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'Straightforward Piracy': In Anthropic Copyright Case, Judge OKs Class Action for Works Downloaded From Pirate Sites

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What You Need to Know

- Anthropic has acknowledged downloading millions of books to train its Claude AI model.
- The class will include those whose works were pulled from two sites—LibGen and PiLiMi.
- Parties are to agree on a plan to notify potential class members by mid-August.

The federal judge hearing the copyright case against Anthropic granted class action status on Thursday for authors and rights owners whose works were downloaded by the artificial intelligence company from two online collections of pirated books.

While the exact number of potential class members is not yet clear, Anthropic has acknowledged downloading some seven million files from the two sites—Library Genesis, known as LibGen, and the Pirate Library Mirror, or PiLiMi—in order to train the large language models powering its flagship AI product Claude.

In his <u>order granting class status</u>, District Judge William Alsup rejected Anthropic's argument that, at potentially \$150,000 per work, statutory damages for such large collections could be "ruinous."

Alsup said the Ninth Circuit Court of Appeals has found that consideration of such potential liability would be improper, particularly since there is "no serious prospect" that each claimant could take action individually.

"A denial of a motion to certify the class would amount to a concession that copyright owners' credible allegations of infringement will go unchecked by courts so long as a copyist allegedly violates the Copyright Act not a little but a whole lot," Alsup wrote.

To do so, he said, would eliminate the class action deterrent for those who engage in, "in this instance, straightforward piracy but at massive scale. ... It cannot be true that as the scope of copying grows, so does the impunity."

The <u>motion for class status</u> was submitted in March by a team from Susman Godfrey, Lieff Cabraser Heimann & Bernstein and Cowan Debaets Abrahams & Sheppard. A representative for Susman Godfrey declined to comment. Messages sent to the other firms Thursday were not immediately answered.

Anthropic is represented by Arnold & Porter Kaye Scholer and Latham & Wakins. Neither the company nor counsel immediately responded to requests for comment.

The order is the first class action certification to come from the many copyright claims pending against AI companies, according to Edward Lee, a law professor at Santa Clara University who tracks the dozens of cases on his site ChatGPT Is Eating the World.

"Obviously this is very, very bad for Anthropic, but no surprise given Judge Alsup's stern decision on pirated books as not fair use. The trial in December will be huge," Lee wrote in a <u>post on LinkedIn</u> Thursday. Anthropic, <u>he said</u>, "could face business-ending liability in statutory damages."

Avery Williams, a principal at McKool Smith specializing in complex commercial litigation and intellectual property matters, said the damages could be "enormous," particularly if plaintiffs can show the infringement was willful.

"With Anthropic potentially facing hundreds of thousands of infringement claims and given Alsup's comments on Anthropic's cavalier attitude towards piracy, the potential damages may quickly reach a point where Anthropic would be motivated to settle," Williams told The Recorder.

The order also sets a precedent supporting class certification for similar cases, he said, making it easier for authors to pursue claims for other infringements from the LibGen and PiLiMi collections.

The decision came as part of the ongoing copyright suit filed by authors Andrea Bartz, Charles Graeber and Kirk Wallace Johnson against Anthropic in August 2024. The plaintiffs argue Anthropic stole copyrighted books in order to build its AI products. Anthropic has argued that its use of the materials for training purposes is allowed under fair use and, last month, <u>Alsup said</u> such training could be considered transformative fair use.

Within the suit is the matter of Anthropic's decision to torrent millions of books from LibGen, PiLiMi and another pirate site, Books3, as well as digitally scanned books it had purchased. Alsup's order limits the class to the owners of works that were obtained by Anthropic from LibGen and PiLiMi—works that correspond to files also downloaded by Anthropic that contained identifying information needed to determine class members.

In <u>a Judiciary subcommittee hearing Wednesday</u> on the use of copyrighted materials to train AI, Sen. Josh Hawley, R-Missouri, said the use of pirated works by Silicon Valley companies amounts to "the largest intellectual property theft in American history."

"AI companies are training their models on stolen material, period," Hawley said. "And we're not talking about these companies simply scouring the internet for what's publicly available. We're talking about piracy."

Hawley said the problem is both a legal issue and a moral one, asking lawmakers whether they would move to protect the country's creative community "or are we going to allow a few mega-corporations to vacuum it all up, digest it and make billions of dollars in profits—maybe trillions—and pay nobody for it? That's not America."

Anthropic has been ordered to provide the titles, authors, publishers and ISBN or ASIN identifiers to plaintiffs' attorneys by midday Aug. 1. The parties are to produce an agreed-upon plan to notify class members by Aug. 15.

Alsup's order said the case is a "classic" example of one deserving of class certification and echoes the 1999 suit, captioned *A&M Records Inc. v. Napster*, filed against the music-sharing service Napster, which took place in the same court and ultimately led the service to shut down.

"Anthropic downloaded millions of book files," Alsup wrote. "This can and should be proven on a classwide basis. ... Instead of millions of separate lawsuits with millions of juries, we will have a single proceeding before a single jury, *Napster* style."