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PRACTICE GUIDE · BUSINESS TORTS

Tortious Interference

Grand Park Law Group · 2026



A. **Intentional Interference with Contract**

Intentional interference with contractual relations targets a defendant who knowingly disrupts an existing contract between the plaintiff and a third party. The elements are: (1) a valid contract between plaintiff and a third party; (2) defendant's knowledge of the contract; (3) defendant's intentional acts designed to induce a breach or disruption of the contractual relationship; (4) actual breach or disruption; and (5) resulting damage. *Quelimane Co. v. Stewart Title Guaranty Co.* (1998) 19 Cal.4th 26, 55. Critically, *Quelimane* held that the plaintiff need not plead that the defendant's interfering conduct was independently wrongful — the existing contract itself is the thing the law protects. *Id.* at 55–56. A claim for interference with at-will contracts, however, is treated more like an interference with prospective economic advantage claim. *See Reeves v. Hanlon* (2004) 33 Cal.4th 1140, 1152–53.

B. **Intentional Interference with Prospective Economic Advantage (Della Penna)**

Where there is no existing contract — only an economic relationship "containing the probability of future economic benefit" — the plaintiff must satisfy the more demanding test of *Della Penna v. Toyota Motor Sales, U.S.A., Inc.* (1995) 11 Cal.4th 376. *Della Penna* arose from claims by a U.S. parallel importer of Lexus vehicles against Toyota's U.S. distributor. The Supreme Court drew a bright line between interference with existing contracts and interference with prospective relationships, and required plaintiffs in the latter category to plead and prove that the defendant's conduct was wrongful "by some measure beyond the fact of the interference itself." *Id.* at 392–93.

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The elements after *Della Penna* are: (1) an economic relationship between plaintiff and a third party with the probability of future economic benefit; (2) defendant's knowledge of that relationship; (3) intentional and independently wrongful acts by the defendant designed to disrupt the relationship; (4) actual disruption; and (5) resulting damages.

C. The Independently Wrongful Act Requirement (Korea Supply)

Korea Supply Co. v. Lockheed Martin Corp. (2003) 29 Cal.4th 1134 sharpened the *Della Penna* standard. *Korea Supply* involved allegations that Lockheed Martin had bribed Korean defense officials and provided sexual favors to win a $200 million radar contract, defeating a competing bid by Loral represented by Korea Supply. The Supreme Court held that "an act is independently wrongful if it is unlawful, that is, if it is proscribed by some constitutional, statutory, regulatory, common law, or other determinable legal standard." *Id.* at 1159. The wrongful act must be unlawful in itself, not merely tortious because of the interference. The court clarified that the defendant must have intended to interfere or known with substantial certainty that interference would result. *Id.* at 1153–54.

After *Korea Supply*, generic "unfair" or "predatory" business conduct will not support an IIPEA claim. Plaintiffs must point to a specific independent legal violation — a statute breached, a contract breached as to a third party, an antitrust violation, defamation, fraud, trade-secret misappropriation, or the like.

D. Negligent Interference

California recognizes negligent interference with prospective economic advantage in narrow circumstances where a defendant owed a duty of care to the plaintiff and breached it in a manner causing the loss of an expected economic relationship. *J'Aire Corp. v. Gregory* (1979) 24 Cal.3d 799 articulated a six-factor duty test still used today. Negligent interference with contract is generally not recognized in California. *See Fifield Manor v. Finston* (1960) 54 Cal.2d 632. *LiMandri v. Judkins, supra,* 52 Cal.App.4th 326, 348, separately confirmed that one cannot tortiously interfere with one's own contract — a defense often raised by parent corporations and agents acting for principals.

Practice	Business Torts
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Publication	Practice guide · Chapter II · 2026

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