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):
September 12, 2005

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 No.)	(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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.

On September 12, 2005, Protein Design Labs, Inc., a Delaware corporation ("PDL") closed its previously-announced collaboration transaction with Biogen Idec MA Inc., a wholly-owned subsidiary of Biogen Idec, Inc. ("Biogen Idec"), for the joint development, manufacture and commercialization of three Phase II antibody products pursuant to a Collaboration Agreement, a Purchase Agreement and a Closing Agreement each between PDL and Biogen Idec (collectively, the "Agreements"). Pursuant to the Closing Agreement executed as of August 2, 2005, following the satisfaction of all conditions, including expiration of the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the Collaboration Agreement and Purchase Agreement became effective as of the closing which took place on September 12, 2005. At the closing, Biogen Idec purchased 4,058,935 shares of PDL common stock for aggregate proceeds to PDL of approximately $100 million and made an upfront payment of $40 million. The press release announcing the closing of the transaction is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference, and the description of the Agreements set forth under Item 1.01 of Form 8-K filed by PDL on August 2, 2005 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
99.1	Press Release, issued by Protein Design Labs, Inc. on September 12, 2005.

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: September 12, 2005

PROTEIN DESIGN LABS, INC.

By: /s/ Glen Y. Sato

Glen Y. Sato
Senior Vice President and
Chief Financial Officer

www.pdl.com

Contact:

James R. Goff
Senior Director,
Investor Relations
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For Immediate Release

PDL ANNOUNCES SUCCESSFUL CLOSING OF GLOBAL ALLIANCE WITH BIOGEN IDEC TO DEVELOP AND COMMERCIALIZE THREE PHASE II ANTIBODY PRODUCTS

Fremont, Calif., September 12, 2005 – Protein Design Labs, Inc. (PDL) (Nasdaq: PDLI) today announced the successful closing of its previously-announced collaboration with Biogen Idec following the satisfaction of all closing conditions, including expiration of the waiting period required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. On August 2, 2005, PDL and Biogen Idec announced the broad collaboration for the joint development, manufacture and commercialization of three Phase II antibody products. The agreement provides for shared development and commercialization of daclizumab in multiple sclerosis and indications other than transplant and respiratory diseases, and for shared development and commercialization of M200 (volociximab) and *HuZAF*™ (fontolizumab) in all indications.

At the closing, PDL received an upfront payment of $40 million, and Biogen Idec purchased common stock from PDL for aggregate proceeds to PDL of approximately $100 million. The shares purchased are subject to certain lock-up restrictions. If multiple products are developed successfully in multiple indications and all milestones are achieved, PDL could receive certain development and commercialization milestone payments totaling up to $660 million. Of these, $560 million are related to development and $100 million are related to commercialization of collaboration products.

About PDL

PDL is a biopharmaceutical company focused on the research, development and commercialization of novel therapies for inflammation and autoimmune diseases, acute cardiac conditions and cancer. PDL markets several biopharmaceutical products in the United States through its hospital sales force and wholly-owned subsidiary, ESP Pharma, Inc. As a leader in the development of humanized antibodies, PDL has licensed its patents to numerous pharmaceutical and biotechnology companies, some of which are now paying royalties on net sales of licensed products. Further information on PDL is available at www.pdl.com.

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. In particular, there can be no assurance that the parties will successfully develop or achieve the milestone events on any of the products or that the parties will perform their obligations under the agreement as anticipated. While the parties are bound to proceed with certain obligations, the agreement contains provisions under which parties can reduce or eliminate their obligations to develop, manufacture and commercialize products, and no assurance can be given that either party will proceed with the development and commercialization of any product. Other factors that may affect the development and commercialization of products are discussed in PDL's Annual Report on Form 10-K for the year ended December 31, 2004, and in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 and in other filings made 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.

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