UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (date of earliest event reported):
May 24, 2006

PDL BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**000-19756**	**94-3023969**
(State or other jurisdiction of incorporation)	**(Commission File No.)**	**(I.R.S. Employer Identification No.)**

34801 Campus Drive
Fremont, California 94555
(Address of principal executive offices)

Registrant's telephone number, including area code:
(510) 574-1400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On May 24, 2006, PDL BioPharma, Inc. issued a press release that new data from studies of Nuvion® (visilizumab) in Crohn's disease and ulcerative colitis were presented at the annual Digestive Disease Week conference. A copy of this press release is furnished as Exhibit 99.1 to this current report on Form 8-K pursuant to Regulation FD promulgated under the Securities Exchange Act of 1934, as amended, and is incorporated herein by reference.

The information provided in this Form 8-K and the Exhibit attached hereto is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of PDL BioPharma, Inc. issued May 24, 2006 regarding Nuvion® data

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 24, 2006

PDL BIOPHARMA, INC.

By: /s/ Andrew Guggenhime

Andrew Guggenhime
Senior Vice President and
Chief Financial Officer

Exhibit 99.1

news release

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NEW DATA FOR *NUVION*® PRESENTED AT DIGESTIVE DISEASE WEEK CONFERENCE

- Preliminary data suggest Nuvion *shows clinical activity in pretreated moderate-to-severe Crohn's disease patients -*

- Additional research data support potential for Nuvion *in ulcerative colitis patients -*

Fremont, Calif., May 24, 2006 - PDL BioPharma, Inc. (PDL) (Nasdaq: PDLI) today announced that new data from studies of *Nuvion*® (visilizumab) in Crohn's disease (CD) and ulcerative colitis (UC) were presented at the annual Digestive Disease Week (DDW) conference this week. In addition to the first presentation of preliminary clinical data evaluating *Nuvion* in moderate-to-severe inflammatory, non-penetrating Crohn's disease (CD), investigators also presented research data that further characterize *Nuvion's* potential mechanism of action and support the continued investigation of *Nuvion* in patients with intravenous steroid-refractory ulcerative colitis (IVSR-UC).

Nuvion is a humanized monoclonal antibody that binds to CD3, a protein on the surface of T cells. It is under investigation as a potential treatment for various autoimmune diseases such as inflammatory bowel disease. DDW is the largest meeting in the world for gastroenterologists and is taking place from May 20 to 25 in Los Angeles, Calif.

***Nuvion* Shows Promise in Crohn's Disease**

An oral presentation, "A Phase I Study: Visilizumab Therapy in Crohn's Disease (CD) Patients Refractory to Infliximab Treatment" [Abstract #769] given by Daan Hommes M.D., Head, Center for Inflammatory Bowel Diseases, Academic Medical Center, Amsterdam, featured preliminary results from a multi-center, open-label study of *Nuvion* in moderate to severe, inflammatory, non-penetrating CD. The data suggested that two 10 mcg/kg doses of *Nuvion* could be administered by IV bolus injection on consecutive days and appeared to have clinical activity.

In these patients with severe inflammatory CD, the coincident drop in the inflammatory blood marker, C-reactive protein (CRP), suggested *Nuvion* may have had a role in symptom improvement.

“Initial results from this study showed that *Nuvion* appeared to improve Crohn’s disease symptoms,” Dr. Hommes said. “These results suggest that, in addition to its potential as a treatment alternative for patients with severe to fulminant ulcerative colitis, *Nuvion* merits further study as a potential treatment for moderate-to-severe Crohn’s disease patients, particularly those who failed prior infliximab treatment.”

Ten of the 14 patients reported a clinical response by Day 59, as determined by a drop in the Crohn’s Disease Activity Index (CDAI) score of 100 points. Five of the patients achieved a complete remission, as defined by a CDAI score of 150 or less, during the 59 days. Of note, two patients who never responded, as well as seven patients who lost their response to infliximab, responded to *Nuvion*.

The severity, incidence and drug relatedness of the adverse events were similar to what has been seen in UC patients who had received the same dose of *Nuvion* (10 mcg/kg). Specifically, a transient decline in T cells and mild-to-moderate symptoms of cytokine release syndrome (CRS) were reported in the majority of patients. In addition, a transient elevation of transaminases was observed in 10 of 14 patients within days following the infusions. No lymphoproliferative, malignant or life-threatening adverse events were reported.

Steven Benner, M.D., Senior Vice President and Chief Medical Officer, PDL, said, “We are encouraged by the growing body of clinical evidence suggesting *Nuvion* is a clinically active treatment for patients with CD as well as UC. Based on the early results presented here, we are engaged in active discussions with our advisors to determine next steps to further evaluate *Nuvion’s* potential in CD. Separately, we are continuing to enroll patients in our pivotal Phase 2/3 RESTORE 1 trial, which is investigating *Nuvion* as a potential treatment option in IVSR-UC patients. Pending a DSMB review later this year, we hope to initiate a second pivotal Phase 3 study of *Nuvion* in UC patients.”

Research Data Support Nuvion Clinical Program

During the meeting, research analyses using patient samples from a now completed Phase 1/2 study of *Nuvion* in IVSR-UC patients were the subject of three poster presentations. Of the 76 patients treated with *Nuvion* and evaluated in an interim analysis, 51 responded to treatment. Major findings include:

- Identification of biomarkers of Nuvion activity in IVSR-UC. The study titled, “Biomarkers for Visilizumab Therapy of Intravenous Steroid Refractory Ulcerative Colitis (IVSR_UC)” [Abstract S1322 – Sunday, May 21], showed higher levels of CD8+ T-cell counts and serum IP-10 levels in responders compared with non-responders long after *Nuvion* had cleared the circulation, suggesting these biological activities could potentially be used as biomarkers of *Nuvion* activity in IVSR-UC.

- Histological improvement in Nuvion-treated IVSR-UC patients. The study titled, “Visilizumab Treatment Promotes Morphological Recovery, Reduces Inflammatory Markers and Affects T Cell Subsets In Mucosa of Ulcerative Colitis Patients” [Abstract S1332 - Sunday, May 21], presented an evaluation of tissue biopsies of the intestinal mucosa pre- and post-treatment with *Nuvion*. A decrease in disease activity and a reduction of inflammatory markers were seen in these biopsy samples. Nine of 11 clinical responders showed histological improvement. Evidence of mucosal healing will also be presented.
- CD8+ regulatory T-cell activity. The study titled “Clinical Responses to Visilizumab in Intravenous Steroid Refractory Ulcerative Colitis (IVSR-UC) is Associated with Changes in CD8+ T Cells” [Abstract M1735 – Monday, May 22] showed that in a lymphocyte culture experiment, Nuvion induced CD8+ T-cell expansion and CD8+ regulatory T-cell activity.

Two additional posters of UC research conducted in collaboration with researchers at the University of California at San Francisco and at Cedars-Sinai Medical Center were presented. The study titled, “Visilizumab Induces Apoptosis of Mucosal T cells from Ulcerative Colitis Patients In Vitro” [Abstract S1690 – Sunday, May 21] showed that *Nuvion* in vitro induced apoptosis of intestinal T cells isolated from moderate-to-severe UC patients and not of T cells from the blood. The study titled, “Relationship of Phenotype and Function of Blood T Lymphocytes to Disease Severity in Ulcerative Colitis Patients” [Abstract 1201 - Wednesday, May 24] suggested that treatment strategies for UC patients should focus on therapies that promote mucosal healing and restoration of the mucosal immune balance rather than general immunosuppression. Collectively, these data help advance our understanding of how Nuvion may produce its clinical activity in patients with IVSR-UC.

About DDW

DDW is the largest international gathering of physicians, researchers and academics in the fields of gastroenterology, hepatology, endoscopy and gastrointestinal surgery. Jointly sponsored by the American Association for the Study of Liver Diseases, the American Gastroenterological Association, the American Society for Gastrointestinal Endoscopy and the Society for Surgery of the Alimentary Tract, DDW takes place May 20-25, 2006, at the Los Angeles Convention Center. The meeting showcases approximately 5,000 abstracts and hundreds of lectures on the latest advances in GI research, medicine and technology. For more information, visit www.ddw.org.

About PDL BioPharma, Inc.

PDL BioPharma, Inc. is a biopharmaceutical company focused on discovering, developing and commercializing innovative therapies for severe or life-threatening illnesses. The company currently markets and sells a portfolio of leading products in the acute-care hospital setting in the United States and Canada and generates royalties through licensing agreements with top-tier biotechnology and pharmaceutical companies based on its pioneering antibody humanization technology. Currently, PDL BioPharma's diverse late-stage product pipeline includes six investigational compounds in Phase 2 or Phase 3 clinical development for hepatorenal syndrome, autoimmune and inflammatory diseases, cardiovascular disorders and cancer. Further information on PDL BioPharma is available at http://www.pdl.com.

Forward-looking Statement

The information in this press release should be considered accurate only as of the date of the release. PDL has no intention of updating and specifically disclaims any duty to update the information in this press release for any reason, except as required by law, even as new information becomes available or other events occur in the future. This press release may contain "forward-looking statements" that are based on current expectations and assumptions that are subject to risks and uncertainties. PDL's actual results may differ materially from those in the forward-looking statements because of various factors, risks and uncertainties. For further information regarding factors, risks and uncertainties that may cause such differences, please refer to PDL's filings made with the Securities and Exchange Commission, including the "Risk Factors" sections of PDL's Quarterly and Annual Reports, copies of which may be obtained at the "Investors" section on PDL's website at www.pdl.com. All forward-looking statements in this press release are qualified in their entirety by this cautionary statement.

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