

**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):
April 11, 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.)

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))
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Item 8.01. Other Events.

On April 11, 2007, PDL BioPharma, Inc. (the "Company") delivered a letter to Third Point LLC regarding various matters. A copy of this letter is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Letter from the Company to Third Point LLC, dated April 11, 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: April 11, 2007

PDL BioPharma, Inc.

By: /s/ Andrew Guggenime

Andrew Guggenime

Senior Vice President and Chief Financial Officer

[PDL BioPharma, Inc. Letterhead]

VIA FACSIMILE AND OVERNIGHT DELIVERY

April 11, 2007

Mr. Daniel Loeb
Chief Executive Officer
Third Point LLC
390 Park Avenue
New York, New York 10022

Dear Mr. Loeb:

Following the discussion late last week, we are writing to reiterate our interest in engaging in a constructive dialogue with Third Point, while we evaluate qualified candidates who may enhance the membership of our board of directors. We are committed to good corporate governance and have an ongoing interest to ensure that we understand stockholder views and that our board reflects an optimal blend of experience and diverse perspectives to permit effective representation of all stockholder interests.

Third Point has also expressed interest in clarity regarding our R&D spending. We intend to provide our investors additional information on our R&D spending in our disclosures and public communications moving forward. We have openly and repeatedly acknowledged the clinical program disappointments that occurred in 2006, and have been taking steps to ensure that we are proactive in creating rigorous methods in clinical development to optimize our probability of success in all aspects of clinical development. As examples, we have addressed this with a process improvement strategy within our clinical teams initiated in the fourth quarter of last year and more recently by our February appointment of a new Chief Medical Officer. At present, we believe that our focus on improved execution and advancing our pipeline, exemplified by the recently announced positive results of our antibody-based drug daclizumab in multiple sclerosis patients, is the best way to enhance stockholder value.

We remain committed to becoming a leading therapeutics company with a sustainable product portfolio by leveraging our innovative pipeline and antibody expertise. A key component of this strategy is also to leverage our commercial platform to support our pipeline programs as they continue to advance through the clinic. We therefore do not agree with the assertion that sale of our current commercial products makes sense in light of this strategy, particularly since the overall contribution from these products is quite strongly positive.

As a publicly traded biotechnology company, our key aim is to maximize long-term value for all of our stockholders, while providing products that meet important needs of patients and caregivers. We believe our current strategy addresses this objective. As we have repeatedly indicated since early March, we continue to extend the offer to meet in person, as we are committed to listening to our stockholders, and we hope to have a constructive dialogue moving forward.

Sincerely,

/s/ L. Patrick Gage, Ph.D.

L. Patrick Gage, Ph.D.
Chairman

/s/ Mark McDade

Mark McDade
Chief Executive Officer