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ANTHROPIC COPYRIGHT RULING: WHAT IT MEANS FOR AI AND FAIR USE

July 2, 2025

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As generative AI tools become more prevalent across industries, courts are beginning to weigh in on how traditional copyright laws apply to this emerging technology. On June 23, 2025 a federal judge in the North District of California granted partial summary judgment in favor of Anthropic, the creator of the Claude AI platform, finding that training an AI model with copyrighted works constitutes transformative fair use. The case, brought by three writers seeking to certify a class, alleged that Anthropic's AI models infringed more than 7 million pirated books (and some legally purchased). The decision offers early guidance for companies developing or using generative AI, particularly regarding how training data and AI-generated outputs may be treated under copyright law.

Key Points:

- Fair Use and Training Data: The court found that using copyrighted material to train AI models may be protected under fair use, noting that "[t]he technology at issue was among the most transformative many of us will see in our lifetimes.".
- Ongoing Uncertainty: The ruling did not resolve all issues. Claims related to the Anthropic's storage of downloaded pirated copies in a central library were allowed to proceed.
- Output vs. Input: The judge distinguished between using copyrighted works as training data (input) and the AI's actual outputs but noted that the plaintiff's did not challenge Anthropic's outputs, so liability for outputs was not addressed.

What This Means for Businesses:

- Companies developing or using generative AI should monitor these legal developments closely.
- While the decision offers some protection for AI training practices, risks remain if underlying content is stored or if AI outputs reproduce copyrighted content.
- Review your AI systems and data practices to mitigate potential copyright exposure.

As the intersection of copyright and AI continues to evolve, proactive legal guidance is essential. Berger Singerman's attorneys are closely following the evolving legal landscape surrounding artificial intelligence, copyright law, and fair use. Please reach out to Geoffrey Lottenberg, or any other member of our Intellectual Property group for guidance on how this ruling may impact your AI development, data usage policies, and risk mitigation strategies.

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