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 6, 2014

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 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.01 is incorporated into this Item 1.01 by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On November 6, 2014, PDL BioPharma, Inc. (the Company) entered into a royalty purchase and sale agreement (the Royalty Agreement) with The Regents of the University of Michigan (Seller), whereby the Company acquired the rights to receive a portion of Seller's worldwide royalty interest in Cerdelga™ (eliglustat) for $65.6 million (the Transaction). Cerdelga was developed by Genzyme, a Sanofi company. The Transaction closed simultaneously with the execution of the Royalty Agreement.

Under the terms of the Royalty Agreement, the Company will receive 75 percent of all royalty payments due under Seller's license agreement with Genzyme from the date that Genzyme commences marketing of Cerdelga until the expiration of the licensed patents, excluding any patent term extension. The Royalty Agreement includes customary rights to ensure the Company's ability to receive the royalty payments. In accordance with the Royalty Agreement, the Company and Seller have established an escrow account from which royalty payments will be distributed to the Company and Seller.

Item 8.01 Other Events.

On November 6, 2014, the Company issued a press release announcing the Transaction. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Cautionary Statements

This filing, the press release and the Company's statements herein and in the attached press release contain "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or predictions of future conditions, events or results based on various assumptions and management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. 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 and limit the Company's ability to pay dividends, purchase income generating assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2013 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2014, and updated in subsequent quarterly reports. All forward-looking statements are expressly qualified in their entirety by such factors. The forward-looking statements are representative only as of the date they are made, and the Company assumes no responsibility to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release

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/ John P. McLaughlin
John P. McLaughlin
President and Chief Executive Officer

Dated: November 6, 2014

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release

Exhibit 99.1

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PDL BioPharma Acquires a Portion of the University of Michigan's Royalty Interest in Genzyme's Cerdelga™ (eliglustat) Capsules for $65.6 Million

Incline Village, Nevada, November 6, 2014 – PDL BioPharma ("PDL") (Nasdaq: PDLI) announced today that it has acquired a portion of the University of Michigan's ("U-M") worldwide royalty interest in Cerdelga™ (eliglustat) for $65.6 million. Cerdelga, an oral therapy for adult patients with Gaucher disease type 1, was developed by Genzyme, a Sanofi company. Cerdelga was approved by the U.S. Food and Drug Administration (FDA) on August 19, 2014.

Under the terms of the royalty agreement, PDL will receive 75 percent of all royalty payments due under U-M's license agreement with Genzyme until expiration of the licensed patents, excluding any patent term extension. The royalty rate used to calculate the royalties to be paid by Genzyme to U-M was not disclosed by the parties. In addition to the recent FDA approval, marketing applications for Cerdelga are under review by the European Medicines Agency and other regulatory authorities.

Cerdelga was developed to provide an effective oral treatment alternative for adult patients with Gaucher disease type 1, and to provide a broader range of treatment options for Gaucher patients and physicians. Genzyme's clinical development program for Cerdelga represented the largest clinical program ever conducted in Gaucher disease, with approximately 400 patients treated in 29 countries.

"Our acquisition of the Cerdelga royalties significantly adds to our already diversified portfolio of biopharmaceutical royalties," stated John McLaughlin, president and chief executive officer of PDL BioPharma. "We continue to provide leading institutions, such as the University of Michigan, with capital that will allow them to pursue their funding initiatives, while also allowing PDL to acquire meaningful income generating assets and to create shareholder value."

"Cerdelga represents the first chemical entity invented at the University of Michigan to receive FDA approval and illustrates the societal benefits of transferring discoveries from university research," said Kenneth Nisbet, Associate Vice President for Research –Technology Transfer at the University of Michigan. "We're very pleased with our agreement with PDL which enables us to accelerate our investments in research and education. We strongly believe in Cerdelga's potential, which is why we have retained a portion of the royalty rights."

Additional information about Cerdelga

Cerdelga is a novel ceramide analog given orally and was designed to partially inhibit the enzyme glucosylceramide synthase, resulting in reduced production of glucosylceramide. Glucosylceramide is the substance that builds up in the cells and tissues of people with Gaucher disease. The concept was initially developed by the late Norman Radin, Ph.D., from the University of Michigan, and further developed by James A. Shayman, M.D., also from the University of Michigan, prior to and after licensing the compound to Genzyme.

See full prescribing information for more details about warnings and precautions and a complete list of adverse reactions.

About PDL BioPharma, Inc.

PDL manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. antibody humanization patents and license agreements with various biotechnology and pharmaceutical companies. 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 for which it receives significant royalty revenue. PDL is currently focused on intellectual property asset management, acquiring new income generating assets, and maximizing value for its shareholders.

The company was formerly known as Protein Design Labs, Inc. and changed its name to PDL BioPharma, Inc. in 2006. PDL was founded in 1986 and is headquartered in Incline Village, Nevada.

To support its ability to pay dividends, PDL seeks to provide non-dilutive growth capital and financing solutions to late stage public and private healthcare companies and offers immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL has invested approximately $780 million to date. PDL evaluates its investments based on the quality of the income generating assets and potential returns on investment.

For more information, please visit www.pdl.com.

About the University of Michigan Tech Transfer

U-M Tech Transfer is the University of Michigan’s organization responsible for the transfer of U-M research discoveries to the marketplace. U-M Tech Transfer licenses these inventions to existing businesses and assists in launching new startups based on these inventions to ensure that the benefits of these research discoveries reach the general public. In fiscal year 2014, U-M Tech Transfer received 439 invention disclosures, recorded 148 option and license agreements and launched 14 new startups.

For more information, visit www.techtransfer.umich.edu.