

Well-Funded Device Startup Eyes Big Global Market

HEALTHCARE: Glaukos has lured \$126M for glaucoma stents



Glaukos stent

By Vita Reed

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Glaukos Corp., a well-funded Laguna Hills eye device maker, is going after a big cause of blindness with a microscopic implant.

The company makes tiny devices that are implanted in the eye to treat glaucoma, an incurable condition in which vision loss can be stopped with treatment.

Glaukos has a big war chest. It has raised \$126 million, including \$29.5 million in a fifth round of financing in late January.

The company has “devices that we’ve developed over several years to treat the full range of glaucoma,” said Tom Burns, its chief executive.

iStent

Glaukos’ lead device, iStent, is being sold in Europe and Canada.

The device is under review by the Food and Drug Administration. It received a favorable vote last summer from a preliminary FDA review panel.

iStent is a 1-millimeter implant that’s placed in the eye and diminishes pressure by relieving fluid buildup. The implant’s width is slightly larger than a human hair.

The device is in limited, early sales in Europe and Canada, according to Chris Calcaterra, Glaukos’ chief commercial officer.

Glaukos is using distributors for sales of iStent and plans to build up its own force for eventual U.S. sales, Calcaterra said.

The company declined to give a revenue projection for 2011. Glaukos has attracted enough investment money to get it to the stage where it is generating cash, according to Burns.

Glaukos could go public or “be a compelling strategic acquisition for a large ophthalmic or pharmaceutical company,” Burns said.

The company is going after a large market.

Globally, glaucoma affects 65 million people.

Analysts have pegged the yearly drug and surgery market for treating the disease at around \$4.5 billion.

Big players in drugs and devices include Irvine’s Allergan Inc., Switzerland’s Alcon Inc., which has 800 workers in Irvine, and Santa Ana-based Abbott Medical Optics Inc.

Glaukos Corp.

- Headquarters: Laguna Niguel
- Business: eye devices for glaucoma
- Funding raised: \$126 million
- Revenue: early sales in Europe, Canada
- FDA review: under way
- Management: executives from Allergan, Abbott Medical Optics, Edwards Lifesciences, Bausch & Lomb

Competitors

Smaller companies working on glaucoma devices include Irvine-based Ivantis Inc., Solx Inc. of Sudbury, Mass., and iScience Interventional Inc. of Menlo Park.

Startups working on glaucoma products include AqueSys Inc. of Irvine, which is making an implant that will take fluid out of the chamber behind the cornea to lower pressure in the eye.

Glaukos’ investors include Versant Venture Management LLC, which has an office in Newport Beach, San Diego’s Domain Associates LLC and Meritech Capital Partners of Palo Alto, which led Glaukos’ latest funding.

Directors include two well-known healthcare venture capital names: William Link, a Versant managing director, and Olav Bergheim, founder and managing director of Laguna Hills-based Fjord Ventures.

Seasoned Employees

Glaukos, which started in 2001, has 42 employees.

Many came from major drug and device makers here such as Allergan, Irvine’s Edwards Lifesciences Corp. and Abbott Medical, previously known as Advanced Medical Optics Inc.

“The senior management team has over 100 years of cumulative medical device experience,” Calcaterra said.

Burns’ career includes a stint with Allergan. He also was tapped by Link to be part of Chiron Vision Corp., an eye surgery business that was acquired in 1997 by Bausch & Lomb Inc. for \$310 million.

Burns stayed with Rochester, N.Y.-based Bausch overseeing global strategy.

He later became president and chief operating officer of Florida’s Eyetech Inc., where he led a \$108 million financing that took that company into a 2003 public offering.

Calcaterra spent several years with Advanced Medical, including serving as senior vice president of sales, responsible for cataract products.

