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): **December 1, 2003**

PROTEIN DESIGN LABS, INC.
(Exact name of registrant as specified in its charter)

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

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

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

Not Applicable
(Former name or former address, if changed since last report)

Item 5. Other Events

On December 1, 2003, Protein Design Labs, Inc. ("PDL") issued a press release regarding an agreement in principle to resolve a dispute relating to PDL's antibody humanization patents and certain of Genentech's humanized antibodies. A copy of PDL's press release is attached hereto as Exhibit 99.1.

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated December 1, 2003.

SIGNATURES

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

PROTEIN DESIGN LABS, INC.

Date: December 1, 2003

By: /s/ Sergio Garcia-Rodriguez
Sergio Garcia-Rodriguez
Vice President, Legal, General Counsel and
Assistant Secretary

EXHIBIT INDEX

Exhibit No.	**Description**

99.1	Press Release dated December 1, 2003.

Exhibit 99.1

For Immediate Release

Contacts:

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GENENTECH AND PROTEIN DESIGN LABS AGREE IN PRINCIPLE TO RESOLVE PATENT LICENSE DISPUTE

South San Francisco, Calif., and Fremont, Calif., December 1, 2003 – Genentech, Inc. (NYSE: DNA) and Protein Design Labs, Inc. (PDL) (Nasdaq: PDLI) today announced that the companies have reached an agreement in principle to resolve their dispute relating to PDL's antibody humanization patents and certain of Genentech's humanized antibodies.

The parties are working toward an agreement which would include Genentech's exercise of licenses under the patent licensing master agreement between the parties for XOLAIR® and for RAPTIVAä. In addition, following AVASTINä approval by the FDA, Genentech would agree to exercise a license for AVASTIN promptly after approval. In exchange, and as part of a broader settlement between the parties, PDL would agree to certain royalty reductions for significant levels of annual aggregate sales and the parties would agree to resolve and settle their disputes regarding infringement of these Genentech products and the validity and enforceability of PDL's patents. Additional terms were not disclosed. The parties are working to conclude a definitive settlement arrangement by the end of December 2003.

As disclosed previously, Genentech had advised PDL that it had determined that XOLAIR was not covered under the claims of PDL's relevant antibody humanization patents. The companies subsequently have conducted confidential discussions regarding whether or not XOLAIR would be covered. The scope of discussions was expanded to include RAPTIVA and AVASTIN.

About Genentech

Genentech is a leading biotechnology company that discovers, develops, manufactures and commercializes biotherapeutics for significant unmet medical needs. Sixteen of the currently approved biotechnology products originated from or are based on Genentech science. Genentech manufactures and commercializes 12 biotechnology products in the United States. The company has headquarters in South San Francisco, California and is traded on the New York Stock Exchange under the symbol DNA. For additional information about the company, please visit http://www.gene.com.

About Protein Design Labs

Protein Design Labs is a recognized leader in the discovery and development of humanized monoclonal antibodies for the treatment of disease. PDL currently has antibodies under development for autoimmune and inflammatory diseases, and cancer. PDL holds fundamental patents for its proprietary antibody humanization technology. For further information, visit www.pdl.com.

Regarding Protein Design Labs

The foregoing contains forward-looking statements involving risks and uncertainties and PDL's actual results may differ materially from those in the forward-looking statements. Our statement that we have reached an agreement in principle and that we expect to reach a definitive agreement is a forward-looking statement and is subject to the risk that we are not able to conclude an agreement within the anticipated time frame, or within the anticipated scope, or with a mutually agreeable enforcement mechanism, or we may not be able to conclude a final, binding agreement at any time. The parties are not legally bound to conclude an agreement and may be unable or unwilling to resolve the disagreement, as currently anticipated. In addition to the risks specified above, you should review the risk factors contained in PDL's periodic filings with the Securities and Exchange Commission. All statements included in this press release are based upon information available to PDL as of the date hereof, and PDL assumes no obligation to update any such forward-looking statements.