

Menlo Park law firm expands after taking hit during downturn

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Silicon Valley law firm Gunderson Dettmer, which flourished during the dot-com boom but whose continued existence was questioned during the subsequent bust, is growing once again.

The Menlo Park firm, whose formal name is Gunderson Dettmer Stough Villeneuve Franklin & Hachigian LLP, has opened a San Diego office to cater to technology and life science companies. The firm recruited three partners from the San Diego office of Wilson Sonsini Goodrich & Rosati P.C. Wilson Sonsini, the venerable Silicon Valley law firm, opened its own San Diego outpost in 2004.

Gunderson Dettmer decided to open in San Diego to be closer to companies and investment activity in that venture capital-rich region, said Bob Gunderson, who founded the firm in 1995 with five other lawyers from now-defunct Brobeck Phleger & Harrison LLP. Southern California received the third-highest level of VC funding behind Silicon Valley and New England in the fourth quarter of 2005.

Gunderson Dettmer has a narrow focus, only taking on work dealing with corporate and securities, intellectual property, executive compensation

and tax. That formula served the firm well during the dot-com boom of the middle and late 1990s. At the time, a seemingly never-ending wave of venture capital financing in Silicon Valley was giving rise to young companies that sought out Gunderson Dettmer lawyers for advice on investments and going public.

But much of that work dried up during the dot-com bust that took hold in 2001. Gunderson Dettmer, which had swelled to 140 lawyers, closed its Austin, Texas, office, leading many Silicon Valley lawyers and legal recruiters to speculate that the firm must consider merging or face failure.

Gunderson Dettmer had to lay off associates to cut costs. But the firm was able to cobble together a big enough corporate client base to ride out the storm. The firm declines to release financial figures. But legal magazine American Lawyer reported in 2005 that profit per partner averaged \$1.1 million. The firm now has about 100 lawyers and has offices in Boston and New York.

Gunderson Dettmer will face stiff competition in San Diego, but the firm is entering the market at a good time, legal recruiter Delia Swan said. After suffering its own dot-com decline, the San Diego region is seeing increasing venture capital investing and is a burgeoning area for biotech companies.



Gunderson

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