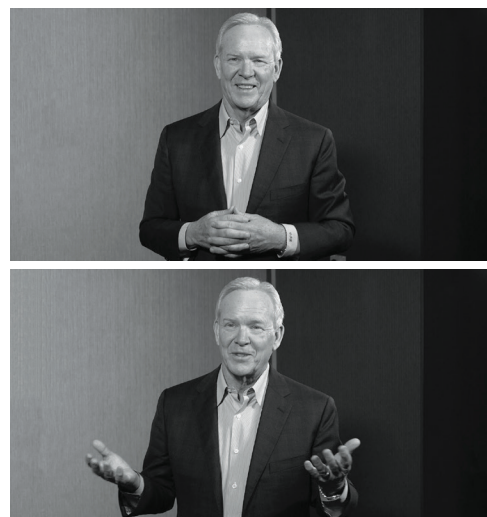


WILLIAM J. LINK^{PHD}

A successful ophthalmic entrepreneur, executive, and venture capitalist, Dr. Link has been directly or indirectly instrumental in the advancement of many important new technologies in ophthalmology during a career that has spanned 3 decades. He was the founder and president of American Medical Optics, he served as chairman of the board at IntraLase before and after it went public and was sold to Abbott Medical Optics, and he was the founder, chairman, and CEO of Chiron Vision, which was sold to Bausch + Lomb. In the late 1990s, he transitioned into venture capital. In this interview, Dr. Link talks about early-stage investment in ophthalmic medical devices and shares what he considers to be the biggest investment opportunities in the coming years.

INTERVIEWED BY STEPHEN DAILY, EXECUTIVE EDITOR, NEWS



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BMC: Who or what drew you to ophthalmology?

WILLIAM J. LINK, PHD: It was serendipity for me. After I got my PhD in mechanical engineering and was trained as a veterinarian, I entered academia as an assistant professor of surgery at Indiana University School of Medicine. Then, when I was 29 years old, I was recruited to join a company in Southern California, and I moved to the industry side. First day on the job in the big meeting room, the big boss at the end of the table, about an hour into the meeting, said, "Do any of you know about intraocular lenses?" It was dead quiet. After 30 seconds or so I couldn't stand it, and I said, "Mr. Pierie, I don't know about those lenses, but I know an ophthalmologist." That started my career in ophthalmology.

BMC: How did you transition from being an executive to a venture capitalist?

LINK: I had the good fortune of learning ophthalmology from the

business side by building American Medical Optics. And then after that company was acquired by Allergan, I built Chiron Vision. So I knew ophthalmology deeply, and I had learned how to build value, if you will, by putting innovative products in the hands of great people and moving things to the marketplace. Eventually, a former colleague of mine who had gone into venture capital when I was involved at Chiron Vision approached me and said, "Bill, would you consider getting into venture capital? We need someone in medical devices here in Orange County." I said, "I think so, but what is it?" And he said, "You'll learn it, and you'll be good at it."

BMC: How do you identify companies or entrepreneurs that you think are worthy of your investment dollars?

LINK: We look for four criteria. The first is an honest unmet need in the marketplace. The second is a meaningful technology or product

that might be able to meet that need. Third is the team—are these folks skilled, and do we believe we'll be able to team up with them and help move the project forward? And the fourth is the amount of cash, or capital, that might be required for the project. We weigh those four criteria for each and every opportunity.

BMC: Conversely, what are some of the red flags that may keep you away from investing in a company?

LINK: Let's look at each category. Maybe the market's too small; it won't warrant the investment and the time and energy it'll take to bring a solution to a small market. It costs as much to bring a solution to a small market as a big market. Second, maybe the technology is weak or has patent problems, so it's not clean enough to support and be able to win in the marketplace. Somebody might be able to copy it once we've shown how to do it. Third is the team. Maybe something in my gut says it might be hard to

work with the team. The fourth is, what if it takes too long and costs too much money? Any of those things can be knockout punches, and so you think of the probability. If a project hits the green light in each of those four categories, then it's a go. But if one of the four isn't quite right, then we stand back.

BMC: Looking back, can you give an example of one of your investments or professional accomplishments, that you are particularly proud of?

LINK: I'm proud of many of our projects, but I would take IntraLase (now Johnson & Johnson Vision) and all-laser LASIK as an example. What I'm especially proud of there is that not only was the technology amazing, but the team was great. We had the original concept of doing an intracorneal refractive procedure and not creating a flap—to go beyond LASIK, that was our idea. It failed. But the team gathered around, and said, “That’s not working.” We had to accept that. What else could we do? Then the team came up with the idea to make a better flap than the metal microkeratome, so we did that. We’ve helped now probably millions of people with that better flap. The investors did well, and the team did well, so it was kind of a diving catch. I call it *bouncing back from a near-death experience*.

BMC: Would you be willing to share an example of an investment that did not work out as you had hoped?

LINK: You bet. We have all heard the phrase, “We learn more from our failures than our successes,” and I believe that! Refractive was a company that failed. We were trying to help surgeons treat presbyopia to restore intermediate and near vision with conductive keratoplasty. It was a little ultrasound probe, and it worked pretty well. We had the best team. We tried hard. We had a

“Some of the bigger, tougher projects in ophthalmology tend to be related to the retina and to glaucoma.”

partial success in the marketplace. But ultimately, the results were not predictable enough to gain the confidence of the surgeon and the patient, so it failed. It was tough, and it cost the better part of a decade for some of the team. Tens of millions of dollars were lost, but we tried our best, and we learned, and hopefully we applied some of those learnings to our next project.

BMC: Where do you see the best investment opportunities in ophthalmology for the next 2 to 3 years? And the next 10 years?

LINK: In the near term, ocular surface continues to be an important category. Dry eye is an eclectic disease, and it is clear that multiple technologies and procedures will be required to help patients who have dry eyes. So there are multiple shots on goal in this sector. When a category or a sector like dry eye gains momentum, it attracts quite a few entrepreneurs as well as adequate capital to support those projects. So that would be an example in the next 2 or 3 years.

I'd say intermediate and longer term, some of the bigger, tougher projects in ophthalmology tend to be

related to the retina and to glaucoma. These are age-related, tough diseases. It's not optics like, “Oh gee, let's fix the cornea so that it focuses light better on the retina.” It's actually the complex performance and health of the retina that is required to deliver good vision for the patient. So, for the intermediate and longer term, retinal disease and glaucoma are highly important.

BMC: If you had to nominate one person you would consider a creative mind, whom would it be and why?

LINK: Richard L. Lindstrom, MD. Dick is a creative thinker who has an amazing depth of understanding of clinical and surgical practice and patient care. He also has an amazing understanding of the business of ophthalmology. So he has the kind of spectrum of knowledge and insights that many of us wish we had. ■

Editor's Note: This is an abridged version of Dr. Link's interview. To read the entire interview, log onto www.glaucomatoday.com/issues/ and click on the May/June issue.

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