EXHIBIT 11

(FILED UNDER SEAL)

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

Case No. 5:24-cv-03811-EKL-SVK

CONCORD MUSIC GROUP, INC., ET AL.,

Plaintiffs,

v.

ANTHROPIC PBC,

Defendant.

EXPERT REPORT AND DISCLOSURE OF JULIE L. DAVIS

Submitted December 19, 2025

HIGHLY CONFIDENTIAL—ATTORNEYS' EYES ONLY

I. Background and Experience

I have been providing audit and financial consulting services to attorneys and corporate clients for forty-seven years. The early part of my career was devoted to directing and performing independent financial audits of private and publicly held companies ranging from manufacturing entities to financial institutions at Touche Ross & Co., which at the time was one of the Big 8 accounting firms. Drawing upon that background, I have spent the last thirty-seven years consulting extensively with companies involved in business and intellectual property disputes. Prior to starting my own firm, Davis & Hosfield Consulting LLC, I served as the Partner-in-Charge of the National Intellectual Property Practice at KPMG LLP and prior to that served as the Co-Managing Partner of the Global Intellectual Asset Consulting Practice at Andersen LLP. Davis & Hosfield Consulting LLC was acquired by Stout Risius Ross, LLC ("Stout") in August 2022. I am currently a Managing Director at Stout.

I have worked on numerous intellectual property cases during my career and have conducted complex studies of damages and other matters related thereto. These studies have included evaluations of lost sales, lost profits, incremental profits, manufacturing and marketing capacities, fixed and variable costs, product line profitability, price erosion, reasonable royalties, unjust enrichment, and prejudgment interest. I have testified in matters related to these studies.

In addition to intellectual property disputes, I have assisted companies in developing intellectual property strategies and managing their intellectual property portfolios. I have also conducted studies related to those portfolios including patent portfolio analyses, competitive assessments, licensing analyses, cost studies, and benchmarking studies. In addition, I have co-authored a book, *Edison in the Boardroom*, on the best practices used by leading companies in managing their intellectual property.

I graduated in 1978, *summa cum laude*, from Kansas State University with a Bachelor of Science degree in Business Administration and Accounting. In the same year, I earned the Gold Key in the State of Kansas for the highest score in the state on the CPA exam. I am a licensed CPA in California, Illinois, Kansas, Missouri, and Texas. I am a member of the American Institute of Certified Public Accountants, American Bar Association, and Licensing Executives Society. My curriculum vitae, which is attached as Exhibit 1, describes in more detail my professional credentials including other publications and prior testimony experience as required under Federal Rule of Civil Procedure 26(a)(2)(B).

II. Scope of Retention

The above-referenced matter relates to, among other things, claims of copyright infringement filed by various music publishers against Anthropic PBC ("Anthropic").[1] The specific music publishers named as plaintiffs in this matter are as follows:

- Concord Music Group, Inc. ("Concord");[2]
- ***Capitol CMG, Inc.*** d/b/a Ariose Music, d/b/a Capitol CMG Genesis, d/b/a Capitol CMG Paragon d/b/a Greg Nelson Music, d/b/a Jubilee Communications, Inc., d/b/a Meadowgreen Music Company, d/b/a Meaux Hits, d/b/a Meaux Mercy, d/b/a River Oaks Music, d/b/a Shepherd's Fold Music, d/b/a Sparrow Song, d/b/a Worship Together Music, d/b/a Worshiptogether.com Songs; ***Universal Music Corp.*** d/b/a Almo Music Corp., d/b/a Criterion Music Corp., d/b/a Granite Music Corp., d/b/a Irving Music, Inc., d/b/a Michael H. Goldsen, Inc., d/b/a Universal – Geffen Music, d/b/a Universal Music Works; ***Songs of Universal, Inc.*** d/b/a Universal – Geffen Again Music, d/b/a Universal Tunes; ***Universal Music – MGB NA LLC*** d/b/a Multisongs, d/b/a Universal Music – Careers, d/b/a Universal Music – MGB Songs; ***Polygram Publishing, Inc.*** d/b/a Universal – Polygram International Tunes, Inc., d/b/a Universal – Polygram International Publishing, Inc., d/b/a Universal – Songs of Polygram International, Inc.; ***Universal Music – Z Tunes LLC*** d/b/a New Spring Publishing, d/b/a Universal Music – Brentwood Benson Publishing, d/b/a Universal Music – Brentwood Benson Songs, d/b/a Universal Music – Brentwood Benson Tunes, d/b/a Universal Music – Z Melodies, d/b/a Universal Music – Z Songs (collectively, "Universal");[3] and
- ABKCO Music, Inc. ("ABKCO").[4]

For the purposes of this report, I may refer to Concord, Universal, and ABKCO collectively, as "the Music Publishers" or "the Plaintiffs."

The Music Publishers allege that "Anthropic violates Publishers' copyrights at many stages of the development of its AI models. First, Anthropic engages in the wholesale copying of Publishers' copyrighted

[1] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, pp. 1-2 and 66-74.

[2] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 9.

[3] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, pp. 9-11 (emphasis added to delineate the six Universal entities separate and apart from their "d/b/a" names).

[4] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 11.

lyrics as part of the initial data ingestion process to formulate the training data used to program its AI models."[5] "Second, Anthropic creates additional unauthorized reproductions of Publishers' copyrighted lyrics when it cleans, processes, trains with, and/or finetunes the data ingested into its AI models, including when it tokenizes the data."[6] "Third, Anthropic's AI models disseminate identical and near-identical copies of a wide range of Publishers' copyrighted lyrics, in further violation of Publishers' rights."[7] The Music Publishers also allege that Anthropic "employ[s] extraction tools to systematically remove copyright notices and other copyright management information during the training of its AI models, and program[s] those models to generate output that copies Publishers' lyrics while omitting such copyright management information"[8] The claims asserted by the Music Publishers against Anthropic are direct copyright infringement; contributory infringement; vicarious infringement; and removal or alteration of copyright management information.[9] As part of the allegations in this matter, the Music Publishers have identified 499 songs as "[a] non-exhaustive, exemplary list of the musical compositions for which Publishers are the legal or beneficial copyright owners, and which Anthropic has infringed."[10] For purposes of this report I may refer to these 499 songs, whether collectively or some subset of, as "the Asserted Works."

Stout was retained by Wilmer Cutler Pickering Hale and Dorr LLP ("Counsel") on behalf of Anthropic in the above-referenced matter to, among other things and as relevant to this report, address and analyze certain elements of a copyright damages claim for which the Music Publishers would be entitled to a remedy of Anthropic's profits.[11] I have also been asked to analyze the financial data produced by the Plaintiffs, as well as other information, as it relates to Factor 4 of the fair use defense, which is "the effect of the use upon the potential market for or value of the copyrighted work."[12]

[5] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 18.

[6] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 23.

[7] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 24.

[8] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, p. 60.

[9] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, pp. 66-74.

[10] First Amended Complaint and Demand for Jury Trial, dated April 25, 2025, pp. 66, 69, and 71 and Exhibit A.

[11] The Music Publishers' disclosures indicate that one form of damages that they may seek is Anthropic's profits (see Plaintiffs' Updated Second Amended Rule 26(a)(1) Initial Disclosures, dated October 28, 2025, p. 5).

[12] Title 17 U.S.C. § 107(4).

The Music Publishers have not yet identified any actual damages they experienced from the alleged removal or alteration of CMI or from the alleged distribution of their works without CMI.[288] Likewise, they have not yet identified any Anthropic profits attributable to the alleged removal or alteration of CMI or from the alleged distribution of their works without CMI,[289] nor have they alleged a specific number of CMI violations for purposes of statutory damages.[290] I expect to address these issues as well as respond to the Plaintiffs' arguments on these issues, as necessary, in my rebuttal report.

Notably, while the three categories of damages applicable to CMI related violations—actual damages, apportioned profits, and statutory damages—track the same three categories of damages applicable to copyright infringement, I understand that the inquiries are distinct: actual damages under the CMI statute focus on damages the complaining party experienced from *the CMI violation* whereas actual damages for infringement are those suffered by him or her as a result of *the infringement*. Similarly, the CMI statute points to profits attributable to *the CMI violation*, while the copyright infringement statute points to profit attributable to *the infringement*. Accordingly, to the extent the Plaintiffs can identify any Anthropic profits attributable to the alleged CMI violations, I expect the apportionment considerations that I will use to apportion profits for the alleged CMI violation will be different from the apportionment considerations discussed above for apportioning profits attributable to alleged infringement. [redacted]

C. Fair Use Factor 4 Analysis

As noted above, I have also reviewed the Plaintiffs' revenue data as it relates to factor 4 of the fair use defense, which is "the effect of the use upon the potential market for or value of the copyrighted work."[292] I understand that other experts retained by Anthropic will also offer opinions on issues related to factor 4. For

[288] Plaintiffs' Updated Second Amended Rule 26(a)(1) Initial Disclosures, dated October 28, 2025, pp. 5-6.
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[290] Plaintiffs' Updated Second Amended Rule 26(a)(1) Initial Disclosures, dated October 28, 2025, pp. 5-6.
[291] See Appendix A.
[292] Title 17 U.S.C. § 107(4).

this analysis, I consider whether the Plaintiffs' financial data support their claim that there has been harm to the market for licensing the lyrics of the Asserted Works.

As described earlier in this report, I have summarized the revenue data produced by the Plaintiffs in the attached appendices. Based on my review of that data, [redacted] since the launch of the Claude products (as described above, the API product was introduced in late 2022, Claude 1 and Claude Instant models in March 2023, and Claude.ai in July 2023).[293]

[redacted]

[293] Kaplan Exhibit 233: Declaration of Jared Kaplan in Support of Defendant's Opposition to Plaintiffs' Renewed Motion for Preliminary Injunction, dated August 22, 2024, p. 2; https://www.anthropic.com/news/introducing-claude; https://www.anthropic.com/news/claude-2.

[294] See Appendix C, Schedule 3.

[295] See Appendix C, Schedule 3.

[296] See Appendix C, Schedule 3 and Schedule 4.

[297] See Appendix C, Schedule 3 and Schedule 4.

[298] See Appendix C, Schedule 4. [redacted].

[299] Deposition of Duff Berschback, dated October 10, 2025, p. 186.

[redacted]

[redacted]

[redacted]

[redacted]

Deposition testimony from the Plaintiffs supports the conclusions above. For example, Mr. Berschback [redacted][315] Mr. Berschback also testified that it would be [redacted]

[309] See Appendix E, Schedule 4.

[310] See Appendix E, Schedule 4.

[311] Deposition of Kent Draughon, dated November 5, 2025, pp. 171-172.

[312] See Appendix F, Schedule 3 and Schedule 4.

[313] See Appendix F, Schedule 3; Calculated as ($396,072 - $335,214) / ($482,136 - $413,548) = 88.7%.

[314] See Appendix F, Schedule 3 and Schedule 4.

[315] Deposition of Duff Berschback, dated October 10, 2025, p. 214.

[redacted][316] Mr. Berschback explained [redacted].[317] [redacted].[318]

Mr. Draughon testified that [redacted][319] Mr. Draughon [redacted].[320] Mr. Draughon [redacted].[321]

Ms. Coleman testified [redacted].[322] Ms. Coleman testified [redacted].[323]

Additionally, the Music Publishers have not identified any specific market impacts in their Initial Disclosures or in their interrogatory responses to requests related to identifying alleged harm.[324]

[316] Deposition of Duff Berschback, dated October 10, 2025, p. 215.

[317] Deposition of Duff Berschback, dated October 10, 2025, p. 215.

[318] Deposition of Duff Berschback, dated October 10, 2025, pp. 216-217.

[319] Deposition of Kent Draughon, dated November 5, 2025, pp. 236-238.

[320] Deposition of Kent Draughon, dated November 5, 2025, pp. 246-248.

[321] Deposition of Kent Draughon, dated November 5, 2025, p. 249.

[322] Deposition of Alisa Coleman, dated October 29, 2025, pp. 197-199.

[323] Deposition of Alisa Coleman, dated October 29, 2025, pp. 197-199.

[324] Plaintiffs' Updated Second Amended Rule 26(a)(1) Initial Disclosures, dated October 28, 2025, pp. 8-9; Plaintiffs' Supplemental Objections and Responses to Defendant's Second Set of Interrogatories (Nos. 14, 15, 16 & 19), dated October 9, 2025, pp. 13-16 and 18-19.

Finally, I understand that there are potential ways that generative AI may be beneficial to the market for licensing lyrics. For example, generative AI can recommend new artists or songs that could lead to increased downloads, streams, or purchases of sheet music of a particular work.[325] Mr. Kokakis testified that "AI has a lot of beneficial applications" and noted that "AI can be a valuable tool for songwriters and artists."[326] In comments before the United States Copyright Office, Universal Music Group wrote that AI can "help songwriters pitch new songs to recording artists, build an artist's tour with greater efficiency, identify new potential fan bases, and monetize music in unprecedented ways."[327]

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My report, with supporting exhibits, is contained herein, and presents a summary of my opinions and the bases and reasons therefor as of this date. To the extent any additional information is produced by the parties or their experts, I will be prepared to incorporate any such additional information into my report, or otherwise to amend or supplement my report as appropriate.

This report is to be used only for the purpose of this litigation and may not be published or used for any other purpose without prior written consent.

By:



Julie L. Davis
December 19, 2025

[325] Deposition of Daniela Amodei, dated November 12, 2025, p. 197.

[326] Deposition of David Kokakis, dated November 11, 2025, pp. 336-337.

[327] Kokakis Exhibit 61: Comments of Universal Music Group (UMPG_0000006757-UMPG_0000006855 at UMPG_0000006762); Deposition of David Kokakis, dated November 11, 2025, p. 336.