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): October 19, 2009 (October 14, 2009)

THRESHOLD PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-32979**	**94-3409596**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

1300 Seaport Boulevard, Suite 500
Redwood City, California 94063
(Address of principal executive offices) (Zip Code)

(650) 474-8200
(Registrant'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 registrant 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

On October 14, 2009, Threshold Pharmaceuticals, Inc. ("Threshold") entered into an exclusive license agreement (the "License") with Eleison Pharmaceuticals, Inc. ("Eleison"). Pursuant to the License, Threshold granted Eleison exclusive worldwide rights to develop and commercialize glufosfamide for the treatment of cancer in humans and animals, and certain other uses. Glufosfamide is a novel small molecule that has been evaluated by Threshold in a Phase 3 clinical trial and multiple Phase 2 clinical trials. Glufosfamide was licensed by Threshold from Baxter International in 2003, and in 2004, Threshold and MediBIC Co. signed a development agreement whereby MediBIC would conduct clinical development activities for glufosfamide in certain Asian countries.

Under the License, Eleison is responsible for the development, manufacturing and marketing of glufosfamide. Eleison will pay Threshold a specified percentage of its profits from commercialization, beginning on the date of first commercial sale, if the further clinical development of glufosfamide leads to regulatory approval and marketing. Eleison has the right to sublicense some or all of its rights under the License, and will pay Threshold a specified percentage of amounts received under any sublicenses. Eleison will bear all costs associated with development, commercialization and patent prosecution, and will control product development and commercialization. In addition, Eleison will be responsible for all royalty and milestone payments under the Baxter license and MediBIC development agreement. The License contemplates that Eleison, to satisfy its diligence obligations, will raise sufficient funds to commence clinical development activities with glufosfamide.

In the event that Eleison fails to satisfy its diligence obligations, Threshold may, at its option, terminate the License for material breach or convert the License to a non-exclusive license.

The License will remain in effect as long as Eleison continues to sell glufosfamide anywhere in the world or receives payments under any sublicenses. Each party is entitled to terminate the License upon the other party's uncured material breach or bankruptcy or insolvency, subject to certain cure rights. In addition, Eleison may terminate the License for convenience at any time on 90 days written notice to Threshold.

Following any termination by Eleison for convenience or by Threshold for Eleison's material breach, all licensed rights will revert to Threshold. Following any termination by Eleison for Threshold's material breach, all licensed rights will fully vest in Eleison, provided that Eleison will be required to pay Threshold a specified percentage of the profit sharing payments it otherwise would have been required to pay Threshold under the License.

The foregoing summary is qualified in its entirety by reference to the License, a copy of which is expected be filed as an exhibit to Threshold's Annual Report on Form 10-K for the period ended December 31, 2009.

Item 8.01 Other Events

On October 15, 2009, Threshold issued the press release attached hereto as Exhibit 99.1 regarding the License described in this report.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated October 15, 2009

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 thereunto duly authorized.

THRESHOLD PHARMACEUTICALS, INC.

By: /s/ JOEL A. FERNANDES
Joel A. Fernandes
Senior Director, Finance and Controller

Date: October 19, 2009

Exhibit 99.1

PRESS RELEASE

Contact:
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Threshold Pharmaceuticals, Inc.
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THRESHOLD PHARMACEUTICALS LICENSES GLUFOSFAMIDE TO ELEISON PHARMACEUTICALS

REDWOOD CITY, CA and PRINCETON, NJ – October 15, 2009 – Threshold Pharmaceuticals, Inc. (Nasdaq: THLD), and Eleison Pharmaceuticals, Inc., today announced the execution of a licensing agreement granting Eleison Pharmaceuticals exclusive worldwide rights to glufosfamide. Glufosfamide is a novel small molecule that has been evaluated by Threshold in a Phase 3 clinical trial and multiple Phase 2 clinical trials.

Under the agreement, Eleison is responsible for the development, manufacturing and marketing of glufosfamide. Eleison and Threshold will share in the profits of commercialization, if the further clinical development of glufosfamide leads to regulatory approval and marketing. Eleison intends to secure funding for the clinical development of glufosfamide. The agreement between Threshold and Eleison contemplates that Eleison, to satisfy its diligence obligations, will raise sufficient funds to commence clinical development activities with glufosfamide.

Glufosfamide was licensed from Baxter to Threshold in 2003. In 2004, Threshold and MediBIC signed a development agreement whereby MediBIC would conduct clinical development activities for glufosfamide in certain Asian countries. Pursuant to those agreements, Baxter and MediBIC may be entitled to certain royalty and milestone payments, if Eleison's clinical development efforts are successful.

"Eleison, with their focus on orphan drug indications and an experienced management team, is an ideal organization to maximize the potential of glufosfamide, a drug candidate that we continue to believe should have a role in the treatment of cancer," said Dr. Barry Selick, chief executive officer of Threshold. "Under this agreement, Eleison will assume full responsibility for the ongoing development of glufosfamide, freeing Threshold to continue to focus its efforts on TH-302. In return, Threshold will benefit from sharing in any financial upside that results from Eleison's development and commercialization efforts for glufosfamide."

"We are dedicated to improving therapeutic options for patients with rare diseases and are hopeful that glufosfamide may be an important treatment option for pancreatic cancer patients," said Edwin Thomas, chief executive officer of Eleison. "We are pleased to enter into this licensing agreement with Threshold and we are committed to turn this into a great success."

About Glufosfamide

Glufosfamide combines the active part of ifosfamide, a member of a widely used class of chemotherapy drugs known as alkylators, with a glucose molecule. As announced in 2007, a Phase 3 trial of glufosfamide showed that the overall survival in patients with metastatic pancreatic cancer who had relapsed after gemcitabine chemotherapy was 18% higher in the glufosfamide arm compared to those who received best supportive care, but the result did not reach statistical significance.

About Threshold Pharmaceuticals

Threshold is a biotechnology company focused on the discovery and development of drugs targeting Tumor Hypoxia, the low oxygen condition found in microenvironments of most solid tumors. This approach offers broad potential to treat most solid tumors. By selectively targeting tumor cells, Threshold is building a pipeline of drugs that hold promise to be more effective and less toxic to healthy tissues than conventional anticancer drugs. For additional information, please visit the website (www.thresholdpharm.com).

About Eleison Pharmaceuticals

Eleison was founded in 2008. The Company's mission is to acquire, develop, and commercialize clinical stage drug candidates for "orphan" indications, providing new hope for patients with rare life-threatening, diseases.

Forward-Looking Statements

Except for statements of historical fact, the statements in this press release are forward-looking statements, including statements regarding Threshold's product candidates, their uses and potential benefits and clinical trial results and plans. These statements involve risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to, Threshold's ability to enroll and complete its current and anticipated clinical trials, the time and expense required to conduct such clinical trials and analyze data, the possibility that results from these trials will not be confirmed, potential adverse side effects, issues arising in the regulatory or manufacturing process and the results of such clinical trials (including product safety issues and efficacy results). Further information regarding these and other risks is included under the heading "Risk Factors" in Threshold's Quarterly Report on Form 10-Q, which was filed with the Securities Exchange Commission on August 6, 2009 and is available from the SEC's website (www.sec.gov) and on our website (www.thresholdpharm.com) under the heading "Investors." Threshold does not intend to update any forward-looking statement made in this news release.

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