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): December 21, 2009

PDL BioPharma, Inc.

(Exact name of Company as specified in its charter)

Delaware	**000-19756**	**94-3023969**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(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.

On December 21, 2009, the Company announced that it had entered into a non-exclusive license agreement with Eli Lilly and Company (NYSE:LLY). The Company's press release regarding the licensing agreement is attached as Exhibit 99.1 hereto.

Exhibit 99.1 contains forward-looking statements within the meaning of the federal securities laws. These statements are present expectations and are subject to the limitations listed therein and in the Company's other SEC reports, and actual events or results may differ materially from those in the forward-looking statements.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release Dated December 21, 2009 Regarding New Licensing Agreement with Eli Lilly

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 LARSON

Christine Larson
Vice President and Chief Financial Officer

Dated: December 21, 2009

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release Dated December 21, 2009 Regarding New Licensing Agreement with Eli Lilly

Exhibit 99.1

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PDL BioPharma Announces New Licensing Agreement with Eli Lilly

INCLINE VILLAGE, NV, December 21, 2009 – PDL BioPharma, Inc. (NASDAQ:PDLI) today announced that it has entered into a non-exclusive license agreement with Eli Lilly and Company (NYSE:LLY) under PDL's Queen et al patents with respect to teplizumab, a humanized anti-CD3 monoclonal antibody, as well as other potential next generation anti-CD3 molecules. Teplizumab is currently being studied by Lilly and its partner MacroGenics for the treatment of individuals with newly-diagnosed type 1 diabetes mellitus. No other details of the licensing agreement were made available.

Lilly currently holds a license to the Queen et al patents with respect to solanezumab, its humanized antibody to beta amyloid which is currently being studied to delay the progression of Alzheimer's disease.

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 and also may receive royalty payments on additional humanized antibody products launched before patent expiry in late 2014. For more information, please visit www.pdl.com.

This press release contains forward-looking statements. As with any pharmaceutical product under development, there are substantial risks and uncertainties in the process of development and regulatory review. There is no guarantee that a product will receive regulatory approvals, or that the regulatory approval will be for the indication(s) anticipated by the Company. There is also no guarantee that a product will prove to be commercially successful. PDL undertakes no duty to update forward-looking statements.