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The Advice Man

LAWYER HAS HELPED JUMP-START FIRMS, THEN FOLLOW UP FOR NEARLY 30 YEARS

By Matt Marshall

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One of Silicon Valley's widely recognized strengths is its plethora of high-tech professionals — venture capitalists, accountants and lawyers — who help entrepreneurs jump-start their companies.

Among them is attorney Gordon “Gordy” Davidson, a tech company consigliere whose Rolodex rivals anyone's.

For nearly 30 years, Davidson has been operating behind the scenes, helping incorporate companies, acting as their legal counsel and drawing on an impressive network of contacts to introduce his clients to venture capitalists.

During financial-software firm Intuit's early days, co-founder Scott Cook turned to Davidson for advice on raising venture capital. After receiving five offers, Davidson told Cook he should select the offers from Burt McMurtry, of IVP, and John Doerr, of Kleiner Perkins, even though they demanded a greater ownership stake in the company for their investment. It was a wise decision, given that McMurtry was one of the pioneers of venture capital, and Doerr — at the time not yet a rock star — later became the most respected VC in the industry.

When Microsoft sought to acquire Intuit, Davidson protected the Intuit's intellectual property and other secret



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Gordon Davidson is chairman of the Mountain View law firm Fenwick & West and much in demand as a Silicon Valley attorney. For nearly 30 years, Davidson has been operating behind the scenes.

business practices from being revealed to the software giant. He also was the first to counsel Intuit to scuttle the talks and move on, advice Intuit Chairman Bill Campbell now realizes was wise. “He helped us traverse some rocky waters,” said Campbell, who adds that he treasures Davidson for his insights about business and people, not just legal help.

In demand

Davidson, 55, remains in demand. When Bob Cohn, partner at high-profile venture firm Sequoia Capital urgently wanted to snag a

deal last Thursday night, he called Davidson at home at 9:30 p.m. Cohn needed quick help with a funding contract, known as a term sheet. Davidson agreed, wrote up the document inserting Cohn's requested terms, and returned it to Cohn's e-mail inbox by 11 p.m. Cohn was able to secure the deal, and leave for the holidays confident that his new entrepreneur could sleep soundly.

“Great deals happen when great deals happen,” explains Cohn. “You can't wait for someone to punch into the office the next morning.”

GORDON DAVIDSON

Age: 55

Birthplace: Port Chester, N.Y.

Current job: chairman, Fenwick & West, Mountain View

Significance: behind-the-scenes legal adviser for high-tech start-ups

It's true there are a handful of other Silicon Valley lawyers as networked and active as Davidson. But Davidson, chairman of the Mountain View law firm

Fenwick & West, is particularly qualified to advise tech clients.

Before becoming a lawyer, Davidson obtained an electrical engineering degree from Stanford. He began working at SRI in 1970, where his first assignment was to hook up a personal computer with a mouse (the mouse had been invented a year earlier by SRI's Doug Engelbart).

Davidson worked next for a start-up, MeasureX, as employee No. 40, in a warehouse near the San Jose airport. Grueling all-night testing of computer programs, he said, made him scrap his original plans to go to business school and found his own start-up. Rather, he chose to become a lawyer so that he could work with a range of companies. "I liked working with people more than I did working in a lab all night," he said.

One early client was Apple Computer, where he collaborated closely with Steve Jobs and a number of the early employees who went on to establish their own companies. Another was Electronic Arts, which Davidson incorporated and still represents. Others included Radius, Macro-media, Go and Intuit.

Davidson's firm is smaller than the big local tech-friendly law firms such as Wilson Sonsini Goodrich & Rosati and Cooley Godward and, until it was dissolved early this year, Brobeck, Phleger & Harrison. While some leading partners of those firms are more often in the public spotlight — Larry



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Sonsini, for example, was a board member of the New York Stock Exchange, until he resigned in September — Davidson is more low-profile. But he knows by heart the telephone numbers of most of his clients.

He's more likely to be running off to meet with a new start-up. After helping Cohn of Sequoia Capital late Thursday night, for example, Davidson was in San Pablo on Friday for an early morning meeting with a company.

Day to day

One day, he'll counsel a company with two founders and three employees, the next he'll visit Cisco Systems as its leading outside corporate attorney.

Davidson will often act as a secretary to board meetings, help companies navigate merger discussions and initial public offering filings, or figure out the best way to start operations abroad.

He uses intuition when deciding whether to represent a company, he said. His

standard is whether the start-up will be able to raise venture money. Often, when Davidson knows a company "isn't ready for prime time yet," he'll advise it without charging, helping refer founders to venture capitalists for tips about how to move to the next step.

For example, when Stanford student Amit Singh approached Stanford President John Hennessy for advice about how to commercialize his networking idea, Hennessy pointed him Davidson's way. Hennessy knew Davidson through their sons' youth group in Palo Alto.

Davidson helped Singh by calling on Adam Grosser, a young venture capitalist knowledgeable in the networking area. Grosser helped, and later became an investor in a company now called Peribit. Davidson became Peribit's attorney. His firm also became Peribit's first customer — which helped open doors to other investors and customers.

Cook and Campbell of Intuit both say they rely on Davidson during board meetings. "He's not loud or flashy, because he doesn't need to be," said Cook. "His sound judgment is what is distinguishing."

Davidson says he does have one regret: He didn't take up an offer to be co-founder of Electronic Arts. Had he done so, he estimates that he could have earned \$100 million at the company's IPO.

Still, even that regret isn't too big, he says with a modest smile: "Lawyers get paid enough."