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): August 27, 2010

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices, with zip code)

(775) 832-8500
(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ 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.

Press Release

On September 1, 2010, PDL BioPharma, Inc. (the "Company") issued a press release with revenue guidance for the quarter ending September 30, 2010. The Company notes that the royalty payment it received from Genentech was complete and without a reservation of rights. A copy of the press release is attached hereto as Exhibit 99.1.

Detailed Product Sales, Royalties and Manufacturing

On September 1, 2010, the Company distributed to analysts covering or interested in covering the Company's securities and posted to its website a summary of certain information underlying the Company's receipt of royalty payments (the "Information Sheet") to assist those analysts and its stockholders in valuing the Company's securities. The Information Sheet is based on information provided to the Company by its licensees and includes reported net sales revenues by licensed product, royalty revenue by licensed product and where certain licensed products are manufactured. A copy of the Information Sheet is attached hereto as Exhibit 99.2.

Limitation of Incorporation by Reference

In accordance with General Instruction B.2. of Form 8-K, the information in this report, including the exhibits, is furnished pursuant to Item 7.01 and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This Current Report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

Cautionary Statements

This filing, the press release and the Information Sheet include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's royalty assets or business are disclosed in the "Risk Factors" contained in the Company's 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2010. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

Item 8.01 Other Events.

As previously disclosed, on August 13, 2010, the Company announced that it had received a facsimile letter from Genentech regarding Avastin®, Herceptin®, Lucentis® and Xolair® (the "Genentech Products") sales in Europe. In its letter, Genentech asserted that the Genentech Products do not infringe the supplementary protection certificates ("SPCs") granted to PDL by various countries in Europe for each of the Genentech Products.

On August 31, 2010, the Company sent its reply to Genentech, stating that Genentech's assertions are without merit. In its response, the Company disagreed fundamentally with Genentech's assertions of non-infringement with respect to the Genentech Products and cautioned that, in the 2003 settlement agreement between PDL and Genentech, Genentech had waived its right to challenge the validity of PDL's patent rights, including its SPCs. PDL has requested a meeting with Genentech to discuss resolving their differences regarding infringement of the Company's SPCs by the Genentech Products.

On August 27, 2010, the Company filed a complaint in the Second Judicial District of Nevada, Washoe County, to enforce its rights against Genentech under the 2003 settlement agreement and seeking an order from the court declaring that Genentech is obligated to pay royalties to PDL on international sales of the Genentech Products. The Company has not yet served its complaint on Genentech.

The settlement agreement was entered into as part of a definitive agreement resolving intellectual property disputes between the two companies at that time. The 2003 settlement agreement limits Genentech's ability to challenge infringement of PDL's patent rights and waives Genentech's right to challenge the validity of PDL's patent rights, including its SPCs. Certain breaches of the 2003 settlement agreement would subject Genentech to substantial liquidated and other damages.

The Company notes that the royalty payment it received from Genentech on August 27, 2010, was complete and without a reservation of rights.

On September 1, 2010, the Company issued a press release with the above information regarding Genentech. A copy of the press release is attached hereto as Exhibit 99.1, and the section titled "Genentech Update" is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated September 1, 2010
99.2	Information Sheet, dated September 1, 2010

SIGNATURES

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

PDL BIOPHARMA, INC.
(Company)

By: /s/ Christine R. Larson
Christine R. Larson
Vice President and Chief Financial Officer

Dated: September 1, 2010

EXHIBIT INDEX

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Contacts:
Cris Larson
PDL BioPharma, Inc.
775-832-8505
Cris.Larson@pdl.com

Jennifer Williams
Cook Williams Communications, Inc.
360-668-3701
jennifer@cwcomm.org

PDL BioPharma Provides Third Quarter 2010 Revenue Guidance of Approximately $86 Million and Update to its Correspondence with Genentech

INCLINE VILLAGE, NV, September 1, 2010 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced revenue guidance for the third quarter ended September 30, 2010 of approximately $86 million, as compared with actual results of $71.4 million for the third quarter of 2009, a 20 percent year-over-year increase. The growth is primarily driven by increased second quarter 2010 sales of Avastin®, Herceptin®, Lucentis® and Tysabri® for which PDL receives royalties in the third quarter of 2010. Also included in third quarter 2010 guidance is $2.9 million earned on Eurodollar foreign currency hedging contracts that the Company initiated in January 2010. The royalty payment from Genentech included royalties generated on both U.S. and ex-U.S. manufactured products and sales.

Sales of Avastin, Herceptin, Xolair and Lucentis are subject to a tiered royalty rate for product that is made or sold in the United States and a flat royalty rate of three percent for product that is manufactured and sold outside of the United States. The net sales thresholds and the applicable royalty rates for product that is made or sold in the United States are outlined below:

	Royalty Rate
Net sales up to $1.5 billion	3.0%
Net sales between $1.5 billion and $2.5 billion	2.5%
Net sales between $2.5 billion and $4.0 billion	2.0%
Net sales exceeding $4.0 billion	1.0%

Reported sales of Avastin and Herceptin increased 11 percent and six percent, respectively, in the second quarter of 2010, when compared to the same period for the prior year. Roche recently reported that global sales of Avastin for advanced colorectal, breast, lung and kidney cancer, and for relapsed glioblastoma, rose 14 percent in the first half of 2010 driven by uptake in colorectal, breast and/or lung cancer. Roche also reported that global sales of Herceptin for HER2-postive breast cancer and advanced stomach cancer increased eight percent in the first half of 2010 driven by further penetration in the early and metastatic breast cancer settings, particularly in emerging markets. Additionally, first signs of uptake in Europe of Herceptin in HER2-postive advanced stomach cancer were seen following approval of this new indication in January of this year. Also contributing to increased Avastin royalties were sales of Avastin that was both manufactured and sold outside the United States. Ex-U.S. manufactured and sold Avastin sales represented 27 percent of total Avastin sales; there were no sales of ex-U.S. manufactured Avastin prior to the fourth quarter of 2009.

Reported second quarter 2010 sales of Lucentis increased 34 percent when compared to the same period for the prior year. Lucentis is approved for the treatment of age related macular degeneration in the United States and in Europe and received approval for the treatment of macular edema following retinal vein occlusion in June 2010 in the United States. Second quarter 2010 sales grew by 30 percent in the United States and by 38 percent internationally.

Reported sales of Tysabri increased 14 percent in the second quarter of 2010 when compared to the same period for the prior year. Elan recently announced that at the end of June 2010, approximately 52,700 patients were on therapy worldwide representing an increase of 22 percent over the approximately 43,300 patients who were on the therapy at the end of June 2009. Tysabri royalties are determined at a flat rate as a percent of sales regardless of location of manufacture or sale.

The sales information presented above is based on information provided by PDL's licensees in their quarterly reports to the Company as well as from public disclosures made by PDL's licensees.

Genentech Update

On August 13, 2010, the Company announced that it had received a facsimile letter from Genentech regarding Avastin, Herceptin, Lucentis and Xolair (the Genentech Products) sales in Europe. In its letter, Genentech asserted that the Genentech Products do not infringe the supplementary protection certificates (SPCs) granted to PDL by various countries in Europe for each of the Genentech Products.

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About PDL BioPharma
PDL pioneered the humanization of monoclonal antibodies and, by doing so, enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases. PDL is focused on maximizing the value of its antibody humanization patents and related assets. The Company receives royalties on sales of a number of humanized antibody products marketed today based on patents which expire in late 2014. For more information, please visit www.pdl.com.

NOTE: PDL BioPharma and the PDL BioPharma logo are considered trademarks of PDL BioPharma, Inc.

Forward-looking Statements
This press release contains forward-looking statements. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Factors that may cause differences between current expectations and actual results include, but are not limited to, the following:

- The expected rate of growth in royalty-bearing product sales by PDL'sexisting licensees;
- The relative mix of royalty-bearing Genentech products manufactured and soldoutside the U.S. versus manufactured or sold in the U.S.;
- The ability of our licensees to receive regulatory approvals to marketand launch new royalty-bearing products and whether such products, if launched, will be commercially successful;
- Changes in any of the other assumptions on which PDL's projected royaltyrevenues are based;
- The outcome of pending litigation or disputes; and
- The failure of licensees to comply with existing license agreements,including any failure to pay royalties due.

Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this press release are discussed in PDL's filings with the SEC, including the "Risk Factors" sections of its annual and quarterly reports filed with the SEC. Copies of PDL's filings with the SEC may be obtained at the "Investors" section of PDL's website at www.pdl.com. PDL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in PDL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based for any reason, except as required by law, even as new information becomes available or other events occur in the future. All forward-looking statements in this press release are qualified in their entirety by this cautionary statement.

Reported Net Sales Revenue by Product ($ in 000's) *

Avastin	Q1	Q2	Q3	Q4	Total
2010	1,586,093	1,596,892	1,594,707		4,777,692
2009	1,345,487	1,295,536	1,439,730	1,514,053	5,594,806
2008	980,715	1,084,930	1,180,427	1,239,382	4,485,454
2007	678,068	746,587	797,013	875,084	3,096,752
2006	439,318	516,052	570,551	592,897	2,118,817

Herceptin	Q1	Q2	Q3	Q4	Total
2010	1,337,732	1,349,512	1,300,934		3,988,178
2009	1,210,268	1,133,993	1,226,435	1,278,626	4,849,323
2008	1,105,426	1,195,215	1,211,982	1,186,806	4,699,428
2007	891,761	949,556	979,602	1,015,033	3,835,952
2006	529,585	659,719	761,099	803,576	2,753,979

Lucentis	Q1	Q2	Q3	Q4	Total
2010	759,965	698,890	745,376		2,204,231
2009	462,103	469,736	555,296	615,212	2,102,347
2008	363,615	393,682	460,167	454,922	1,672,386
2007	224,820	219,579	299,995	322,300	1,066,695
2006	-	-	10,689	157,742	168,431

Xolair	Q1	Q2	Q3	Q4	Total
2010	240,904	225,878	251,055		717,836
2009	184,669	181,086	211,006	219,693	796,454
2008	137,875	169,521	177,179	183,753	668,329
2007	129,172	130,700	144,250	147,754	551,876
2006	95,241	99,354	112,608	118,002	425,204

Raptiva	Q1	Q2	Q3	Q4	Total
2010	-	14,224	-		14,224
2009	62,653	21,526	1,502	-	85,681
2008	55,541	57,601	66,992	65,216	245,349
2007	45,134	47,401	52,914	53,885	199,333
2006	32,672	35,458	39,610	41,353	149,093

Synagis	Q1	Q2	Q3	Q4	Total
2010	-	-	-		-
2009	571,486	623,951	57,271	105,314	1,358,021
2008	542,283	574,207	80,930	141,696	1,339,116
2007	478,388	548,227	53,586	139,736	1,219,936
2006	472,362	489,634	30,185	124,629	1,116,811

Tysabri	Q1	Q2	Q3	Q4	Total
2010	293,047	287,925	293,664		874,635
2009	221,854	229,993	257,240	285,481	994,569
2008	129,430	163,076	200,783	233,070	726,359
2007	30,468	48,715	71,972	94,521	245,675
2006	-	-	-	7,890	7,890

Actemra	Q1	Q2	Q3	Q4	Total
2010	52,908	5,405	10,493		68,806
2009	19,504	17,920	30,313	39,888	107,627
2008	1,452	1,377	5,981	12,305	21,116
2007	2,388	873	1,071	1,137	5,470
2006	-	-	-	-	-

Mylotarg	Q1	Q2	Q3	Q4	Total
2010	8,500	8,658	8,142		25,300
2009	8,367	8,406	8,813	8,654	34,240
2008	8,978	8,050	8,225	8,140	33,393
2007	7,879	8,202	8,345	7,878	32,304
2006	8,832	9,084	8,874	16,081	42,871

* As reported to PDL by its licensees

Royalty Revenue by Product ($ in 000's) *

Avastin	Q1	Q2	Q3	Q4	Total
2010	16,870	44,765	29,989		91,624
2009	13,605	35,161	21,060	15,141	84,966
2008	9,957	30,480	19,574	12,394	72,405
2007	8,990	21,842	17,478	9,549	57,859
2006	10,438	15,572	15,405	12,536	53,952

Herceptin	Q1	Q2	Q3	Q4	Total
2010	23,402	38,555	27,952		89,909
2009	16,003	32,331	26,830	18,615	93,779
2008	14,092	34,383	28,122	20,282	96,880
2007	19,035	28,188	22,582	14,802	84,608
2006	15,142	19,716	21,557	20,354	76,769

Lucentis	Q1	Q2	Q3	Q4	Total
2010	7,220	19,091	10,841		37,151
2009	4,621	12,863	8,123	6,152	31,759
2008	3,636	11,060	7,631	4,549	26,876
2007	2,931	6,543	6,579	3,517	19,570
2006	-	-	289	3,335	3,624

Xolair	Q1	Q2	Q3	Q4	Total
2010	3,723	6,386	4,980		15,089
2009	2,665	5,082	4,085	3,722	15,553
2008	1,488	4,866	3,569	2,927	12,850
2007	1,684	3,942	3,332	2,184	11,142
2006	2,263	2,969	3,041	2,495	10,768

Raptiva	Q1	Q2	Q3	Q4	Total
2010	(150)	142	-		(8)
2009	477	589	22	150	1,238
2008	405	1,618	1,111	802	3,937
2007	588	1,246	1,160	738	3,733
2006	776	1,060	1,069	874	3,780

Synagis	Q1	Q2	Q3	Q4	Total
2010	-	-	-		-
2009	17,145	18,869	1,568	3,159	40,741
2008	16,268	17,376	2,278	4,251	40,173
2007	14,352	16,747	1,608	4,042	36,748
2006	14,171	14,689	831	3,664	33,354

Tysabri	Q1	Q2	Q3	Q4	Total
2010	8,791	8,788	8,735		26,314
2009	6,656	7,050	7,642	8,564	29,912
2008	3,883	5,042	5,949	6,992	21,866
2007	839	1,611	2,084	2,836	7,370
2006	-	-	-	237	237

Actemra	Q1	Q2	Q3	Q4	Total
2010	1,587	237	315		2,139
2009	585	537	909	1,197	3,228
2008	44	116	179	369	708
2007	32	326	32	34	425
2006	-	-	-	-	-

Mylotarg	Q1	Q2	Q3	Q4	Total
2010	366	153	285		804
2009	293	370	805	453	1,921
2008	314	132	288	209	943
2007	276	137	292	426	1,131
2006	309	168	311	568	1,355

* As reported to PDL by its licensees

Manufacturing Split - Genentech / Roche & Novartis *

Avastin	2009 - Q1	2009 - Q2	2009 - Q3	2009 - Q4	2010 - Q1	2010 - Q2	2010 - Q3
US Made & Sold	729,006	703,216	777,635	795,199	795,453	814,872	820,453
US Made & ex-US Sold	616,481	592,320	662,095	718,855	703,661	355,742	338,929
ex-US Made & Sold	-	-	-	-	86,979	426,277	435,325
Total	1,345,487	1,295,536	1,439,730	1,514,053	1,586,093	1,596,892	1,594,707
US Made & Sold	54%	54%	54%	53%	50%	51%	51%
US Made & ex-US Sold	46%	46%	46%	47%	44%	22%	21%
ex-US Made & Sold	0%	0%	0%	0%	5%	27%	27%

Herceptin	2009 - Q1	2009 - Q2	2009 - Q3	2009 - Q4	2010 - Q1	2010 - Q2	2010 - Q3
US Made & Sold	344,808	347,932	391,401	386,654	394,883	406,222	410,563
US Made & ex-US Sold	670,459	440,821	256,693	608,046	372,146	312,792	306,085
ex-US Made & Sold	195,000	345,241	578,341	283,926	570,703	630,498	584,286
Total	1,210,268	1,133,993	1,226,435	1,278,626	1,337,732	1,349,512	1,300,934
US Made & Sold	28%	31%	32%	30%	30%	30%	32%
US Made & ex-US Sold	55%	39%	21%	48%	28%	23%	24%
ex-US Made & Sold	16%	30%	47%	22%	43%	47%	45%

Lucentis	2009 - Q1	2009 - Q2	2009 - Q3	2009 - Q4	2010 - Q1	2010 - Q2	2010 - Q3
US Made & Sold	229,921	232,413	251,182	266,405	323,153	300,501	326,840
US Made & ex-US Sold	232,182	237,323	304,114	348,808	436,812	398,389	418,536
ex-US Made & Sold	-	-	-	-	-	-	-
Total	462,103	469,736	555,296	615,212	759,965	698,890	745,376
US Made & Sold	50%	49%	45%	43%	43%	43%	44%
US Made & ex-US Sold	50%	51%	55%	57%	57%	57%	56%
ex-US Made & Sold	0%	0%	0%	0%	0%	0%	0%

Xolair	2009 - Q1	2009 - Q2	2009 - Q3	2009 - Q4	2010 - Q1	2010 - Q2	2010 - Q3
US Made & Sold	135,732	133,843	146,022	150,950	157,503	145,245	165,109
US Made & ex-US Sold	531	77	47	10	-	-	-
ex-US Made & Sold	48,406	47,166	64,937	68,733	83,401	80,632	85,945
Total	184,669	181,086	211,006	219,693	240,904	225,878	251,055
US Made & Sold	74%	74%	69%	69%	65%	64%	66%
US Made & ex-US Sold	0%	0%	0%	0%	0%	0%	0%
ex-US Made & Sold	26%	26%	31%	31%	35%	36%	34%

Total	2009 - Q1	2009 - Q2	2009 - Q3	2009 - Q4	2010 - Q1	2010 - Q2	2010 - Q3
US Made & Sold	1,464,837	1,434,715	1,567,742	1,599,208	1,670,992	1,666,840	1,722,965
US Made & ex-US Sold	1,556,936	1,274,755	1,222,949	1,675,718	1,512,620	1,081,147	1,063,551
ex-US Made & Sold	243,406	392,407	643,279	352,659	741,083	1,137,407	1,105,556
Total	3,265,179	3,101,878	3,433,970	3,627,585	3,924,694	3,885,394	3,892,072
US Made & Sold	45%	46%	46%	44%	43%	43%	44%
US Made & ex-US Sold	48%	41%	36%	46%	39%	28%	27%
ex-US Made & Sold	7%	13%	19%	10%	19%	29%	28%

* As reported to PDL by its licensees