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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable William H. Alsup, Judge

ANDREA BARTZ, individually and)
on behalf of others similarly)
situated, ,)

Plaintiffs,)

VS.)

NO. C 24-05417 WHA

ANTHROPIC PBC,)

Defendant.)

San Francisco, California
Thursday, September 25, 2025

TRANSCRIPT OF PROCEEDINGS

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U.S. District Court - Official Reporter

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Thursday - September 25, 2025

1:01 p.m.

P R O C E E D I N G S

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THE CLERK: All rise. Court is now in session. The Honorable William Alsup presiding.

(Pause in proceedings.)

THE CLERK: Calling civil action 24-5417, Bartz, et al. versus Anthropic PBC.

Counsel, please approach the podium and state your appearances for the record beginning with Counsel for the Plaintiffs.

MR. NELSON: Good afternoon, Your Honor, Justin Nelson from Susman Godfrey. I'm joined today by Rachel Geman from Lief Cabraser; Craig Smyser from Susman Godfrey; Jay Edelson from Edelson Law; Eli Wade-Scott from Edelson Law; Matt Oppenheim from Oppenheim Zebrak; Jalle Dafa from Lief Cabraser, Nancy Wolff from Cowan DeBaets, Samir Doshi from Susman Godfrey; Jeff Gould from Oppenheim Zebak; Elizabeth Cabraser; Dan Hutchinson from Lief Cabraser, and Amelia Haselkorn from Lief Cabraser, and Jake Miller from Lief Cabraser.

I'm also joined, Your Honor, by Jennifer Keough, the CEO of J&D, our proposed claims administrator, and all three of the named Plaintiffs; Andrea Bartz, Charles Graber and Kirk Wallace Johnston. Thank you.

THE COURT: Welcome to all of you. Thank you. And?

1 **MS. DURIE:** Good morning, Your Honor, Daralyn Durie
2 from Morrison Foerster for Anthropic. I am joined this
3 afternoon by Doug Winthrop and Joe Farris from Arnold & Porter,
4 and by Jeff Bleich and Devon Hanley Cook from Anthropic. Thank
5 you.

6 **THE COURT:** Welcome, especially Mr. Bleich, good to
7 see you again. Anyone else you want to introduce?

8 **MS. DURIE:** No, Your Honor.

9 **THE COURT:** Okay. Well, let's start with what updates
10 would you like to give me. I have read your submissions but
11 any other updates.

12 **MR. NELSON:** Your Honor, we tried to be as
13 comprehensive as possible in our filings here. We are seeking
14 preliminary approval of this historic settlement, which we hope
15 by our filings has demonstrated the overwhelming support from a
16 broad cross-section of authors and publishers and the named
17 Plaintiffs themselves.

18 **THE COURT:** Okay. Anything on your side?

19 **MS. DURIE:** No, Your Honor.

20 **THE COURT:** All right. Let me ask you a few questions
21 then. There's an abort clause. Let's just focus on that.
22 Let's say that the percentage is met and the Defendants abort
23 the settlement; but, meanwhile, that nice lady back there would
24 have done a lot of work. Who is going to pay her? Plaintiffs?

25 **MR. NELSON:** Yes, we are taking that responsibility.

1 **THE COURT:** It will be on you completely.

2 **MR. NELSON:** Absolutely.

3 **THE COURT:** All right. Same question if I were to
4 decertify the class later.

5 **MR. NELSON:** Yes, Your Honor, we are taking the full
6 risk of expenses should the class not go through final
7 approval.

8 **THE COURT:** I'm not planning to decertify; but if a
9 bunch of nightmare scenarios occur, then I'm not -- that could
10 happen but I don't think will happen -- but if they did and
11 there was a decertification, then I want to make sure of two
12 things. You would get all of your money back; is that correct?

13 **MS. DURIE:** Correct.

14 **THE COURT:** And the administrator will be paid by
15 Plaintiffs' counsel.

16 **MR. NELSON:** Absolutely, Your Honor.

17 **THE COURT:** Just wanted to make that clear.

18 **MR. NELSON:** We are taking that risk, absolutely.

19 **THE COURT:** That's part of the big bucks that
20 Plaintiffs' Counsel wheels and deals in month in and month out,
21 but I want to make it clear, all right.

22 Next, I think there's a solution and maybe you have
23 already said it; but if it's not, I want to make it clear; that
24 if there is a dispute among the publisher and -- between the
25 publisher and the author -- let's take the simplest case --

1 then that gets you -- you propose that it be first looked at by
2 the administrator and then by a special master.

3 **MR. NELSON:** That's correct, Your Honor.

4 **THE COURT:** I was worried for awhile -- and I know you
5 put in the standard -- but you didn't put in the cases going
6 the other way -- but I was worried that can I require them to
7 go to a special master rather than to a jury to decide those
8 issues. And I think we can if the notice to class members flat
9 out says "if you submit a claim, you are consenting to
10 adjudication of any issues by, A, the administrator and then
11 the special master." Is that in your notice then?

12 **MR. NELSON:** It is, Your Honor. And Your Honor
13 also -- in the *Hernandez versus Wells Fargo* case -- did this
14 very same thing is appoint a special master that did
15 adjudicate. And it says -- it is very clear in both the claims
16 form -- at the very end of the claims form it says that you are
17 adjudicating and you are consenting to a special master, and it
18 is clear in the long form notice in both places.

19 **THE COURT:** All right. That's very good. All right.
20 Next, you make a good point about the re-inclusion. Now, I
21 want to say, I don't like the re-inclusion. I can't say it has
22 never been done in the history of mankind, but I have never
23 seen it before; and it invites a problem. I will tell you what
24 the problem is in a minute, but I do see a legitimate use for
25 that.

1 Let's say two authors, one publisher, one author opts out,
2 the other two want to stay in, and they go and they talk to the
3 opt-out into taking back the opt-out, I can see that as a
4 legitimate one-work solution. Okay, no problem with that
5 scenario.

6 Here is where I have some problem: Publisher opts out 400
7 books and maybe even meets the -- triggers, although it is a
8 secret. It is under seal but they might make a guess as to
9 what it is -- and it might trigger the opt-out -- I'm sorry,
10 the abort clause percentage. And then the publisher -- I'm
11 sorry, probably some publishers here and I'm being mean to
12 them. I'm picking on them but they are the logical one.

13 Then the publisher says, Oh, we will come back in but we
14 want more money. Other lawyers might give them more money
15 because there's so many hundreds of millions of dollars
16 potentially -- maybe not hundreds of millions but a lot of
17 money involved for the attorneys.

18 I know there are other lawyers out there who would do
19 that. You would not do that.

20 **MR. NELSON:** And we are not as -- this is question 8
21 of Your Honor's questions. We are not aware of anything. We
22 think it would be entirely unethical to do something like that.
23 And if it came to our attention, we would immediately report it
24 to the Court.

25 **THE COURT:** Not only would you do that -- and you too.

1 **MS. DURIE:** Yes.

2 **THE COURT:** -- but I would refer it to the U.S.
3 Attorney for obstruction of justice. If I was a publisher, I
4 wouldn't come close to that scenario.

5 **MR. NELSON:** In all -- and Mr. Edelson from
6 publisher's coordination counsel is here and can address
7 that -- there has been absolutely no indication --

8 **THE COURT:** That's good.

9 **MR. NELSON:** -- at all from any of the publishers --
10 the publishers are here -- they have been quite effective in
11 making this settlement work.

12 **THE COURT:** No side payments, no side agreements.

13 **MR. NELSON:** Absolutely not.

14 **THE COURT:** Nothing that could be a little quid pro
15 quo for the next case down the line, nothing like that. They
16 have to -- here is the problem, then they would be getting
17 something better than the rest of the class, which is not --
18 which upsets the entire plan of distribution.

19 **MR. NELSON:** Absolutely, Your Honor.

20 **THE COURT:** And that would be wrong. We won't do
21 that. I have your word.

22 **MR. NELSON:** And we --

23 **THE COURT:** We understand each other on this.

24 **MR. NELSON:** Absolutely. We are in 100 percent accord
25 on that.

1 **THE COURT:** All right. Good. Okay. I have got a
2 couple more things I want to bring up.

3 The notice ought to refer to your 1542 waiver. I don't
4 think it does. My law clerk says it does not. You should
5 refer to that.

6 **MR. NELSON:** We will absolutely make that clear in the
7 long form.

8 **THE COURT:** All right. Now, he says there is
9 something in Section 508 and 501(b), notice requirements to the
10 copyright office and other notices that I haven't been paying
11 any attention to. I want you to look at those and see if our
12 settlement could be upset on an account of failure to comply
13 with 508 and 501(b).

14 **MR. NELSON:** I do have an answer. I will check 508
15 but on 501(b), I think the way we have structured this notice
16 program is that every single potential claimant will get notice
17 of this. And so, therefore, it would satisfy Section --

18 **THE COURT:** But he said you have to give a copy of the
19 complaint.

20 **MR. NELSON:** Well, it would be online.

21 **THE COURT:** See, now you are stretching it. Do you
22 have to get a copy of the complaint?

23 **MR. NELSON:** Well, the language specifically states
24 that it -- the Court may require such written notice. It is
25 not a shall require, and --

1 **THE COURT:** Well, then I'm not going to -- if it's
2 only may, I'm --

3 **MR. NELSON:** And then there is -- we were actually --
4 there is a question as you go on, whether the may and the
5 shall -- it says: May require such owner to serve written
6 notice of the action with a copy of the complaint upon any
7 person shown by the records of the Copyright Office or
8 otherwise, to have a claim or -- to have or claim an interest
9 in the copyright and shall require that such notice be served
10 upon any person whose interest is likely to be affected by a
11 decision in this case.

12 **THE COURT:** All right. Well, you are trying to do
13 that in your program.

14 **MR. NELSON:** We are, Your Honor. And just the second
15 shall clause -- because we were actually looking at this -- a
16 number of times but just recently. The second shall clause
17 can't overtake the first may clause. So --

18 **THE COURT:** Yes, it could.

19 **MR. NELSON:** -- the way we read it.

20 **THE COURT:** Yes, it could. Some judge somewhere else
21 might say it did. So, let's make sure that our program is
22 going to give notice to all those people.

23 **MR. NELSON:** Thank you, Your Honor.

24 **THE COURT:** All right. Okay. Is there some
25 requirement to give a notice of the works list to the Copyright

1 Office? 508, take a look at that --

2 **MR. NELSON:** If it is, we will take another look.

3 **THE COURT:** Look at it and see. All right.

4 All right. The \$3,000, my law clerk points out, that we
5 don't have anything in the record that justifies the normal
6 comments by somebody, maybe an expert or just the lawyers. And
7 so, why \$3,000 per work is a fair settlement.

8 **MR. NELSON:** I'm happy to --

9 **THE COURT:** Go ahead. I will give you a chance to put
10 something on the record now.

11 **MR. NELSON:** Thank you, Your Honor. And it is also in
12 the long form notice -- I believe it is question 32 -- that
13 Your Honor had a suggestion with a few edits.

14 **THE COURT:** Right.

15 **MR. NELSON:** That's in the long form notice. But to
16 be clear, we believe it is a historic settlement that delivers
17 substantial value to all class members. The range of potential
18 outcomes was zero if we were to lose all the way to \$150,000
19 per work if we were going to win and if Anthropic could pay on
20 all of that.

21 The statutory damages minimum is \$200 a work if there is
22 innocent infringement and \$750 a work if there is not innocent
23 infringement.

24 According to a study that just was released in 2023, the
25 most common verdict for copyright statutory damages was \$750 a

1 work. We have done this and settled in a way that provides for
2 four times the value of the statutory minimum even assuming no
3 innocent infringement to \$3,000 a work. The case settled.

4 During the pendency of the 23(f) appeal on a motion to
5 stay by Anthropic, which if the Ninth Circuit had granted it,
6 would have taken the trial date off calendar and would have
7 also caused substantial uncertainty.

8 In addition, because this is a new area of law that
9 Your Honor has ruled on -- including other district courts
10 including in this courthouse -- there was substantial
11 uncertainty even if we were to get to a trial about what the
12 final legal result would be and even if we were to get a jury
13 verdict -- and I'm hopeful we would have gotten a large jury
14 verdict -- it ultimately would have been up to Your Honor about
15 what the statutory damages would be and what has been subject
16 to remittitur or any other and, of course, subject to appeal
17 from that.

18 In one recent case where there was a large copyright
19 verdict, in fact, it is still on appeal six years later and is
20 now in the Supreme Court.

21 So, this provides finality. It provides certainty. It
22 provides \$3,000 a work. We believe it is by far in the best
23 interest of all class members to do so and is an historic
24 settlement that will result in the largest copyright recovery
25 of all time.

1 And even as compared to other statutory damages cases that
2 have settled on a class action basis, the amount as compared to
3 cases such as *Spotify*, such as *Google Books* -- which was, of
4 course, not approved -- but even if you compare it to those,
5 the level -- and as exhibited in Exhibit A to the original
6 motion for approval -- is between 10 -- I believe it is at
7 least ten times as large on a per work basis as compared to
8 those other copyright class action settlements.

9 All that -- and, of course, as Your Honor just mentioned
10 even at the beginning of this hearing, it was always subject to
11 a risk of decertification at any point and subject to the
12 strict standards of this Court in terms of going forward.

13 So, for all those reasons, we believe this is a home run
14 settlement for all class members and would urge all class
15 members to approve it. It has also been substantially vetted
16 by the named class members who are very much in support of it
17 as their declarations state and by a broad cross-section of
18 authors and publishers and stakeholders.

19 So, in addition, the settlement provides substantial other
20 value in addition to monetary relief. It provides subject to
21 certain restrictions, the destruction of LibGen and PiLiMi
22 datasets and the certification that the works that were
23 downloaded and copies of those works that were downloaded from
24 LibGen and PiLiMi were not used in any commercial model by
25 Anthropic. Thank you, Your Honor.

1 **THE COURT:** Okay. Those are all very good points.

2 Not that it needs anything further but I would add one
3 more consideration, and that is the -- which doesn't get much
4 attention in this case -- but the scanned books part.

5 The Court ruled that it was okay for Anthropic to go out,
6 let's say, to a library where they had books on sale for \$1
7 each; pay \$1; buy the book, take it apart, scan it and use it.
8 That's fair use.

9 **MR. NELSON:** Yes, Your Honor --

10 **THE COURT:** That's \$1 or \$5 or \$10. \$3,000 is way
11 more than that. So, that was another additional risk that
12 going forward at least -- now, in this case you had a huge fact
13 in your favor, which was there was downloading, pirate sites.
14 So, that works greatly in your favor. All those considerations
15 that you gave, justify the \$3,000 settlement.

16 **MR. NELSON:** And, Your Honor, if I may, there is one
17 other I did want to --

18 **THE COURT:** It might be a little more depending on how
19 the extra money goes. Go ahead.

20 **MR. NELSON:** Well, in fact, it will be at least --
21 just based upon the number of works, which as of today are
22 482,460 on the revised list, so even just dividing that because
23 it is less than 500,000, it will be just on a per work basis
24 even assuming that every single work comes in. It will be
25 slightly more than 3,000, forgetting about even the

1 non-reversionary part.

2 But there is another important part to this, which is this
3 is a past release only. It does not affect future conduct
4 whatsoever. So, if Anthropic were to scan books as of
5 August 26th -- even three weeks ago and has done that -- it
6 is -- no claim with respect to that has been released. It is
7 only on the works list. We are not expanding the scope of the
8 release outside of the works on the works list.

9 **THE COURT:** That's true. And if some other judge had
10 that case, that judge might rule that scanning was not right;
11 but in -- on the record I have, I think it was -- that would
12 not be a very strong claim. Okay. Nevertheless it is
13 preserved --

14 **MR. NELSON:** Thank you, Your Honor.

15 **THE COURT:** -- for some other judge some other time.
16 Okay. I want to -- there's something about your settlement, I
17 want to -- we have already touched on it, but let's go over it
18 in more detail.

19 In order to preserve the chance to decertify the class, I
20 have to see how the claims process works. Not that I think
21 that's going to happen, but I think there is enough of a risk,
22 we have to wait and see. So, that means nobody can be paid
23 until we go through the claims process. Am I right about that?

24 **MS. DURIE:** Yes.

25 **MR. NELSON:** Yes, Your Honor. And, in fact, in our

1 proposed schedule no payment will occur -- I believe it is
2 until two months after the final approval hearing where
3 Your Honor will have a full and complete record of the claims
4 that have been --

5 **THE COURT:** And so, we will be 469,000 books and who
6 all present a claim and how they came out, and then I will
7 waive my hand or whoever succeeds me will waive their hand and
8 say approved.

9 **MR. NELSON:** Thank you, Your Honor. That is how it is
10 envisioned.

11 **THE COURT:** Right, okay. So, but then -- so, then no
12 disbursements until we see how the claims are going to go.

13 **MS. DURIE:** Correct.

14 **THE COURT:** Also no fees to you.

15 **MR. NELSON:** That's fine, Your Honor.

16 **THE COURT:** Until we see how it goes.

17 **MR. NELSON:** That's right, Your Honor.

18 **THE COURT:** Part of the high roller big risk that you
19 are taking here for which you deserve some credit. I'm not
20 making fun of you. I'm saying that you are doing a service.

21 **MR. NELSON:** Thank you, Your Honor.

22 **THE COURT:** All right. Those are the main points I
23 wanted to ask you about.

24 I do want to say -- unless you want to talk me out of
25 it -- that this is a fair settlement. I -- at least it meets

1 the preliminary approval standard. And it ordinarily would be
2 a no brainer. 3,000 in my view is a very good settlement for
3 what was done here. However, it's complicated by the plan of
4 distribution, which necessarily is going to have some
5 complications because it involves -- class members are the
6 legal owners, are the beneficial owners -- but those translate
7 to publishers, authors, maybe some other people out there. And
8 it needs excellent lawyers -- you and you, excellent lawyers --
9 to manage this process to a successful end and an ethical end.

10 I think that will happen. We have some of the best
11 lawyers in America in this courtroom now. And if anybody can
12 do it, you can do it. And I think it will be done but we got
13 to wait and see especially the Plaintiffs' lawyers because you
14 are the one waiting to be paid. You got to bird dog this at
15 every stage and bring to my attention problems when they arise
16 so that we can get together and see how to solve the problems.

17 So, I'm approving your plan of distribution. I'm
18 approving your notice except for those things that I raised
19 today. I want to make sure you fix those things. I'm
20 approving the plan of distribution and the overall settlement
21 subject to, of course, the final hearing. I have to hold a
22 final hearing and maybe somebody will bring up a good point
23 that I have not seen yet.

24 Okay. What else do we need to do today?

25 **MR. NELSON:** No, Your Honor, thank you. Thank you for

1 your comments.

2 **THE COURT:** I'm not going to reduce to writing -- I
3 don't want you to say later, Oh, he didn't do a written order.
4 No. My verbal here is the written order. So, make sure you
5 take to heart the comments about the notice and so forth, and
6 let's solve those problems. Okay. So, now, what will be the
7 very next step?

8 **MR. NELSON:** I think, Your Honor, we do have a name
9 for a special master that we will submit for you. It would be
10 unopposed. We will do that as early as tomorrow --

11 **THE COURT:** Okay.

12 **MR. NELSON:** -- so that that --

13 **THE COURT:** Does that person know that you are going
14 to submit --

15 **MR. NELSON:** Yes, Your Honor.

16 **THE COURT:** Who is it?

17 **MR. NELSON:** Her name is Naomi Gray. She is the
18 former president of The Copyright Society and has been approved
19 by both the authors and the publishers as a special master.

20 **THE COURT:** All right. And you have approved that?

21 **MS. DURIE:** Yes.

22 **THE COURT:** Okay. And that person will be paid by you
23 --

24 **MR. NELSON:** Yes, Your Honor.

25 **THE COURT:** -- until such time as, if ever, that we

1 get the final approval.

2 **MR. NELSON:** Yes, Your Honor.

3 **THE COURT:** Anything else? When -- give me the date
4 when the notice will go out. And I want to make it clear,
5 first class mail to every class member with a long-form notice
6 and all those other forms of notice, trade journals and all
7 that.

8 **MR. NELSON:** The -- according to the plan of
9 allocation, the -- as of as soon as possible publication notice
10 will start. The website will go live based upon the works list
11 and the class list that was submitted. That will happen
12 immediately.

13 In addition, trade media, internet online and social media
14 will start no later than seven days. We expect it to start as
15 early as tomorrow or Monday.

16 In addition, because of this approval today, the key
17 industry groups will -- will distribute it as reflected in the
18 multiple declarations that Your Honor has. Those will start
19 immediately. And, of course, we expect that we will be
20 generating press.

21 Within 45 days of today, the major publishers, we expect
22 will be -- at least the major publishers comprising about half
23 the list -- will give up-to-date information. We expect that
24 to grow, and then 14 days after that, which would be 59 days
25 from today, notice will go out from there.

1 **THE COURT:** All right. I -- I think there's been
2 enough notice of -- that I will -- I will just step off the
3 bench by the end of the year. So, this process will continue.
4 It's not a hundred percent that I will step off the bench, but
5 that was my original plan. But if I do, we will have to
6 reassign the case to a new judge, but at least we had this plan
7 in place that's now approved; and you can move forward. And if
8 a new judge comes in, you will have to educate the new judge on
9 what's happened to date. Okay. Anything more?

10 **MS. DURIE:** No, Your Honor, thank you.

11 **MR. NELSON:** Your Honor, the only thing I would add is
12 to thank Your Honor and the court staff for the time and
13 attention to this case. We really appreciate it.

14 **THE COURT:** I have learned a lot.

15 (Laughter)

16 **MR. NELSON:** Likewise.

17 **THE COURT:** Thank you.

18 **THE CLERK:** Court is adjourned.

19 (Proceedings adjourned at 1:27 p.m.)

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CERTIFICATE OF REPORTER

I certify that the foregoing is a correct transcript
from the record of proceedings in the above-entitled matter.

DATE: September 26, 2025

A handwritten signature in blue ink that reads "Marla Knox". The signature is written in a cursive style and is positioned above a horizontal line.

Marla F. Knox, CSR No. 14421, RPR, CRR, RMR
United States District Court - Official Reporter