

**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):
November 1, 2007

PDL BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-19756
(Commission File No.)

94-3023969
(I.R.S. Employer
Identification No.)

**1400 Seaport Boulevard
Redwood City, California 94063**
(Address of principal executive offices)

Registrant's telephone number, including area code:
(650) 454-1000

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))
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Item 1.01. Entry into a Material Definitive Agreement.

Effective November 1, 2007, PDL BioPharma, Inc. (“PDL”) and Biogen Idec MA Inc. (“Biogen”) entered into the First Amendment to Collaboration Agreement (the “First Amendment”), which amended the Collaboration Agreement between PDL and Biogen dated September 12, 2005 (the “Collaboration Agreement”). The First Amendment amended the Collaboration Agreement to delete Section 16.4 of the Collaboration Agreement in its entirety. Section 16.4 had provided that in the event either PDL or Biogen underwent a Change of Control (as defined in the Collaboration Agreement), the other party would have a set time period to elect none, some or all of a variety of rights, which were set forth in Section 16.4, and, if any of these rights were elected by the other party, the acquired party would have a set time period thereafter to elect a certain right. Many of the details regarding the rights that were set forth in Section 16.4 are subject to confidential treatment and were omitted from the version of the Collaboration Agreement filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q PDL filed with the Securities and Exchange Commission on November 8, 2005.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	First Amendment to Collaboration Agreement between the Company and Biogen Idec MA Inc., effective November 1, 2007

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: November 7, 2007

PDL BioPharma, Inc.

By: /s/ Andrew Guggenime
Andrew Guggenime
Senior Vice President and Chief Financial Officer

**FIRST AMENDMENT TO
COLLABORATION AGREEMENT**

THIS FIRST AMENDMENT TO COLLABORATION AGREEMENT (the “**Amendment**”) amends the Collaboration Agreement entered into as of September 12, 2005 (the “**Agreement**”) by and between PDL BioPharma, Inc. (formerly Protein Design Labs, Inc.), a Delaware corporation (“**PDL**”), and Biogen Idec MA Inc., a Massachusetts corporation (“**Biogen Idec**”).

RECITALS

WHEREAS, the Parties desire to amend the Agreement to delete Section 16.4 of the Agreement regarding consequences of a Change of Control (as defined in the Agreement), to permit the Agreement, as amended, to be assigned by either Party upon a Change of Control as provided in Section 18.1 of the Agreement without the consequences that would have occurred under Section 16.4.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the Parties, intending to be legally bound, agree as follows:

1. Capitalized Terms. The capitalized terms used herein shall have the same definitions as provided in the Agreement.

2. Deletion of Section 16.4; No Other Amendment. Section 16.4 of the Agreement is hereby deleted in its entirety and Section 16.5 is renumbered as Section 16.4. Except as provided in this Section 2, the Agreement shall continue in full force and effect.

This Amendment may be executed in counterparts, all of which taken together shall be regarded as one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Collaboration Agreement through their duly authorized representatives to be effective as of November 1, 2007.

PDL BIOPHARMA, INC.

By: /s/ L. Patrick Gage
Title: Interim Chief Executive Officer
Date: October 30, 2007

BIOGEN IDEC MA INC.

By: /s/ James C. Mullen
Title: Chief Executive Officer
Date: November 1, 2007