

Legal XML Organizing Committee Meeting

March 26, 2000, Version 0.2
By Winchel 'Todd' Vincent, III

Executive Summary

Legal XML (<http://www.legalxml.org/>) is a non-profit organization comprised of volunteer members from private industry, non-profit organizations, government, and academia. The mission of Legal XML is to develop open, non-proprietary technical standards for legal documents and related applications.

Legal XML has experience rapid growth in the past six months. Legal XML began in November 1998 with seventeen (17) members. As of March 26, 2000, Legal XML has 317 members from around the world. Legal XML members and non-members have participated in two full face-to-face meetings, three court filing meetings, and two transcript meetings. On March 22, 2000, Legal XML, in collaboration with COSCA/NACM Joint Technology Committee, published Legal XML's first "Proposed Standard".

Legal XML's growth in the past several months is positive. However, quick growth has resulted in increased administrative, financial, and political burdens. In March 2000, at the second Legal XML face-to-face meeting, attendees ratified the formation of a "Legal XML Organizing Committee" to address the issues of growth and to determine whether there is community support for continued growth and evolution of Legal XML. You are receiving this document because you have been asked and you have agreed to be a part of the Legal XML Organizing Committee.

The Organizing Committee is composed of academic, non-profit, government, and private industry stakeholders interested in developing technical standards for the legal industry. The purpose of the Organizing Committee is to discuss and recommend to Legal XML membership answers to the following questions:

- What standards?
- What technologies?
- Developed for what economic or social purposes?
- Developed for what legal applications?
- Developed by whom?
- What organization(s)?
- Who Governs?
- Who Funds?
- Who Owns?
- Who Administers and Manages?
- Who owns the intellectual property and under what policy?
- How do you market the effort?

This discussion paper, of which this is a mere summary, attempts to frame some of these issues for discussion purposes.

Original Legal XML members agreed that, "The mission of Legal XML is to develop open, non-proprietary technical standards for legal documents and related applications." One of the issues for the Organizing Committee is to revisit the Legal XML mission statement and recommend whether it is appropriate.

Legal XML members are and will be driven by a variety of social and economic purposes and value propositions, the combination of which will shape the organization's scope, governance, funding, membership, and intellectual property policy. The Organizing Committee may find it helpful to identify purposes and value propositions important to current and potential members and determine whether these

purposes and value propositions are compatible or incompatible. The Organizing Committee should be able to articulate these purposes and value propositions to Legal XML membership.

Legal XML can be scoped from both a “theoretical” and a “practical” perspective. Theoretically, all “legal documents and related applications” are within Legal XML’s scope. Practically, limited volunteers limits Legal XML’s scope. Legal XML’s can also be scoped by looking at “horizontal” and a “vertical” domain. Vertical domains include “court filing,” “transcripts”, and “contracts.” From a “vertical” perspective, one might reasonably argue that “vertical” domains have little to do with each other. However, there are “horizontal” commonalities among “vertical” domains bind them. For instance, all legal documents contain names, addresses, dates, times, and signatures. It makes little sense, therefore, given “horizontal” commonalities, for “vertical” legal standards to be developed in isolation from one another. However, coordination is not always easy. Accordingly, the Organizing Committee should discuss and recommend the present and future scope of Legal XML.

Presently, Legal XML does not exist as an independent legal entity. Rather, Georgia State Research Foundation, Inc. is the legal entity behind Legal XML. There are a variety of other organization models that may provide better growth opportunity for Legal XML. The Organizing Committee should consider various organizational models and recommend a preferred model to Legal XML membership.

There is a long and growing list of administrative and managerial duties associated with Legal XML day-to-day operations. The Organizing Committee should consider administration and management strategies in light of a preferred organizational model and potential funding opportunities.

Presently, Legal XML is “funded” on an ad hoc basis from a relatively small number of sources. The total value of Legal XML’s resources is somewhere between \$110,000 and \$140,000 per year. If Legal XML is to grow, it is desirable to have a more stable and distributed source of funding. Various funding sources are potentially available to Legal XML:

- Ad hoc, volunteer, or angel investment
- Grants
- Membership and registration fees
- In-kind resources from universities or other organizations
- Advertising

A potential funding model based on membership fees could provide revenue up to \$1,000,000 per year. However, such a revenue stream is not possible in the near term. If present Legal XML resources are valued at around \$100,000 per year and there is a potential future revenue stream of \$1,000,000 per year, then the Organizing Committee may want to consider a transitional funding model. A transitional funding model might include “angel investment” by organizations that see value in the existing organization and are willing to risk seed money to further develop the organization. The Legal XML Organizing Committee should consider and recommend both a transitional funding model and future funding models.

Presently, Legal XML is governed by Operating Rules that include an Intellectual Property Policy. The Organizing Committee should carefully review the Legal XML Operating Rules and determine whether they are appropriate for future governance. The Organizing Committee should also review the Legal XML Intellectual Property Policy to determine whether it is suitable for the development of open, non-proprietary standards.

Finally, the Organizing Committee should consider how best to market Legal XML or a resulting standards organization.

Table of Contents

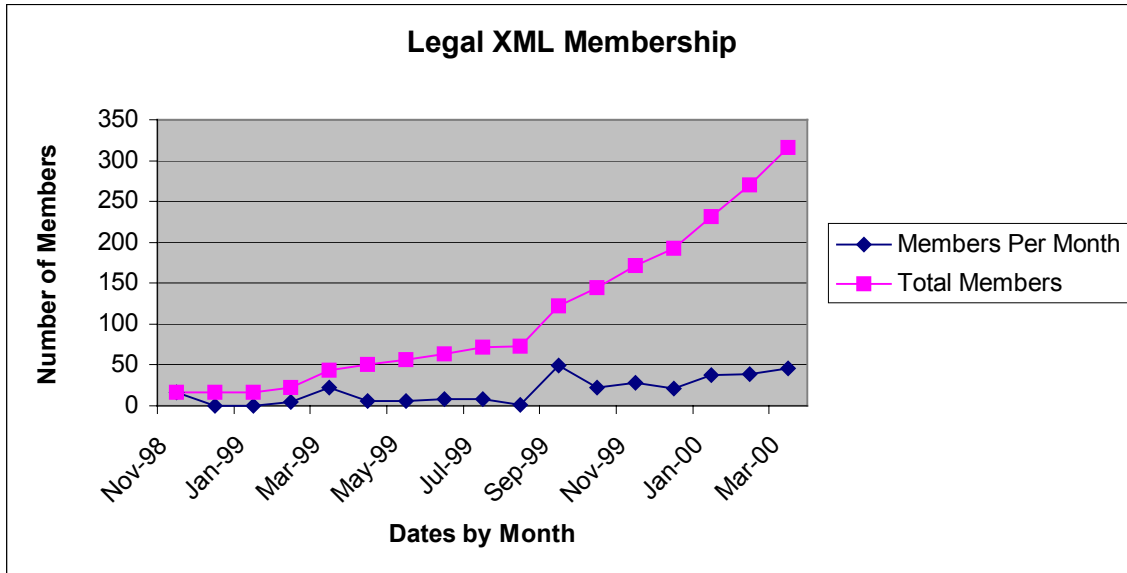
LEGAL XML ORGANIZING COMMITTEE MEETING.....	1
EXECUTIVE SUMMARY	1
TABLE OF CONTENTS	3
INTRODUCTION	3
THE ORGANIZING COMMITTEE AND ITS PURPOSE	5
MISSION	5
LEGAL XML PURPOSES AND VALUE PROPOSITIONS.....	5
SCOPE.....	6
ORGANIZATION	7
ADMINISTRATION AND MANAGEMENT	8
FUNDING AND OWNERSHIP	8
PRESENT FUNDING AND OWNERSHIP	8
POTENTIAL FUNDING SOURCES AND MODELS	9
TRANSITIONAL FUNDING MODEL	10
POTENTIAL FUTURE BUDGET.....	11
GOVERNANCE.....	12
INTELLECTUAL PROPERTY.....	13
MARKETING.....	13

Introduction

Legal XML (<http://www.legalxml.org/>) is a non-profit organization comprised of volunteer members from private industry, non-profit organizations, government, and academia. The mission of Legal XML is to develop open, non-proprietary technical standards for legal documents and related applications.

Legal XML began in November 1998 with seventeen (17) members. As of March 26, 2000, Legal XML has 317 members from around the world.¹

¹ In October, November, and December 1999, an average of twenty-five (25) new members a month joined Legal XML. In January and February 2000, an average of thirty-nine (39) new members a month joined. So far in March 2000, forty-six (47) new members have joined. Legal XML has members from around the world, including twenty-seven (27) Australians, twelve (12) Canadians, and five (5) members from the United Kingdom.



The original Legal XML members convened on a single email mailing list hosted by Georgia State University. Originally, FindLaw hosted the Legal XML website (<http://www.legalxml.org/>). In early 1999, Georgia State University began hosting both the mailing list and the website, although FindLaw continues to own the Legal XML domain name. Legal XML now has nineteen (19) substantive and administrative mailing lists.

Legal XML members and non-members have participated in two full face-to-face meetings, three court filing meetings, and two transcript meetings. The following table lists dates and attendance:

Date	Meeting Type	Legal XML Members	Non-Members	Total
September 1999	Full Legal XML Face-to-Face	17	42	59
November 1999	JTC Court XML ²	Unknown	Unknown	60
January 2000	JTC/Legal XML Court XML	Unknown	Unknown	60
January 2000	Legal XML Transcript	5	4	9
March 2000	Full Legal XML Face-to-Face	43	6	49
March 2000	JTC/Legal XML Court XML	Unknown	Unknown	Ca. 45
March 2000	Legal XML Transcript	Unknown	Unknown	Ca. 6-9
March 2000	Legal XML Contract and Public Law	Unknown	Unknown	Ca. 6-9

Legal XML, in collaboration with COSCA/NACM Joint Technology Committee, published Legal XML’s first “Proposed Standard” on March 22, 2000.

Legal XML’s growth in the past several months is positive. However, quick growth has resulted in increased administrative, financial, and political burdens. On March 1st, 2000, at the second Legal XML face-to-face meeting, Todd Vincent, founder and administrator of Legal XML, explained to attendees the issues associated with Legal XML’s growth. Attendees instructed Todd to form a “Legal XML Organizing Committee” to address the issues of growth and to determine whether there is community support for continued growth and evolution of Legal XML.

² “JTC” stands for the COSCA/NACM Joint Technology Committee. In September 1999 at the National Center for State Courts’ Court Technology Conference, John Greacen from, co-chair of JTC, announced plans for that Committee to develop XML standards for court filing. In November 1999, JTC held its first meeting. At that meeting, John Greacen announced unofficial plans to partner with Legal XML. In December 1999, JTC unanimously decided to partner with Legal XML to develop court filing standards.

You are receiving this document because you have been asked and you have agreed to be a part of the Legal XML Organizing Committee.

The Organizing Committee and Its Purpose

The Organizing Committee is composed of academic, non-profit, government, and private industry stakeholders interested in developing technical standards for the legal industry. It is assumed that Committee members believe technical standards are beneficial to their organizations and to the legal industry. There are several questions, however, once one takes a mental step past this basic assumption:

- What standards?
- What technologies?
- Developed for what economic or social purposes?
- Developed for what legal applications?
- Developed by whom?
- What organization(s)?
- Who Governs?
- Who Funds?
- Who Owns?
- Who Administers and Manages?
- Who owns the intellectual property and under what policy?
- How do you market the effort?

This discussion paper attempts to frame some of these issues for discussion purposes. It explains Legal XML as it exists today. It presents alternative proposals that have emerged over time. It does not answer questions, but poses them. It assumes the Organizing Committee will provide answers to questions based on professional experience and in light of a common desire to promote technical standards for the legal industry. The Organizing Committee's purpose, if decides to move forward, is not to "decide" issues, but rather to prepare recommendations for Legal XML membership. Legal XML membership, in turn, will accept, amend, or reject the Committee's recommendations.

Mission

Original Legal XML members agreed that, "The mission of Legal XML is to develop open, non-proprietary technical standards for legal documents and related applications."

The Members strongly agreed that standards should be "open and non-proprietary." Additionally, although the name "Legal XML" suggests otherwise, members were careful not to specify that standards must be "XML" standards. At the same time, members recognized that there is a difference between "documents" and "applications." Legal XML's membership is currently focused on XML documents; however, the current mission statement leaves the door open for the development of both non-XML standards and of applications. One of the issues for the Organizing Committee is to revisit the Legal XML mission statement and recommend whether it is appropriate.

Legal XML Purposes and Value Propositions

Now and in the future, Legal XML members will be driven by a variety of social and economic purposes and value propositions, the combination of which will shape the organization's scope, governance, funding, membership, and intellectual property policy. Stated another way, most members are not interested in developing standards simply for the sake of standardization. It is informative, therefore, to identify purposes for which a standard organization will exist and value propositions for present and potential members. Some potential purposes and value propositions follow:

- Expand Markets for Private Companies
- Expand Markets for Law Firms and Lawyers

- Provide Clients with Better Legal Services
- Provide Citizens with Better Justice
- Provide Easily Accessible, Free or Inexpensive Legal Content
- Expand Variety of Legal Services
- Develop Research and Analytical Tools
- Internationalize Law

The Organizing Committee may find it helpful to identify other purposes and value propositions important to current and potential members and determine whether these purposes and value propositions are compatible or incompatible. The Organizing Committee should be able to articulate these purposes and value propositions to Legal XML membership.

Scope

Presently, Legal XML is scoped from both a “theoretical” and a “practical” perspective. Theoretically, all “legal documents and related applications” are within Legal XML’s scope. Practically, however, the number of volunteers it can gather to collaborate on developing standards limits Legal XML’s scope. For instance, presently, the most active Legal XML members are interested in “electronic court filing” standards. There is an active minority working on “transcript” standards. There are a number of members interested in “public law” (e.g., statutes and legislation), “contracts,” and “research” (e.g., citations, case law), but there has not been a significant amount of public activity in the associated Legal XML workgroups.

There are a growing number of members and non-members interested in more specific legal documents and applications. For instance, people have expressed interest in probate, traffic, and bankruptcy documents and applications. Others have expressed interest in insurance and real estate documents. LEDES (<http://www.ledes.org/>) has recently developed an XML time and billing standard for law firms and corporate clients. There is growing recognition of the need for signature standards. There is strong interest in among court administrators and some vendors for “open source” code for an interface into court case management systems. The International Chamber of Commerce has requested a special list for its E-Terms project. There are a growing number of people interested in XML for Public Key Infrastructure (PKI) certificates and practice and policy statements. Still others have expressed interest in “workflow” standards and in an organization that would ensure standards compliance. It seems evident that Legal XML’s scope will expand and change as members interested in specific applications expand and change.

Legal XML’s scope can also be viewed from a “horizontal” and a “vertical” perspective. There are a number of “vertical” documents and applications within the legal domain. For instance, “court filing,” “transcripts,” “statutes,” “bankruptcy,” “time and billing,” and “insurance” are all examples of “vertical” documents and applications. Viewed individually, one might conclude that “court filing” information has nothing to do with “insurance” information. However, “horizontal” commonalities among these “verticals” bind them. For instance, each of the “verticals” contain information such as names, addresses, times, dates, and signatures. Many of the “verticals” contain legal citations and references to lawyers and legal organizations (courts, legislatures, administrative offices). More importantly, perhaps, many of these documents are often contained within other documents. For instance, a motion for summary judgment (a court filing) often contains portions of a statute or a contract (which might be an insurance or real estate contract or claim). It makes little sense, therefore, given “horizontal” commonalities, for “vertical” legal standards to be developed in isolation from one another.³ However, coordination is not always easy and

³ An excellent example of this point is illustrated by the only two existing XML standards for the legal industry. Both Legal XML and LEDES published XML standards in March 2000. The Legal XML standard is an “electronic court filing” standard. The LEDES standards is a “time and billing” standard. Both standards are in XML and both standards are directed at the legal industry (albeit different “verticals” within the legal industry). Early in its history, Legal XML decided that it would name XML “elements” based on the following rules (1) no abbreviations (2) no spaces and no dashes or underscores in place of spaces and (3) upper case the first letter of each word in an element and lowercase all other letters. For

there are conflicting interests between groups that want to move quickly and groups that want to harmonize.

The Organizing Committee should discuss and recommend the present and future scope of Legal XML.

Organization

Presently, Legal XML does not exist as an independent legal entity. Rather, Georgia State Research Foundation, Inc. is the legal entity behind Legal XML.⁴ To join Legal XML, applicants go to the Legal XML website and complete an online application. If an applicant agrees to the Legal XML Operating Rules, a contract is formed between the applicant and the Georgia State Research Foundation. The contract is between the individual and the Research Foundation.

Although the Legal XML Operating Rules allow *organizations* to join Legal XML (as opposed to *individuals*), it is difficult, given Legal XML's present resources, to do the due diligence and administration necessary to contract with organizations. In the past, there has been moderate interest in organizational membership. It is reasonable to assume that organization will want to join Legal XML or some other legal standards organization in the future.

A variety of organizational models, other than the existing model, may be appropriate if Legal XML is to grow in the future. One suggested organizational model is to create an association or corporation to replace Georgia State Research Foundation. The new organization would be non-profit. It would have Articles of Incorporation and By-laws. It would have a Board of Directors and Management.

Alternatively, it has been suggested that a consortium of universities could contract among themselves to form the organizational and legal infrastructure. This arrangement describes the World Wide Web Consortium's (<http://www.w3.org/>) organizational model.

It has also been suggested that current legal industry organizations, such as the National Center for State Courts, could partner with or replace Georgia State Research Foundation or collaborate with other existing organizations to provide an organizational and legal infrastructure.

Another possibility is that Legal XML could be subsumed by an existing, larger standards organization, such as the World Wide Web Consortium or OASIS.

Hybrid approaches are also possible.

The Organizing Committee should consider various organizational models and recommend a preferred model to Legal XML membership.

instance, the following are acceptable Legal XML elements: <CourtFiling>, <AddressCity>, <AddressState>, <FirstName>, <LastName>, <Date>, and <Time>.

LEDES, on the other hand, created elements in its standard that follow very different rules. For instance, examples of LEDES elements are: <firm_address>, <firm_billing_contact_lname>, <firm_billing_contact_fname>, <tk_first_name>, <tk_last_name>, <city>, <state_province>, <date>.

Both set of examples are acceptable element names. That is, neither organization is "wrong." However, all elements are different according to the XML 1.0 specification, even though they describe the same or similar information.

⁴ The Georgia State Research Foundation, Inc. is non-profit corporation associated with Georgia State University. Its Board of Directors is made up of Georgia State's President, General Counsel, and various administrators and faculty. The purpose of the Foundation is to protect the intellectual property rights of university faculty. In October 1999, the Foundation's Board of Directors agreed to act as the legal entity behind Legal XML.

Administration and Management

To explain Legal XML's current administration and management, it is convenient to separate the questions of "what," "when," "where," "how," and "by whom" Legal XML is administered and managed.

With respect to "What is administrated," administrative duties include, but are not limited to, maintaining the Legal XML web servers, building and updating the Legal XML database, maintaining the website (including content updates as well as HTML and ASP coding), managing mailing lists, managing passwords, providing customer support, recruiting members, reviewing membership applications, arranging face-to-face meetings and telephone conferences, and making a wide variety of policy decisions.

Other related, non-administrative duties include providing education, outreach and marketing, managing politics, and speaking at conferences.

With respect to "When, where, and how Legal XML is administrated," it is important to understand that Legal XML is truly a virtual organization. Applicants apply to Legal XML through the website and can do so at any time from anyplace in the world. As a result, Legal XML administration is done around the clock. Further, the heart of Legal XML is its website and mailing lists located on the Legal XML servers. While the servers are located at Georgia State University in Atlanta, Georgia, the servers are exclusively managed using either a password protected web interface or PC Anywhere (a software tool that allows remote access to the servers). In the last year and a half, physical presence at the servers has never been required. Thus, the answer to the questions are (1) when – all the time (2) where – from anywhere in the world and (3) how – electronically, via the Internet.

With respect to "Who administrates and manages," presently, Legal XML is administrated and managed primarily by Winchel 'Todd' Vincent. There are, however, a number of other volunteers who play important administrative, leadership, and political roles, including but not limited to, the chairs of the various Legal XML workgroups.

Despite the growing role of Legal XML chairs and certain individual volunteers, administration and management tends to be consolidated in Todd Vincent. The advantage of consolidated administration and management is efficiency, consistency, and, very often, the ability to move with speed. The disadvantages of consolidated administration done by one person is that too much power is concentrated in the hands of one individual, there is a single point of failure, bottlenecks occur when workload increases, and administration does not scale.

In contrast, the World Wide Web Consortium has about sixty (60) employees located at three universities in the United States, Japan, and France. The Internet Engineering Task Force has five full-time (5) employees.

Clearly, if Legal XML is to grow, one person cannot continue to act as the sole administrator and manager. For growth to occur, there must be a division of labor and/or the presence of full-time, professional staff. **It should not be assumed that Todd Vincent desires to continue as administrator and manager of Legal XML.** The Organizing Committee should consider administration and management strategies in light of organizational model and funding.

Funding and Ownership

Present Funding and Ownership

Presently, Legal XML is "funded" on an *ad hoc* basis from a variety of sources. Legal XML's five primary resources are (1) the Compaq servers and software on which the website and mailing lists reside (2) a T1 connection to the Internet and other physical facilities (3) Todd Vincent's salary and time (4) L-Soft software license (mailing list software) and (5) the Legal XML domain name. The Compaq servers belong to Todd Vincent's private company. Georgia State University provides a T1 connection to the Internet and

other physical facilities free of charge. The Georgia Courts Automation Commission (GCAC) fully funds Georgia State University's Electronic Court Filing Project. This funding includes Todd's salary and a small operating budget. To date, \$2,000 from the operating budget has been expended for the L-Soft software license. FindLaw (<http://www.findlaw.com/>) owns and provides use of the Legal XML domain name. The total value of these resources is somewhere between \$110,000 and \$140,000 per year.

If it could be said that Legal XML has owners, then those owners would be (1) Georgia Courts Automation Commission (2) Georgia State University (3) FindLaw and (4) Todd Vincent and his private company. If any of these owners were to discontinue support, it is likely that Legal XML would be severely crippled.

If Legal XML is to grow, it is desirable to have a more stable and distributed source of funding. There are a number of advantages to a stable and distributed funding model. First, there is no single point of failure. Second, no one individual or organization is burdened with providing resources. Third, the organization tends to scale. Fourth, and very important, there are no real or perceived threats that the standards development process is owned or controlled by a single person or entity. Finally, stability ensures contributors that their investment is well placed, which, in turn, encourages continued investment.

Potential Funding Sources and Models

Various funding sources are potentially available to Legal XML:

- Ad hoc, volunteer, or angel investment
- Government or other grants
- Membership and registration fees
- In-kind resources from universities or other organizations
- Advertising

It is instructive to compare funding models of other standards organizations.

The World Wide Web Consortium (<http://www.w3.org/>) is a membership organization. Its membership policy states:

There are two classes of membership: **Full** and **Affiliate**. The annual fee for **Full** Members is \$US 50,000. The annual fee for **Affiliate** Members is \$US 5,000.

There are no differences in Member benefits between the two classes of membership. All new Members must commit to a three-year initial term of membership.

After that, membership renews annually.

Full membership is offered to all prospective members, while Affiliate membership is only offered to organizations meeting any of the following three criteria:

1. Not-for-profit organizations.
2. Governmental departments and agencies.
3. For-profit organizations which:
 1. Have annual gross revenue, as measured by the most recent audited statement, of less than \$US 50,000,000, and
 2. Are either:
 1. Not majority-owned by an entity with over \$US 50,000,000 revenue, or
 2. Are a subsidiary of a Full Member of the W3C.

The Internet Engineering Task Force ("IETF") (<http://www.ietf.org/>) is not a membership organization. Anyone is allowed to join IETF mailing lists and participate in the standards development process. However, to attend IETF meetings, attendees pay a registration fee of between \$375 and \$475 (depending

on whether the attendee registers early or late and where the meeting in held). Meetings are held three times a year with attendance of around 2,000 people per meeting.

OASIS (<http://www.oasis-open.org/>) is a membership organization for both organizations and individuals. Organizations can be either “Sponsors” or “Contributors.” Individuals can join as “Individuals” or “Associates.” There are a variety of membership benefits depending on the type of membership. Yearly membership fees follow:

Sponsors	\$10,000
Contributors (10 or more employees)	\$5,000
Contributors (less than 10 employees)	\$2,500
Individual Membership	\$250
Associate Membership	\$250

It is not known what other funding sources, if any, these organizations have.

The following is a potential future source of funding through membership fees. **Presently, this funding model is not realistic.**

Income					
Sponsors	Fee	Number			
Sponsors (\$50,000)	\$50,000.00	3			\$150,000.00
Sponsors (\$20,000 to \$50,000)	\$25,000.00	6			\$150,000.00
Participant (Organization)					
Participant (50+)	\$20,000.00	10			\$200,000.00
Participant (30-50)	\$10,000.00	15			\$150,000.00
Participant (10-30)	\$5,000.00	25			\$125,000.00
Participant (>10)	\$2,500.00	50			\$125,000.00
Government	\$0.00			50	
Non-Profit/Education/Student	\$0.00			50	
Participants (Individual)					
Individuals (\$250)	\$250.00		150		\$37,500.00
Reciprocity Member					
Standards Organizations	\$0.00				
Observers					
Observers	\$0.00				
		109	150	100	359
		30%	42%	28%	
Registration Fees					
		Attendees	Meetings		
Face-to-Face Meeting (3/year)	\$100	200	3		\$60,000.00
Total Income					997,500.00

The Legal XML Organizing Committee should consider future funding models.

Transitional Funding Model

If present Legal XML resources are valued at \$100,000 per year and there is a potential future revenue stream of \$1,000,000 per year, then the Organizing Committee may want to consider a transitional funding model. A transitional funding model might include “angel investment” by organizations that see value in the existing organization are willing to risk seed money to further develop the organization. Seed money might be used to do the following:

- Develop additional standards
- Further develop website and mailing lists
- Recruit members
- Develop additional policy and procedure for administration and governance
- Do outreach and education
- Develop relationships with other standards organizations

It is important that any funding model be organization-neutral. So, for instance, it is more desirable to have several “angel investors” donating small amounts rather than one or two “angel investors” donating large amounts. To illustrate various alternatives:

Contributors	Amount	Yield
30	\$5,000	\$150,000
15	\$10,000	\$150,000
3	\$50,000	\$150,000

Hybrid approaches are also possible. It might be appropriate, for instance, to combine a single, large amount from a grant from government or other “neutral” organization with contributions from several non-neutral companies.

The Legal XML Organizing Committee should consider a transitional funding model.

Potential Future Budget

Assuming Legal XML grows, the following is a potential future budget **for discussion purposes only**. This budget has been formulated only to provide a framework for discussion. It is *not* a proposal or a recommendation. **Importantly, it should not be assumed that Todd Vincent wants to hold a position under this framework.**

Employees				
Base Salary				Running Total
	Base		Total	
Director	\$100,000		\$100,000	
Senior Analyst	\$100,000		\$100,000	
Senior Analyst	\$100,000		\$100,000	
Administrative	\$50,000		\$50,000	
Marketing	\$70,000		\$70,000	
Web Development	\$70,000		\$70,000	
Network	\$70,000		\$70,000	
				\$560,000
				\$560,000
Benefits				
	Base	28%	Total	
Director	\$100,000	\$28,000	\$28,000	
Senior Analyst	\$100,000	\$28,000	\$28,000	
Senior Analyst	\$100,000	\$28,000	\$28,000	
Administrative	\$50,000	\$14,000	\$14,000	
Marketing	\$70,000	\$19,600	\$19,600	
Web Development	\$70,000	\$19,600	\$19,600	
Network	\$70,000	\$19,600	\$19,600	
				\$156,800
				\$716,800

Oursourced

Human Resources	\$10,000		\$10,000	
Payroll	\$5,000		\$5,000	
				\$15,000
				\$731,800

Travel

Director	\$35,000		\$35,000	
Senior Analyst	\$20,000		\$20,000	
Senior Analyst	\$20,000		\$20,000	
				\$75,000
				\$806,800

Hardware and Software

	Unit	Number		
Servers	\$25,000	1	\$25,000	
Workstations	\$3,500	6	\$21,000	
Laptops	\$6,000	3	\$18,000	
Network Hardware	\$5,000	1	\$5,000	
Software	\$20,000	1	\$20,000	
				\$89,000
				\$895,800

Operating Budget

Network Access	\$5,000		\$5,000	
Cell Phones	\$6,000		\$6,000	
Long Distance	\$5,000		\$5,000	
Supplies	\$5,000		\$5,000	
Office	\$10,000		\$10,000	
Face-to-Face Meetings	\$60,000		\$60,000	
General Operating Budget	\$10,000		\$10,000	
				\$101,000
				\$996,800

Total **\$996,800**

Governance

Presently, Legal XML members are governed by the Legal XML Operating Rules (<http://www.legalxml.org/DocumentRepository/OperatingRules/>). Decisions are made based on consensus. Under the Operating Rules:

Consensus is established when members have reached substantial agreement. Substantial agreement means more than a simple majority, but not necessarily unanimity. While unanimity is preferred, it is not practical to require unanimity on all issues. In some circumstances, consensus is achieved when the minority no longer wishes to articulate its objections. When disagreement is strong, the opinions of the minority are recorded in appropriate documents alongside those of the majority.⁵

Under the Operating Rules there is a “Director” who is responsible for administering the day-to-day activities of Legal XML. There is also a “Director Advisory Committee” that is supposed to advise the

⁵ The Legal XML consensus policy is borrowed from the World Wide Web Consortium (<http://www.w3.org/>).

director. There is also Sponsors Committee for Legal XML sponsors and a Standards Review Committee that is supposed to review and approve technical standards, among other things.

Presently, as a practical matter, Todd Vincent is the Legal XML “Director” although his position is *de facto*. Legal XML members subscribed to the Legal XML CHAIRS and ADMINISTRATION mailing lists provide feedback to Todd on issues he submits to those lists. A “Sponsors Committee” does not exist. Because the first Legal XML standard was published on March 22nd, 2000, the “Standards Review Committee” is not formally organized and has not yet acted.

The Organizing Committee should carefully review the Legal XML Operating Rules and determine whether they are appropriate for future governance.

Intellectual Property

When a new member joins Legal XML, he or she agrees, among other things, that interest in certain intellectual property submitted and used in the Legal XML standards development effort will vest in Georgia State Research Foundation, Inc. (i.e., Legal XML). In return, the Foundation agrees to provide the public with a free and perpetual license to use the intellectual property. The Legal XML licenses contain certain limited restrictions that ensure that standards are not adapted for non-standard use.⁶

The Legal XML intellectual property licenses are borrowed, almost word-for-word, from the World Wide Web Consortium’s intellectual property licenses. Although there has been heated debate about the intellectual property policy, most Legal XML members do not object to it. However, two organizations, WestGroup and the Administrative Office of the United States Courts, have recently suggested that the intellectual property policy be changed. The Organizing Committee should review the Legal XML Intellectual Property Policy to determine whether it is suitable for the development of open, non-proprietary standards.

Marketing

If Legal XML is to develop standards and continue to grow, it is essential that the effort be marketed to both the legal and technical communities. Toby Brown from iLumin is already heading efforts to create marketing materials and identify contact organizations. The Organizing Committee should consider how best to market Legal XML or a resulting standards organization.

⁶ There are two licenses, one for “documents” and one for “software and documentation.”