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 31, 2008

ALEXION PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-27756**	**13-3648318**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

352 Knotter Drive, Cheshire, Connecticut 06410
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (203) 272-2596

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))

Item 1.01 Entry into a Material Definitive Agreement.

On December 31, 2008, Alexion Pharmaceuticals, Inc., or Alexion, and PDL BioPharma, Inc., or PDL, entered into a Patent License Agreement and Settlement Agreement for the purpose of resolving all claims previously filed by PDL and all counterclaims previously filed by Alexion in the U.S. District Court for the District of Delaware relating to certain PDL patents, or the PDL Patents.

The PDL Patents cover technology relating to the humanization of antibodies. Pursuant to the License Agreement, Alexion acquired a fully paid, nonexclusive, irrevocable, perpetual worldwide license to some claims of the PDL Patents and a covenant not to sue from PDL for other claims of the PDL Patents, in each case for the commercialization of Soliris for all indications. Alexion will make a one-time $25 million payment to PDL, $12.5 million of which is due on or prior to January 9, 2009 and $12.5 million of which is due in June 2009. No royalties or other amounts are owed to PDL with respect to sales of Soliris for any indication. Upon receipt of the $25 million license payment, the previously announced claims filed by PDL and counterclaims filed by Alexion in the U.S. District Court for the District of Delaware will be dismissed. Alexion expects to pay the $25 million from available cash on hand.

Under the terms of the License Agreement PDL separately granted Alexion the right to take a worldwide, royalty-bearing license under the PDL Patents to commercialize additional Alexion humanized antibodies that may be covered by the PDL Patents in the future.

Under the terms of the Settlement Agreement, Alexion and PDL agreed to resolve and settle all claims filed by PDL and all counterclaims filed by Alexion in the U.S. District Court for the District of Delaware. Under the Settlement Agreement Alexion also agreed that it will not contest, or assist others to contest, the validity or enforceability of the PDL Patents.

As a result of the settlement, Alexion will record an intangible asset which will be amortized over the remaining life of the PDL Patents. Also as a result of the settlement, Alexion will record a reduction in Cost of Goods Sold of approximately $1.8 million during the fourth quarter of 2008 in respect of sales of Soliris prior to the fourth quarter. Excluding the reduction in Cost of Goods Sold of $1.8 million for previous quarters, Alexion expects Soliris Cost of Goods Sold during the fourth quarter of 2008 to be approximately 11% to 12% of sales. Alexion will provide 2009 guidance for Cost of Goods Sold and other areas of financial performance in February when it reports financial results for the quarter and year ended December 31, 2008.

A copy of the press release issued on January 5, 2009 relating to the resolution of the patent dispute is furnished as Exhibit 99.1 to this form 8-K.

Item 9.01 Exhibits.

(d)

99.1 Press Release issued by Alexion Pharmaceuticals, Inc. and PDL BioPharma, Inc. on January 5, 2009 relating to the resolution of the patent dispute.

Signature

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.

ALEXION PHARMACEUTICALS, INC.

Date: January 5, 2009

By: /s/ Thomas I.H. Dubin
Name: Thomas I. H. Dubin
Title: Senior Vice President and General Counsel

Exhibit 99.1

Contacts:

Alexion Pharmaceuticals, Inc.
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Sr. Director, Corporate Communications
203-272-2596

PDL BioPharma, Inc.
David Carey
Director
Lazar Partners Ltd.
212-867-1768

ALEXION PHARMACEUTICALS AND PDL BIOPHARMA RESOLVE PATENT DISPUTE

Alexion Licenses PDL's Queen et al. Patents for Soliris®

January 5, 2009. Incline Village, Nevada, and Cheshire, Connecticut – PDL BioPharma, Inc. (NASDAQ: PDLI) and Alexion Pharmaceuticals, Inc. (NASDAQ: ALXN) today jointly announced that the companies have entered into a definitive license agreement and settlement agreement that resolve the legal disputes between them relating to Alexion's humanized antibody, Soliris® (eculizumab) and PDL's patents known as the Queen et al. patents.

Under the agreements announced today, PDL has granted Alexion a license under certain claims in the Queen patent portfolio, and provided Alexion a covenant not to sue in respect of other claims in the Queen patent portfolio, thus permitting Alexion to commercialize Soliris for all indications under the Queen patents. In consideration of this license, Alexion will pay PDL $25 million. No additional payments will be owed by Alexion to PDL under the Queen patents in respect of Soliris sales for any indication. As part of the settlement, Alexion has confirmed that the Queen patent claims are valid and that Soliris employs technology covered under the Queen patents. Further, Alexion has agreed not to challenge or assist other parties in challenging the validity of the Queen patents in the future.

PDL's Queen patents are related to the humanization of antibodies. Soliris was approved in the U.S. and European Union in 2007 as a treatment for patients with paroxysmal nocturnal hemoglobinuria ("PNH"), a rare, debilitating and life-threatening blood disease. The use of Soliris as a treatment for other rare and severe disorders is in early stages of investigation.

Under the license agreement announced today, PDL has separately granted Alexion the right to take a royalty-bearing license under PDL's Queen patents to commercialize additional Alexion humanized antibodies that may be covered by the Queen patents in the future. In the event that Alexion takes such a license, Alexion will pay PDL a royalty of 4% of net sales of such non-Soliris products. Additional terms of the agreements were not disclosed.

"PDL helped revolutionize the development of therapeutic antibodies to treat patients with previously untreatable and devastating conditions," said Leonard Bell, M.D., Chief Executive Officer of Alexion.

John P. McLaughlin, President and Chief Executive Officer of PDL said, "We appreciate Alexion's efforts to resolve the dispute and its acknowledgement about our patents' strength. Soliris is an important therapeutic product, and it serves a critical – and otherwise underserved – market."

With the closing of these agreements, the previously announced claims filed by PDL and counterclaims filed by Alexion in the U.S. District Court for the District of Delaware will be dismissed.

About Soliris

Soliris is the first product approved for the treatment of paroxysmal nocturnal hemoglobinuria (PNH) in the U.S. and Europe. PNH is a rare, debilitating, and life-threatening blood disorder defined by the destruction of red blood cells, or hemolysis. In patients with PNH, hemolysis can cause life-threatening thromboses, recurrent pain, kidney disease, disabling fatigue, impaired quality of life, severe anemia, pulmonary hypertension, shortness of breath and intermittent episodes of dark-colored urine (hemoglobinuria). Soliris is the only treatment that blocks this hemolysis before it occurs.

About Alexion

Alexion Pharmaceuticals, Inc. is a biopharmaceutical company working to develop and deliver life-changing drug therapies for patients with serious and life-threatening medical conditions. This press release and further information about Alexion Pharmaceuticals, Inc. can be found at: www.alexionpharm.com.

About PDL BioPharma

PDL BioPharma, Inc. was a leader in the humanization of monoclonal antibodies and enabled the discovery of a new generation of targeted treatments for cancer and autoimmune diseases. This press release and further information about PDL BioPharma, Inc. can be found at: www.pdl.com.

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Forward Looking Statement

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, including because Alexion or PDL fail to timely fulfill their respective obligations under the settlement agreement or patent license agreement. PDL and Alexion expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their respective 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.

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