Background.

The Internet, which was initially created as a project to connect leading research institutions funded by the U.S. Department of Defense, has become the key infrastructure for the emerging information society. What distinguishes the Internet from computer networks that came before it, and the key to its success, is that it is not a network, but a “network of networks” that is not controlled by any central authority. Rather, at its most fundamental level, the Internet is a series of technology and communications standards (also referred to as “protocols”) that allow diverse computer networks, whether operated by government agencies, academic institutions, or commercial enterprises, to interact with each other and to operate as one giant network.

The most famous and widespread uses of the Internet are e-mail and the World Wide Web (the “Web”). These technologies, more than any other, are the foundation of the information economy and, more generally, of the information society. The true power of e-mail and the Web lies in their universality. Over the Internet, one can send e-mail to people around the world, unfettered by the kind of computer and Internet service used by the recipients. Similarly, one can access Web pages from anywhere in the world, regardless of how the pages were created and regardless of the type of computer used to “serve” the pages. This universality of e-mail and the Web owes its existence to a set of standards to which all the key contributors to the Internet adhere. These contributors consist of software vendors, telecommunications providers, and, in the case of the Web, content providers.

However, such universality is not natural, but is the result of tremendous efforts spanning decades by academics, business leaders, and government agencies, largely in standards organizations and open source software development projects (described below). Furthermore, some Internet technologies, such as “instant messaging” (also known as “chat”) are not universal because commercial vendors that control these technologies have no interest in making their technologies interoperable. Even more daunting is the fact that the universality of e-mail and the Web can be substantially curtailed. For instance, the massive volume of spam (commercial junk e-mail) is threatening the universality of e-mail, as users reconfigure their e-mail programs to reject mail from strangers. Further, some Web pages can be viewed solely on a certain type of computer or with a specific Web browsing software. The use of such non-standard technologies, often promoted by commercial software developers and vendors who are eager to maintain a competitive advantage, reduces the Web’s universality and, consequently, limits Internet access on those unable or unwilling to afford the commercial technologies. Commercial software developers and vendors seek to maintain their monopoly over specific Web applications by keeping the software’s “source code”
confidential, while releasing the "object code" to their licensees. The source code consists of
the lines of human-readable computer programming code that make up a software application.
The object code consists of the 0's and 1's that are decipherable only by computers. One way
to visualize the relationship between the two codes is to think of the object code as enabling
the software to perform its function without revealing the source code.

In marked contrast to the foregoing commercially driven mode of operation is the approach
adopted by the open source software community. Under an open source arrangement, the
source code is made available, through royalty-free software licenses, to interested users and
developers, even though they were not involved in creating the original product. The
distributors of open source software expect and encourage users and outside programmers to
examine the code in order to identify problems, and to modify the code with suggested
improvements and enhancements. The practical benefit of the collaboration that is inherent in
the open source process is the rapid development of high quality software. This has been
borne out in practice through the Linux computer operating system and many of the core
computer programs that allow the Internet to function (e.g., "web servers," "domain name
servers" and "proxy servers" programs). It is fair to say that the Internet was built and
continues to operate largely on open source software.

Exempt Purpose of the Foundation.

The exempt purpose of the Foundation is to serve the general public by undertaking activities
to (1) keep the Internet a universal platform that is accessible by anyone from anywhere,
using any computer, and (2) promote the continuation of the innovation on the Internet (which
has already affected the lives of more than 500 million Internet users). Specifically, the
Foundation's exempt purpose is to develop (a) open source, standards-compliant, free Internet
applications that will be usable by (and made available free-of-charge to) tens of millions of
users, and (b) foundational technologies that will be used by content developers and software
developers to develop standards-compliant online content and open source Internet software.
By doing so, the Foundation will help guard the open nature of the Internet. The gateway
technologies of the Internet are the key to the development of the information economy in
much the same way that the network of public highways was the engine of our country's
industrial development. The Foundation will help ensure that the new, virtual highways can
accommodate all members of the general public, are free of toll-booths and will provide other
software and content developers with the tools to do the same.

Key Activities. The Foundation plans to engage in the following key activities in pursuance
of its exempt purpose:

(1) Facilitate the development of a web browser, e-mail software and other
Internet software that (a) are open source, (b) implement open standards, (c) are available free
of charge to all Internet users around the world, regardless of the make or model of computers
they use, the language they speak, or disabilities they may have, (d) are developed in an open
process in which any interested party (individuals, government agencies, nonprofit
organizations, corporations) can contribute, and (e) are powerful and easy to use. The
Foundation plans to spend approximately 40% of its time on this activity.
(2) Facilitate the development of technologies that can be used by other software developers as building blocks for other Internet software. These technologies will be fully open source, standards-compliant and available free of charge to all software developers. The Foundation plans to dedicate approximately 20% of its time to this activity.

(3) Facilitate the development of software products that can be used by any open source development project to improve their ability to develop software. These products will be fully open source, standards-compliant and available free of charge to all open source software development projects. The Foundation plans to spend approximately 15% of its time on this activity.

(4) Provide documentation and training for all of the above-mentioned technologies, aimed at both end users and software developers, with the goals of (a) increasing awareness among the public and software developers about the importance of open source software and open standards, and (b) providing a methodology for the development of Internet software and content that will be accessible to people regardless of disability, language or computer environment. The Foundation also plans to conduct educational campaigns directed at the general public to promote adoption of the Mozilla software. The Foundation plans to devote approximately 15% of its time to this activity.

(5) Participate in Internet standards development efforts with the focus of promoting standards that complement the Foundation’s exempt purpose (i.e., the availability of software to the general public free-of-charge, regardless of the make or model of computers they use, the language they speak, or disabilities they may have). The Foundation plans to spend approximately 10% of its time on this activity.

Specific Undertakings.

Specific Undertakings for Activities Described in (1) through (3): The Foundation plans the following specific undertakings to carry out the three activities described in paragraphs (1) through (3) above:

- create open source software;
- establish and maintain the necessary facilities to make the source code available to software developers;
- create and maintain forums where software developers can collaborate in the development of the open source software;
- serve as a repository of code and documentation contributed by software developers;
- oversee the operations, technology strategy and the incorporation of the technology contributed by software developers into the open source software and the source code, as applicable;
- establish technical standards for the open source software;
- license Mozilla software to all members of the general public, including commercial and non-commercial software developers, generally on a royalty-free basis. Such licensing would be consistent with the Foundation’s exempt purpose. However, it is possible that the Foundation will grant some licenses
for the use of Mozilla software in return for royalty payments. If such licensing occurs, the Foundation will take the necessary steps to insure that the terms are fair and reasonable to it; and

- promote world-wide adoption of the Mozilla (open source) software, documentation and standards by working with organizations outside the United States that are organized and operated for substantially the same exempt purpose as the Foundation. Specifically, the Foundation plans to assume a leadership role with respect to issues and policies of global concern to the international open source community. For example, the Foundation would take the lead on the formulation of the technical direction for the core Mozilla distributions. The Foundation plans to assist such overseas organization in fulfilling their purposes by licensing the Mozilla name and trademarks to those organizations, on a royalty-free basis, to be used in connection with their Mozilla open source projects at the local level (e.g., Mozilla France, Mozilla Japan).

With regard to adoption of Mozilla software, the Foundation notes that many universities have adopted Mozilla technologies. These include Columbia University, Rutgers, Purdue, the University of California at Davis, Florida State University, St. Joseph’s College, University of Saskatchewan, University of Calgary, Deakin University (Australia), Vrije University (the Netherlands), Wake Forest, and the University of Chicago. The fact that the Mozilla stability releases have been downloaded at the monthly rate of approximately 100,000 times is additional evidence of wide adoption. In addition, the South Korean government is adopting the Mozilla browser as the national standard. Moreover, various agencies of both the French and Swiss governments have provided Mozilla software to their citizens.

**Additional Specific Undertakings for Activity Described in (1):** In connection with the activity described in paragraph (1) above, the Foundation plans to:

- establish and maintain the necessary facilities to make the executable code\(^1\) available to all end users (i.e., members of the general public). Users may download the code free-of-charge at the Foundation’s Web site. In addition, the Foundation has learned that many users prefer to obtain complex software on compact discs (“CDs”) over a long download via the Internet. In order to facilitate adoption of the Mozilla software by this group, the Foundation will arrange to make the code available on CD by contracting with an independent third party (the “CD Service”). The Foundation expects that those who choose to get a CD rather than use the *free* Internet service will be charged a fee for this optional delivery mechanism. The initial fee is anticipated to be $4.00. The Foundation does not anticipate generating significant revenues from this activity; and

---

\(^1\) In most instances, the “executable code” is the same as the “object code.”
• make technical assistance available to end users of the Mozilla open source software. By way of background, the Foundation has learned that many people cannot adopt the software for use unless there is someone available to answer their questions or walk them through the process. Accordingly, the Foundation plans to provide a variety of technical assistance options free of charge to all users who request them. However, because of its limited resources, the Foundation also plans to arrange for an independent third party to provide technical support by telephone (the "TTS Service"). Because the provision of individualized technical support (via telephone) is generally time consuming, users will be charged a fee. The current fee is $39.95 per call, based on an anticipated call average of 25 minutes. The Foundation does not anticipate generating significant revenues from this activity.

Specific Undertakings for Activity Described in (4): The Foundation further plans the following specific undertakings to carry out the activity described in paragraph D(4) above:

• create the documentation;
• establish and maintain the necessary facilities to make the documentation available to developers and end-users;
• create and maintain forums where documentation writers can collaborate in the development of the documentation;
• oversee the operations, documentation strategy and the incorporation of the materials contributed by documentation writers into the documentation; and
• establish technical standards for the documentation.

Specific Undertakings for Activity Described in (5): Finally, the Foundation plans the following undertakings in furtherance of the activity described in paragraph (5) above:

• join Internet standards organizations such as the World Wide Web Consortium, the Internet Engineering Task Force and other standards bodies and contribute to the development of Internet standards;
• establish a Technology Advisory Board composed of representatives from the technology industry and research institutions to help identify new standards to be developed; and
• operate an outreach program that works with web site developers to ensure that web sites are standards-compliant.