

Defendants Warner/Chappell Music, Inc. and Summy-Birchard, Inc.
(collectively, "Warner/Chappell") respectfully submit the following response to
Plaintiffs' October 8, 2013 submission to the Court (Dkt. No. 66).

None of the numerous paragraphs of the Second Amended
Consolidated Complaint ("SAC") that Plaintiffs cite in their submission,
individually or collectively, set forth the two-step theory that Plaintiffs described at
the October 7, 2013 hearing, *i.e.*, that (1) the scope of Warner/Chappell's copyrights
in *Happy Birthday to You*, cited in Plaintiffs' complaints, does not encompass the
rights that Warner/Chappell licensed to Plaintiffs; but if it does, (2) those copyrights
are not valid.

Without waiving any of Warner/Chappell's arguments in the pending
motion to dismiss, Warner/Chappell does not object to the Court's granting
Plaintiffs leave to file a further amended complaint, provided that the only changes
made by this amendment are to describe Plaintiffs' two-step theory.

15 3. As discussed at the hearing, Warner/Chappell agrees with the Court that the case should be bifurcated, for case management purposes, and that it makes 16 sense for the Court to set a schedule allowing for a brief period of discovery, limited 17 solely to the copyright scope and validity issues raised by Plaintiffs' first cause of 18 19 action for declaratory judgment, followed by summary judgment/adjudication motions limited to these issues. Warner/Chappell requests that the Court schedule a 20 21 case management/scheduling conference to set the timeframe and parameters for the aforementioned period of discovery and motion practice. 22

23 Warner/Chappell submits that, if the Court proceeds with the case 4. 24 management plan described above, that Warner/Chappell's pending motion to 25 dismiss be held in abeyance pending resolution of the aforementioned summary 26 judgment/adjudication motions, and that Warner/Chappell's time for answering or otherwise responding to the SAC (or any amended complaint that Plaintiffs file in 27 28 accordance with their pending request) be stayed pending resolution of the summary DEFENDANTS' STATEMENT IN RESPONSE TO 21856870.1 PLAINTIFFS' OCTOBER 8, 2013 SUBMISSION -1-

1	judgment/adjudication motions, at	which point in time the Court could resolve the
2	preemption and other issues that W	Varner/Chappell's pending motion raises.
3		Respectfully submitted,
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5	DATED: October 9, 2013	MUNGER, TOLLES & OLSON LLP
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7		By: /s/ Kelly M. Klaus
8		KELLY M. KLAUS
9		Attorneys for Defendants Warner/Chappell Music, Inc. and Summy-Birchard, Inc.
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