers out of the air".

Marc Toberoff, Musk’s attorney, said his client’s public commitment to donate any damages to OpenAI’s charitable arm made it “abundantly clear” that the case “has always been about OpenAI’s abuse of the public’s trust, not Elon Musk”.

Evidence introduced in the case could be salacious. The judge upheld a motion to exclude questions about whether Musk used ketamine at Burning Man in 2017, the desert festival in Nevada he attended during important negotiations with OpenAI executives.

Lawyers for OpenAI repeatedly asked Musk in a deposition “Do you know what rhino ket is?”, referring to a mixture of ketamine and amphetamines taken recreationally. Musk said no and that he did not recall taking it.

William Frentzen, a lawyer for OpenAI, argued the information was relevant because “Burning Man was when a lot of these decisions were made . . . If you asked me if I was on ketamine at my jazz fest, I’d be able to say no.”

However, the judge denied a motion to exclude evidence related to Shivon Zilis, an “at times a romantic” partner of Musk and mother of at least four of his children. She was a board member at OpenAI until 2023 and is still an executive at Musk’s brain-implant company, Neuralink.

Musk has meanwhile accused Altman and OpenAI’s president Greg Brockman of “conspiracy to commit fraud and steal the charity”.

He posted excerpts from Brockman’s journal, uncovered in discovery, where he wrote “this is the only chance we have to get out from Elon . . . Financially, what will take me to $1bn?”

Altman has been mocked as ‘Scam Altman’ by Musk © Getty Images

“Greg’s diaries haven’t helped them,” said a partner at a venture capital firm invested in both OpenAI and Musk’s rocketmaker SpaceX. “But [OpenAI] have the least sympathetic counterparty in the world with Elon.”

Musk’s unpopularity has become an increasing problem for his high-priced legal team, often led by Alex Spiro of Quinn Emanuel, which has gained attention for its aggressive tactics.

The billionaire faced a backlash since donating more than $250mn to Trump’s 2024 campaign and leading government cost-cutting at the so-called Department of Government Efficiency, which has hurt Tesla’s sales.

Musk’s abrasive style and championing of rightwing views have made him a divisive character for jurors, while his unbridled use of social media has cost him.

The Twitter fraud verdict in March centred on tweets in which Musk threatened to walk away from the $44bn takeover to gain leverage in negotiations, even though he knew he could not back out.

“It may not have been my wisest tweet,” Musk said during his testimony in the case. A judge in March allowed a separate investor lawsuit about Musk’s tweets ahead of the Twitter buyout to proceed.

Spiro has urged the judge to review the outcome, accusing the jury of bias and of mocking Musk to “send a message” on their verdict form.

In a computation of how much his tweets depressed the Twitter share price when he threatened to walk away, the jury wrote the number $4.20 in blue ink compared with black for the rest of the list.

Musk himself posted a picture on X of the judge presiding over the case wearing a red bow tie, writing: “Probability of me getting a fair trial if this is how the judge dresses is 0.0%.”

Alex Spiro often leads the billionaire’s legal team © AP

Until recently, Musk's legal record had been formidable.

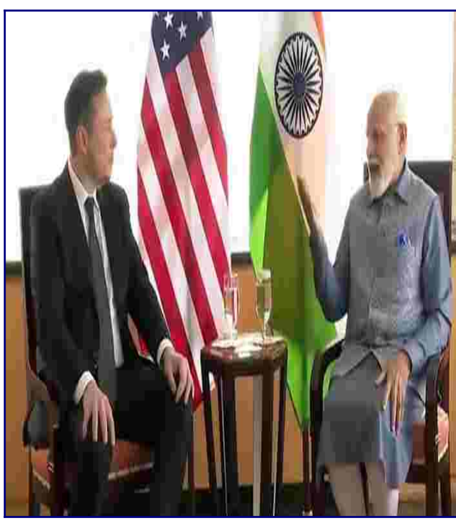
His lawyers fended off an earlier Tesla shareholder lawsuit about whether he had really "secured" funding to buy the carmaker when he announced the bid in a tweet, at $420 a share — a reference to April 20, a day celebrated by marijuana smokers.*

Musk also won cases ranging from objections to the 2016 merger between Tesla and struggling SolarCity, which was run by Musk's cousin, to a defamation case brought by a British cave diver in 2018 after the billionaire called him "pedo guy" during efforts to rescue trapped children.

And he successfully fought to have his $56bn Tesla pay deal reinstated after it was voided by a Delaware judge, who ruled the company's board was too close to Musk.

Musk recently sought revenge against the judge, Chancellor Kathaleen McCormick. Quinn Emanuel successfully argued she should remove herself from current cases involving Musk and Tesla after she "supported" a LinkedIn post celebrating the San Francisco fraud verdict. McCormick has said she did not know how her account liked the post.

The post read: "Sorry, Elon. Sorry, Quinn Emanuel. Thanks $2 billion for your help in this trial. It was a pleasure working against you."



Having moved Tesla's incorporation to Texas, he still faces a Delaware suit in which shareholders claim Musk put his personal ambition to buy Twitter above the interests of investors in the carmaker.

Some experts say shareholder lawsuits are serving to impose accountability on Musk when Trump-appointed regulators have softened their enforcement.

However, Musk's $630bn fortune means he can easily swallow these judgments.

"Damages are not just supposed to be compensation, they are meant to be prohibitions," said Ann Lipton, a law professor at the University of Colorado. "Musk can pay the money without even noticing, which gives him permission to violate the law that most of us don't have."

**This story has been amended to correct SpaceX's expected valuation, and to clarify that Musk's "funding secured" tweet referred to Tesla*