ACORDA THERAPEUTICS INC

FORM 10-Q
(Quarterly Report)

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Address	420 SAW MILL RIVER ROAD
	ARDSLEY, NY 10502
Telephone	914-347-4300
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2011
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission File Number 000-50513

ACORDA THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-3831168**
(State of Incorporation)	(I.R.S. Employer Identification Number)

15 Skyline Drive
Hawthorne, New York 10532
(914) 347-4300
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at April 30, 2011**
Common Stock, $0.001 par value per share	39,461,985 shares

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This Quarterly Report on Form 10-Q contains forward-looking statements relating to future events and our future performance within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Stockholders are cautioned that such statements involve risks and uncertainties, including our ability to successfully market and sell Ampyra in the U.S. and to successfully market Zanaflex Capsules, third party payers (including governmental agencies) may not reimburse for the use of Ampyra at acceptable rates or at all and may impose restrictive prior authorization requirements that limit or block prescriptions, the risk of unfavorable results from future studies of Ampyra, the occurrence of adverse safety events with our products, delays in obtaining or failure to obtain regulatory approval of Ampyra outside of the U.S. and our dependence on our collaboration partner Biogen Idec in connection therewith, competition, failure to protect our intellectual property or to defend against the intellectual property claims of others, the ability to obtain additional financing to support our operations, and unfavorable results from our preclinical programs. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's beliefs and assumptions. All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make, and investors should not place undue reliance on these statements. In addition to the risks and uncertainties described above, we have included important factors in the cautionary statements included in this report and in our Annual Report on Form 10-K for the year ended December 31, 2010, particularly in the "Risk Factors" section, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we may make. Forward-looking statements in this report are made only as of the date hereof, and we do not assume any obligation to publicly update any forward-looking statements as a result of developments occurring after the date of this report.

We own several registered trademarks in the U.S. and in other countries. These registered trademarks include, in the U.S., the marks "Acorda Therapeutics," our stylized Acorda Therapeutics logo, "Ampyra," "Zanaflex," and "Zanaflex Capsules." Also, our mark "Fampyra" is a registered mark in the European Community Trademark Office and we have registrations or pending applications for this mark in other jurisdictions. Our trademark portfolio also includes several registered trademarks and pending trademark applications in the U.S. and worldwide for potential product names or for disease awareness activities. Third party trademarks, trade names, and service marks used in this report are the property of their respective owners.

PART I

Item 1. Financi al Statements

ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except share data)	March 31, 2011 (unaudited)	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$78,457	$34,641
Restricted cash	302	302
Short-term investments	146,890	205,389
Trade accounts receivable, net	23,795	22,272
Prepaid expenses	7,098	6,413
Finished goods inventory held by the Company	42,595	36,232
Finished goods inventory held by others	2,200	2,186
Other current assets	4,343	3,734
Total current assets	305,680	311,169
Property and equipment, net of accumulated depreciation	3,594	3,203
Intangible assets, net of accumulated amortization	20,707	21,336
Non-current portion of deferred cost of license revenue	5,917	6,050
Other assets	309	343
Total assets	$336,207	$342,101
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$19,184	$16,961
Accrued expenses and other current liabilities	25,774	34,122
Deferred product revenue—Zanaflex tablets	9,694	9,526
Deferred product revenue—Zanaflex Capsules	21,242	21,770
Current portion of deferred license revenue	9,057	9,429
Current portion of revenue interest liability	1,979	1,297
Current portion of convertible notes payable	1,144	1,144
Total current liabilities	88,074	94,249
Non-current portion of deferred license revenue	84,535	86,429
Put/call liability	391	391
Non-current portion of revenue interest liability	3,329	3,586
Non-current portion of convertible notes payable	5,090	6,185
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value. Authorized 80,000,000 shares at March 31, 2011 and December 31, 2010; issued and outstanding 38,808,217 and 38,779,370 shares as of March 31, 2011 and December 31, 2010, respectively	39	39
Treasury stock at cost (12,420 shares at March 31, 2011 and December 31, 2010)	(329)	(329)
Additional paid-in capital	595,796	591,650
Accumulated deficit	(440,758)	(440,086)
Accumulated other comprehensive income	40	(13)
Total stockholders' equity	154,788	151,261
Total liabilities and stockholders' equity	$336,207	$342,101

See accompanying Unaudited Notes to Consolidated Financial Statements

ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

(unaudited)

(In thousands, except per share data)	Three-month period ended March 31, 2011	Three-month period ended March 31, 2010
Revenues:		
Gross product sales	$65,207	$17,254
Less: discounts and allowances	(6,282)	(1,864)
Net sales	58,925	15,390
License and royalty revenue	2,361	2,357
Total net revenues	61,286	17,747
Costs and expenses:		
Cost of sales	12,050	3,076
Research and development	10,708	8,062
Selling, general and administrative	38,087	26,714
Total operating expenses	60,845	37,852
Operating income (loss)	441	(20,105)
Other expense (net):		
Interest and amortization of debt discount expense	(1,136)	(1,214)
Interest income	140	204
Total other expense (net)	(996)	(1,010)
Loss before taxes	(555)	(21,115)
Provision for income taxes	(117)	—
Net loss	$(672)	$(21,115)
Net loss per share—basic	$(0.02)	$(0.56)
Net loss per share—diluted	$(0.02)	$(0.56)
Weighted average common shares outstanding used in computing net loss per share—basic	38,781	38,021
Weighted average common shares outstanding used in computing net loss per share—diluted	38,781	38,021

See accompanying Unaudited Notes to Consolidated Financial Statements

ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(unaudited)

(In thousands)	Three-month period ended March 31, 2011	Three-month period ended March 31, 2010
Cash flows from operating activities:		
Net loss	$(672)	$(21,115)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Share-based compensation expense	3,755	3,186
Amortization of net premiums and discounts on short-term investments	1,863	1,219
Amortization of revenue interest issuance cost	36	30
Depreciation and amortization expense	1,139	838
Changes in assets and liabilities:		
Increase in accounts receivable	(1,523)	(2,205)
Increase in prepaid expenses and other current assets	(1,294)	(2,291)
Increase in inventory held by the Company	(6,363)	(16,808)
(Increase) decrease in inventory held by others	(14)	88
Decrease in non-current portion of deferred cost of license revenue	133	165
(Decrease) increase in accounts payable, accrued expenses, other current liabilities	(7,216)	15,605
Increase in revenue interest liability interest payable	659	615
Decrease in current portion of deferred license revenue	(371)	—
Decrease in non-current portion of deferred license revenue	(1,893)	(2,357)
Increase (decrease) in deferred product revenue—Zanaflex tablets	168	(457)
Decrease in deferred product revenue—Zanaflex Capsules	(529)	(540)
Net cash used in operating activities	(12,122)	(24,027)
Cash flows from investing activities:		
Purchases of property and equipment	(743)	(456)
Purchases of intangible assets	(164)	(6,612)
Purchases of short-term investments	(42,812)	(31,113)
Proceeds from maturities of short-term investments	99,500	96,750
Net cash provided by investing activities	55,781	58,569
Cash flows from financing activities:		
Proceeds from issuance of common stock and option exercises	392	4,108
Repayments of revenue interest liability	(235)	(232)
Net cash provided by financing activities	157	3,876
Net increase in cash and cash equivalents	43,816	38,418
Cash and cash equivalents at beginning of period	34,641	47,314
Cash and cash equivalents at end of period	$78,457	$85,732
Supplemental disclosure:		
Cash paid for interest	429	541

See accompanying Unaudited Notes to Consolidated Financial Statements

ACORDA THERAPEUTICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(unaudited)

(1) Organization and Business Activities

Acorda Therapeutics, Inc. ("Acorda" or the "Company") is a commercial stage biopharmaceutical company dedicated to the identification, development and commercialization of novel therapies that improve neurological function in people with multiple sclerosis (MS), spinal cord injury (SCI) and other disorders of the central nervous system (CNS).

The management of the Company is responsible for the accompanying unaudited interim consolidated financial statements and the related information included in the notes to the consolidated financial statements. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments, including normal recurring adjustments necessary for the fair presentation of the Company's financial position and results of operations and cash flows for the periods presented. Results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

These unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company as of and for the year ended December 31, 2010 included in the Company's Annual Report on Form 10-K for such year, as filed with the Securities and Exchange Commission (the "SEC").

The Company finances its operations through a combination of issuance of equity securities, revenues from Ampyra and Zanaflex Capsules, loans, collaborations, and, to a lesser extent, grants. There are no assurances that the Company will be successful in obtaining an adequate level of financing needed to fund its development and commercialization efforts. To the extent the Company's capital resources are insufficient to meet future operating requirements, the Company will need to raise additional capital, reduce planned expenditures, or incur indebtedness to fund its operations. The Company may be unable to obtain additional debt or equity financing on acceptable terms, if at all. If adequate funds are not available, the Company may be required to curtail its sales and marketing efforts, delay, reduce the scope of or eliminate some of its research and development programs or obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain product candidates that it might otherwise seek to develop or commercialize independently.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and include the results of operations of the Company and its majority owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include research and development and share-based compensation accounting, which are largely dependent on the fair value of the Company's equity securities. In addition, the Company recognizes Zanaflex revenue based on estimated prescriptions filled. The Company adjusts its Zanaflex inventory value based on an estimate of inventory that may be returned. Actual results could differ from those estimates.

Revenue Recognition

Ampyra

Ampyra is available only through a network of specialty pharmacy providers that provide the medication to patients by mail, Kaiser Permanente (Kaiser), and the U.S. Department of Veterans Affairs (VA). Ampyra is not

available in retail pharmacies. The Company applies the revenue recognition guidance in Staff Accounting Bulletin (SAB) 104 and does not recognize revenue from product sales until there is persuasive evidence of an arrangement, delivery has occurred, the price is fixed and determinable, the buyer is obligated to pay the Company, the obligation to pay is not contingent on resale of the product, the buyer has economic substance apart from the Company, the Company has no obligation to bring about the sale of the product, the amount of returns can be reasonably estimated and collectability is reasonably assured. The Company recognizes product sales of Ampyra following shipment of product to a network of specialty pharmacy providers, Kaiser and the specialty distributor to the VA. As of March 31, 2011, inventory levels at specialty pharmacy providers that distribute Ampyra (excluding Kaiser and the specialty distributor to the VA) were approximately two weeks of their anticipated usage. The specialty pharmacy providers, Kaiser and the specialty distributor to the VA are contractually obligated to hold no more than 30 days of inventory.

The Company's net revenues represent total revenues less allowances for customer credits, including estimated rebates, discounts and returns. These allowances are recorded for cash consideration given by a vendor to a customer that is presumed to be a reduction of the selling prices of the vendor's products or services and, therefore, are characterized as a reduction of revenue. At the time product is shipped to specialty pharmacies, Kaiser and the specialty distributor to the VA, an adjustment is recorded for estimated rebates, discounts and returns. These allowances are established by management as its best estimate based on available information and will be adjusted to reflect known changes in the factors that impact such allowances. Allowances for rebates, discounts and returns are established based on the contractual terms with customers, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for the product and anticipated introduction of competitive products. Product shipping and handling costs are included in cost of sales.

Based on the Company's specialty distribution model where it sells to only 12 specialty pharmacies, Kaiser and the VA (through a specialty distributor), the inventory and prescription data it receives from these distributors, and returns experience of other specialty products with similar selling models, the Company has been able to make a reasonable estimate for product returns. At March 31, 2011, inventory levels at the specialty pharmacies (excluding Kaiser and the specialty distributor to the VA) represented approximately two weeks of their anticipated usage. The Company will accept returns of Ampyra for two months prior to and six months after the product expiration date. The Company will provide a credit for such returns to customers with whom we have a direct relationship. Once product is prescribed, it cannot be returned. The Company does not exchange product from inventory for the returned product.

Zanaflex

The Company applies the revenue recognition guidance in Accounting Standards Codification (ASC) 605-15-25, which among other criteria requires that future returns can be reasonably estimated in order to recognize revenue. The amount of future tablet returns is uncertain due to generic competition and customer conversion to Zanaflex Capsules. The Company has accumulated some sales history with Zanaflex Capsules; however, due to existing and potential generic competition and customer conversion from Zanaflex tablets to Zanaflex Capsules, we do not believe we can reasonably determine a return rate at this time. As a result, the Company accounts for these product shipments using a deferred revenue recognition model. Under the deferred revenue model, the Company does not recognize revenue upon product shipment. For these product shipments, the Company invoices the wholesaler, records deferred revenue at gross invoice sales price, and classifies the cost basis of the product held by the wholesaler as a component of inventory. The Company recognizes revenue when prescribed to the end-user, on a first-in first-out (FIFO) basis. The Company's revenue to be recognized is based on (1) the estimated prescription demand, based on pharmacy sales for its products; and (2) the Company's analysis of third-party information, including third-party market research data. The Company's estimates are subject to the inherent limitations of estimates that rely on third-party data, as certain third-party information was itself in the form of estimates, and reflect other limitations. The Company's sales and revenue recognition reflects the Company's estimates of actual product prescribed to the end-user. The Company expects to be able to apply a more traditional revenue recognition policy such that revenue is recognized following shipment to the customer when it believes it has sufficient data to develop reasonable estimates of expected returns based upon historical returns and greater certainty regarding generic competition.

The Company's net revenues represent total revenues less allowances for customer credits, including estimated discounts, rebates, and chargebacks. These allowances are recorded for cash consideration given by a vendor to a customer that is presumed to be a reduction of the selling prices of the vendor's products or services and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's statement of operations. Adjustments are recorded for estimated chargebacks, rebates, and discounts. These allowances are established by management as its best estimate based on available information and are adjusted to reflect known changes in the factors that impact such allowances. Allowances for chargebacks, rebates and discounts are established based on the contractual terms with customers, analysis of historical

levels of discounts, chargebacks and rebates, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for each product and anticipated introduction of competitive products. In addition, the Company records a charge to cost of goods sold for the cost basis of the estimated product returns the Company believes may ultimately be realized at the time of product shipment to wholesalers. The Company has recognized this charge at the date of shipment since it is probable that it will receive a level of returned products; upon the return of such product it will be unable to resell the product considering its expiration dating; and it can reasonably estimate a range of returns. This charge represents the cost basis for the low end of the range of the Company's estimated returns. Product shipping and handling costs are included in cost of sales.

Milestones and royalties

In order to determine the revenue recognition for contingent milestones, the Company evaluates the contingent milestones using the criteria as provided by the Financial Accounting Standards Boards (FASB) guidance on the milestone method of revenue recognition at the inception of a collaboration agreement. The criteria requires that (i) the Company determines if the milestone is commensurate with either its performance to achieve the milestone or the enhancement of value resulting from the Company's activities to achieve the milestone, (ii) the milestone be related to past performance, and (iii) the milestone be reasonable relative to all deliverable and payment terms of the collaboration arrangement. If these criteria are met then the contingent milestones can be considered as substantive milestones and will be recognized as revenue in the period that the milestone is achieved. Royalties are recognized as earned in accordance with the terms of various research and collaboration agreements.

Collaborations

The Company recognizes collaboration revenues and expenses by analyzing each element of the agreement to determine if it shall be accounted for as a separate element or single unit of accounting. If an element shall be treated separately for revenue recognition purposes, the revenue recognition principles most appropriate for that element are applied to determine when revenue shall be recognized. If an element shall not be treated separately for revenue recognition purposes, the revenue recognition principles most appropriate for the bundled group of elements are applied to determine when revenue shall be recognized. Payments received in excess of revenues recognized are recorded as deferred revenue until such time as the revenue recognition criteria have been met.

Ampyra Inventory

Prior to regulatory approval of Ampyra in the three-month period ended March 31, 2010, the Company incurred expenses for the manufacture of bulk, unpackaged product of Ampyra that ultimately became available to support the commercial launch of this drug candidate. Until the necessary initial regulatory approval was received, we charged all such amounts to research and development expenses as there was no alternative future use prior to regulatory approval. As a result, our initial sales of Ampyra resulted in higher gross margins than if the inventory costs had not previously been expensed. Upon regulatory approval of Ampyra, the Company began capitalizing the commercial inventory costs associated with manufacturing with Elan and its second manufacturer, Patheon.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of investments in cash and cash equivalents, restricted cash and accounts receivable. The Company maintains cash and cash equivalents and restricted cash with approved financial institutions. The Company is exposed to credit risks and liquidity risks in the event of default by the financial institutions or issuers of investments in excess of FDIC insured limits. The Company performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any institution.

Segment Information

The Company is managed and operated as one business. The entire business is managed by a single management team that reports to the chief executive officer. The Company does not operate separate lines of business with respect to any of its product candidates. Accordingly, the Company does not prepare discrete financial information with respect to separate product candidates or by location and does not have separately reportable segments.

Recent Accounting Pronouncements

In April 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-17, Revenue Recognition — Milestone Method (ASU 2010-17). ASU 2010-17 provides guidance in applying the milestone method of revenue recognition to research or development arrangements. Under this guidance management may recognize a payment that is contingent upon the achievement of a substantive milestone in its entirety in the period in which the milestone is achieved. This ASU is effective on a prospective basis for research and development milestones achieved in fiscal years, beginning on or after June 15, 2010. Early adoption is permitted; however, the Company has elected to implement ASU 2010-17 prospectively, and as a result, the effect of this guidance will be limited to future milestones. Adoption of this standard may have a material impact on the Company's financial position or results of operations with regards to future milestones or arrangements.

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition — Multiple-Deliverable Revenue Arrangements (ASU 2010-13). This new standard impacts the determination of when the individual deliverables included in a multiple-element arrangement may be treated as separate units of accounting. Additionally, these new standards modify the manner in which the transaction consideration is allocated across the separately identified deliverables by no longer permitting the residual method of allocating arrangement consideration. The Company adopted this new standard in the first quarter of 2011. It did not have an impact on its consolidated financial statements.

In December 2010, the FASB issued ASU No. 2010-27, Fees Paid to the Federal Government by Pharmaceutical Manufacturers (ASU 2010-27). ASU 2010-27 provides guidance concerning the recognition and classification of the new annual fee payable by branded prescription drug manufacturers and importers on branded prescription drugs which was mandated under the health care reform legislation enacted in the U.S. in March 2010. Under this new accounting standard, the annual fee would be presented as a component of operating expenses and recognized over the calendar year such fees are payable using a straight-line method of allocation unless another method better allocates the fee over the calendar year. This ASU is effective for calendar years beginning on or after December 31, 2010, when the fee initially becomes effective. The Company adopted this new standard in the first quarter of 2011. It did not have an impact its consolidated financial statements.

(3) Share-based Compensation

During the three-month periods ended March 31, 2011 and 2010, the Company recognized share-based compensation expense of $3.8 million and $3.2 million, respectively. Activity in options and restricted stock during the three-month period ended March 31, 2011 and related balances outstanding as of that date are reflected below. The weighted average fair value per share of options granted to employees for the three-month periods ended March 31, 2011 and 2010 were approximately $12.41 and $19.43, respectively.

The following table summarizes share-based compensation expense included within the consolidated statements of operations:

(In thousands)	For the three-month period ended March 31, 2011	2010
Research and development	$ 1,103	$ 790
Selling, general and administrative	2,652	2,396
Total	$ 3,755	$ 3,186

A summary of share-based compensation activity for the three-month period ended March 31, 2011 is presented below:

Stock Option Activity

	Number of Shares (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Intrinsic Value (In thousands)
Balance at January 1, 2011	4,084	$20.13		
Granted	904	22.38		
Cancelled	(33)	24.58		
Exercised	(29)	13.59		
Balance at March 31, 2011	4,926	$20.55	7.3	$24,415
Vested and expected to vest at March 31, 2011	4,786	$20.40	7.2	$24,306
Vested and exercisable at March 31, 2011	2,669	$16.01	5.8	$22,345

Restricted Stock Activity

(In thousands)

Restricted Stock	Number of Shares
Nonvested at January 1, 2011	323
Granted	277
Vested	—
Forfeited	(3)
Nonvested at March 31, 2011	597

As of March 31, 2011, there was $44.1 million of total unrecognized compensation costs related to unvested options and restricted stock awards that the Company expects to recognize over a weighted average period of approximately 2.8 years.

(4) Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share for the three-month periods ended March 31, 2011 and 2010:

(In thousands, except per share data)	Three-month period ended March 31, 2011	Three-month period ended March 31, 2010
Basic and diluted		
Net loss	$(672)	$(21,115)
Weighted average common shares outstanding used in computing net loss per share—basic	38,781	38,021
Plus: net effect of dilutive stock options and restricted common shares	—	—
Weighted average common shares outstanding used in computing net loss per share—diluted	38,781	38,021
Net loss per share—basic	$(0.02)	$(0.56)
Net loss per share—diluted	$(0.02)	$(0.56)

The difference between basic and diluted shares is that diluted shares include the dilutive effect of the assumed exercise of outstanding securities. The Company's stock options and unvested shares of restricted common stock could have the most significant impact on diluted shares.

Securities that could potentially be dilutive are excluded from the computation of diluted earnings per share when a loss from continuing operations exists or when the exercise price exceeds the average closing price of the Company's common stock during the period, because their inclusion would result in an anti-dilutive effect on per share amounts.

For the three months ended March 31, 2011 and 2010, options to purchase 4,925,996 shares and 4,202,638 shares, respectively, of common stock that could potentially dilute basic earnings per share in the future were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive.

For the three months ended March 31, 2011 and 2010, 597,137 and 468,979 shares, respectively, of unvested restricted stock that could potentially dilute basic earnings per share in the future were excluded from the calculation of diluted earnings per common share as their effect would have been anti-dilutive.

(5) Income Taxes

The Company had available federal net operating loss (NOL) carry-forwards of approximately $273.9 million and $266.9 million and state NOL carry-forwards of approximately $251.6 million and $261.0 million as of March 31, 2011 and December 31, 2010 respectively which may be available to offset future taxable income, if any. The federal losses are expected to expire between 2019 and 2031 while the state losses are expected to expire between 2012 and 2031. The Company also has research and development tax credit carry-forwards of approximately $4.0 million as of March 31, 2011, for federal income tax reporting purposes that may be available to reduce federal income taxes, if any, and expire in future years beginning in 2019. The Company is no longer subject to federal or state income tax audits for tax years prior to 2006 however, such taxing authorities can review any net operating losses utilized by the Company in years subsequent to 1999. The Company also has Alternative Minimum Tax credit carry-forwards of $0.2 million as of March 31, 2011, respectively. Such credits can be carried forward indefinitely and have no expiration date.

At March 31, 2011 and December 31, 2010, the Company had a deferred tax asset of $153.7 million and $153.8 million, respectively, offset by a full valuation allowance. Since inception, the Company has incurred substantial losses and expects to incur substantial losses in future periods. The Tax Reform Act of 1986 (the "Act") provides for a limitation of the annual use of NOL and research and development tax credit carryforwards (following certain ownership changes, as defined by the Act) that could significantly limit the Company's ability to utilize these carryforwards. The Company has experienced various ownership changes as a result of past financings. Accordingly, the Company's ability to utilize the aforementioned carryforwards may be limited. Additionally, because U.S. tax laws limit the time during which these carryforwards may be applied against future taxes, the Company may not be able to take full advantage of these attributes for federal income tax purposes. Because of the above mentioned factors, the Company has not recognized its gross deferred tax assets as of and for all periods presented. As of March 31, 2011, management believes that it is more likely than not that the gross deferred tax assets will not be realized based on future operations and reversal of deferred tax liabilities. Accordingly, the Company has provided a full valuation allowance against its gross deferred tax assets and no tax benefit has been recognized relative to its pretax losses.

(6) Fair Value Measurements

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2011 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs utilize unobservable data points for the asset or liability. The Company's Level 1 assets consist of time deposits and investments in a Treasury money market fund and high-quality government bonds. The Company's Level 3 liability represents our put/call liability related to the Paul Royalty Fund (PRF) transaction. No changes in valuation techniques or inputs occurred during the three months ended March 31, 2011. No transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy occurred during the three-month period ended March 31, 2011.

(In thousands)	Level 1	Level 2	Level 3
Assets Carried at Fair Value:			
Cash equivalents	$78,457	$—	$—
Short-term investments	146,890	—	—
Liabilities Carried at Fair Value:			
Put/call liability	—	—	391

The following table presents additional information about assets and/or liabilities measured at fair value on a recurring basis and for which the Company utilizes Level 3 inputs to determine fair value.

(In thousands)	Balance as of December 31, 2010	Realized (gains) losses included in net loss	Unrealized (gains) losses included in other comprehensive loss	Balance as of March 31, 2011
Liabilities Carried at Fair Value:				
Put/call liability	$391	($—)	$—	$391

The Company estimates the fair value of our put/call liability using a discounted cash flow valuation technique. Using this approach, expected future cash flows are calculated over the expected life of the PRF agreement, are discounted to a single present value and then exercise scenario probabilities are applied. Some of the more significant assumptions made in the present value calculations include (i) the estimated Zanaflex revenue forecast and (ii) the likelihood of put/call exercise trigger events. Realized gain and losses are included in sales, general and administrative expenses.

The put/call liability has been classified as a Level 3 asset as its valuation requires substantial judgment and estimation of factors that are not currently observable in the market due to the lack of trading in the security. If different assumptions were used for the various inputs to the valuation approach including, but not limited to, assumptions involving the estimated Zanaflex revenue forecast and the likelihood of trigger events, the estimated fair value of these investments could be significantly higher or lower than the fair value we determined. The Company may be required to record losses in future periods.

(7) Short-Term Investments

The Company has determined that all of its short-term investments are classified as available-for-sale. Available-for-sale securities are carried at fair value with interest on these securities included in interest income and are recorded based primarily on quoted market prices. Available-for-sale securities consisted of the following:

(In thousands)	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
March 31, 2011				
US Treasury bonds	$146,850	$40	$—	$146,890
December 31, 2010				
US Treasury bonds	205,401	5	(18)	205,388

The contractual maturities of available-for-sale debt securities at March 31, 2011 and December 31, 2010 are within one year. The Company has determined that there were no other-than-temporary declines in the fair values of its short term investments as of March 31, 2011. Short-term investments with maturity of three months or less from date of purchase have been classified as cash equivalents, and amounted to $67.0 million and $23.5 million as of March 31, 2011 and December 31, 2010, respectively.

(8) Biogen Collaboration Agreement

On June 30, 2009, the Company entered into an exclusive collaboration and license agreement with Biogen Idec International GmbH (Biogen Idec) to develop and commercialize Ampyra (known as fampridine outside the U.S.) in markets outside the United States (the “Collaboration Agreement”). Under the Collaboration Agreement, Biogen Idec was granted the exclusive right to commercialize Ampyra and other products containing aminopyridines developed under that agreement in all countries outside of the United States, which grant includes a sublicense of the Company’s rights under an existing license agreement between the Company and Elan Pharma International Limited, a subsidiary of Elan Corporation plc (Elan). Biogen Idec has responsibility for regulatory activities and future clinical development of Ampyra in ex-U.S. markets worldwide. The Company also entered into a related supply agreement with Biogen Idec (the “Supply Agreement”), pursuant to which the Company will supply Biogen Idec with its requirements for the licensed products through the Company’s existing supply agreement with Elan.

Under the Collaboration Agreement, the Company was entitled to an upfront payment of $110.0 million as of June 30, 2009, which was received on July 1, 2009, and will be entitled to receive additional payments of up to approximately $400 million based on the successful achievement of future regulatory and sales milestones. Due to the uncertainty surrounding the achievement of the future regulatory and sales milestones, these payments will not be recognized as revenue unless and until they are earned. The Company is not able to reasonably predict if and when the milestones will be achieved. Under the Collaboration Agreement, Biogen Idec will be required to make double-digit tiered royalty payments to the Company on ex-U.S. sales. In addition, the consideration that Biogen Idec will pay for licensed products under the Supply Agreement will reflect the price owed to the Company's suppliers under its supply arrangements with Elan or other suppliers for ex-U.S. sales, including manufacturing costs and royalties owed. The Company and Biogen Idec may also carry out future joint development activities regarding licensed product under a cost-sharing arrangement. Under the terms of the Collaboration Agreement, the Company, in part through its participation in joint committees with Biogen Idec, will participate in overseeing the development and commercialization of Ampyra and other licensed products in markets outside the United States pursuant to that agreement. Acorda will continue to develop and commercialize Ampyra independently in the United States.

As of June 30, 2009, the Company recorded a license receivable and deferred revenue of $110.0 million for the upfront payment due to the Company from Biogen Idec under the Collaboration Agreement. Also, as a result of such payment to Acorda, a payment of $7.7 million became payable by Acorda to Elan and was recorded as a cost of license payable and deferred expense. The payment of $110.0 million was received from Biogen Idec on July 1, 2009 and the payment of $7.7 million was made to Elan on July 7, 2009.

The Company considered the following deliverables with respect to the revenue recognition of the $110.0 million upfront payment: (1) the license to use the Company's technology, (2) the Collaboration Agreement to develop and commercialize licensed product in all countries outside the U.S., and (3) the Supply Agreement. The Supply Agreement is a contingent deliverable at the onset of the agreement. The Company has determined that the identified non-contingent deliverables (deliverables 1 and 2 immediately preceding) would have no value on a standalone basis if they were sold separately by a vendor and the customer could not resell the delivered items on a standalone basis, nor does the Company have objective and reliable evidence of fair value for the deliverables. Accordingly, the non-contingent deliverables are treated as one unit of accounting. As a result, the Company will recognize the non-refundable upfront payment from Biogen Idec as revenue and the associated payment to Elan as expense ratably over the estimated term of regulatory exclusivity for the licensed products under the Collaboration Agreement as we had determined this was the most probable expected benefit period. The Company recognized $2.3 million in license revenue, a portion of the $110.0 million received from Biogen Idec and $159,000 in cost of license revenue, a portion of the $7.7 million paid to Elan during the three-month period ended March 31, 2011.

On January 21, 2011 Biogen Idec announced that the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) decided against approval of fampridine to improve walking ability in adult patients with multiple sclerosis. Biogen Idec has appealed this opinion and requested a re-examination of the decision by the CHMP. The Company changed the amortization period on a prospective basis during the three-month period ended March 31, 2011 by five months and currently estimates the recognition period to be approximately 12 years from the date of the Collaboration Agreement.

(9) Commitments and Contingencies

A summary of the Company's commitments and contingencies was included in the Company's Annual Report on Form 10-K for the twelve-month period ended December 31, 2010. The Company's long-term contractual obligations include commitments and estimated purchase obligations entered into in the normal course of business.

The Company may be, from time to time, a party to various disputes and claims arising from normal business activities. The Company accrues for loss contingencies when information available indicates that it is probable that a liability has been incurred and the amount of such loss can be reasonably estimated. The Company believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition or liquidity. However, adjustments, if any, to the Company's estimates could be material to operating results for the periods in which adjustments to the liability are recorded.

(10) Intangible Assets

The Company acquired all of Elan's U.S. sales, marketing and distribution rights to Zanaflex Capsules and Zanaflex tablets in July 2004 for $2.0 million plus $675,000 for finished goods inventory. The Company was also responsible for up to

$19.5 million in future contingent milestone payments based on cumulative gross sales of Zanaflex tablets and Zanaflex Capsules. As of December 31, 2009, the Company made $19.5 million of these milestone payments which were recorded as intangible assets in the consolidated financial statements.

In connection with this transaction, the Company acquired the rights to the trade name "Zanaflex®", one issued U.S. patent and two patent applications related to Zanaflex Capsules, and the remaining tablet inventory on hand with Elan. Additionally, the Company assumed Elan's existing contract with Novartis to manufacture Zanaflex tablets and entered into a separate contract with Elan to manufacture Zanaflex Capsules. The Company separately launched Zanaflex Capsules in April 2005. The Company did not acquire any receivables, employees, facilities or fixed assets. The Company allocated, on a relative fair value basis, the initial and milestone payments made to Elan to the assets acquired, principally the Zanaflex trade name and the capsulation patent. There is no expected residual value of these intangible assets. The Company amortizes the allocated fair value of the trade name and patent over their estimated future economic benefit to be achieved. The Zanaflex trade name was fully amortized as of December 31, 2008.

On January 22, 2010, the Company received marketing approval from the FDA for Ampyra triggering two milestone payments of $2.5 million to Elan and $750,000 to Rush-Presbyterian St. Luke’s Medical Center (Rush). The Company made these milestone payments totaling $3.25 million and they were recorded as intangible assets in the consolidated financial statements during the three-month period ended March 31, 2010.

In 1990, Elan licensed from Rush know-how relating to dalfampridine (4-aminopyridine, 4-AP, the formulation used in Ampyra), for the treatment of MS. The Company subsequently licensed this know-how from Elan. In September 2003, the Company entered into an agreement with Rush and Elan terminating the Rush license to Elan and providing for mutual releases. The Company also entered into a license agreement with Rush in 2003 in which Rush granted the Company an exclusive worldwide license to its know-how relating to dalfampridine for the treatment of MS. Rush has also assigned to the Company its Orphan Drug Designation for dalfampridine for the relief of symptoms of MS.

The Company agreed to pay Rush a license fee, milestone payments of up to $850,000 and royalties based on net sales of the product for neurological indications. The FDA approval of Ampyra triggered the final milestone of $750,000 which was paid during the three-months ended March 31, 2010. As of December 31, 2010, the Company had made an aggregate of $850,000 in milestone payments under this agreement. As of March 31, 2011, the Company made or accrued royalty payments totaling $3.6 million.

In August 2003, the Company entered into an Amended and Restated License Agreement with the Canadian Spinal Research Organization (CSRO). Under this agreement, the Company was granted an exclusive and worldwide license under certain patent assets and know-how of CSRO relating to the use of dalfampridine in the reduction of chronic pain and spasticity in a spinal cord injured subject. The agreement required the Company to pay to CSRO royalties based on a percentage of net sales of any product incorporating the licensed rights, including royalties on the sale of Ampyra and on the sale of dalfampridine for any other indication. During the three-month period ended March 31, 2010, the Company purchased CSRO’s rights to all royalty payments under the agreement with CSRO for $3.0 million. This payment was recorded as an intangible asset in the consolidated financial statements.

Intangible assets also include certain website development costs which have been capitalized. The Company has developed several websites, each with its own purpose, including the general corporate website, product information websites and websites focused on the MS community.

The Company continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of its intangible assets may warrant revision or that the carrying value of these assets may be impaired. As of March 31, 2011, the Company does not believe that there are any facts or circumstances that would indicate a need for changing the estimated remaining useful life of the Company’s intangible assets.

Intangible assets consisted of the following:

(In thousands)	March 31, 2011	December 31, 2010	Estimated remaining useful lives as of March 31, 2011
Zanaflex Capsule patents	$19,350	$19,350	11 years
Zanaflex trade name	2,150	2,150	0 years
Ampyra milestones	3,250	3,250	6 years (1)
CSRO royalty buyout	3,000	3,000	6 years (1)
Website development costs	2,983	2,975	0-3 years
Website development costs-in process	157	—	0-3 years
	30,890	30,725	
Less accumulated amortization	10,183	9,389	
	$20,707	$21,336	

(1) See Note 11 regarding subsequent event.

The Company recorded $794,000 and $581,000 in amortization expense related to these intangible assets in the three-month periods ended March 31, 2011 and 2010, respectively.

Estimated future amortization expense for intangible assets subsequent to December 31, 2010 for the next five years is as follows (in thousands):

2011	$3,184
2012	2,871
2013	2,532
2014	2,183
2015	2,183
	$12,953

(11) Subsequent Event

On April 19, 2011 the Company announced the United States Patent and Trademark Office (USPTO) has allowed U.S. Patent Application No. 11/010,828 entitled "Sustained Release Aminopyridine Composition." The claims of the patent application relate to methods to improve walking in patients with multiple sclerosis (MS) by administering 10 mg of sustained release 4-aminopyridine (dalfampridine) twice daily. The patent that issues from this application, which will be eligible for listing in the U.S. Food and Drug Administration Orange Book, is set to expire in early February 2026, based on the USPTO's calculated patent term adjustment of 413 days, which the Company is currently evaluating. The Company is currently evaluating the impact on the period for the amortization of the Ampyra intangible assets.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our consolidated financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q.

Background

Since we commenced operations in 1995, we have devoted substantially all of our resources to the identification, development and commercialization of novel therapies that improve neurological function in people with MS and other neurological disorders. Ampyra, the first product for which we completed clinical development, was approved by the FDA in January 2010 for the improvement of walking in people with MS. This was demonstrated by an increase in walking speed. To our knowledge, Ampyra is the first and only product approved for this indication. Efficacy was shown in people with all four major types of MS (relapsing remitting, secondary progressive, progressive relapsing and primary progressive). Ampyra was made commercially available in the U.S. in March 2010. Net revenue for Ampyra was $46.8 million for the three months ended March 31, 2011 and $3.1 million for the three months ended March 31, 2010. There was a 7.5% increase for the wholesale acquisition price of Ampyra effective March 4, 2011.

Our other marketed drug, Zanaflex Capsules, which we began marketing in 2005, is FDA-approved as a short-acting drug for the management of spasticity. Combined net revenue of Zanaflex Capsules and Zanaflex tablets, which we also sell, was $12.3 million for the three months ended March 31, 2010 and $12.2 million for the three months ended March 31, 2011. Managed care organizations have increasingly established plans and programs to drive utilization of low-cost generic tizanidine hydrochloride tablets over higher-cost Zanaflex Capsules by making it more difficult for patients to obtain Zanaflex Capsules through restrictions and higher out-of-pocket (copay) costs.

Ampyra is being marketed in the U.S. through our own specialty sales force and commercial infrastructure, which is also responsible for sales and marketing of Zanaflex Capsules. We completed the expansion of our sales force in March 2010 and currently have approximately 100 sales representatives in the field calling on a priority target list of approximately 10,000 physicians. We also have established teams of Regional Scientific Managers, Business Relations Directors, and Managed Markets account managers who provide information relating to Ampyra to physicians and payers.

Ampyra is available only through a network of specialty pharmacy providers that provide the medication to patients by mail, Kaiser Permanente (Kaiser), and the U.S. Department of Veterans Affairs (VA), and is supported by Ampyra Patient Support Services (APSS), a dedicated resource for healthcare providers and people with MS. The distribution process through specialty pharmacies is well established within the MS community, and physicians and patients are familiar with this model. Prior to the launch of Ampyra, we contracted with a third party organization with extensive experience in coordinating patient benefits to run APSS. The customer care agents at Ampyra Patient Support Services are responsible for helping healthcare professionals process prescriptions, working with insurance carriers to facilitate coverage, and directing patients to available copay and patient assistance programs. The process begins when a prescription is submitted by a physician to APSS. Once this process is completed, the prescription is sent to a specialty pharmacy, which confirms the insurance benefits and mails the prescription directly to the patient. In some cases, the specialty pharmacy rather than APSS performs the insurance benefits investigation or receives a submitted prescription directly.

Processing of most incoming requests for prescriptions by APSS now begins within 24 hours of receipt. Patients will experience a range of times to receive their first shipment based on their insurance requirements. As with any new prescription product, patients who are members of benefit plans that have restrictive prior authorizations may experience delays in receiving their prescription.

Our Managed Markets account managers continue to meet with payers to provide information on Ampyra and discuss patient access. As of March 31, 2011, approximately 75% of commercially-insured individuals had no or limited prior authorizations (PAs) for Ampyra. We define limited PAs as those that require only an MS diagnosis, documentation of no contraindications, and/or simple documentation that the patient has walking impairment; such documentation may include a Timed 25-Foot Walk (T25W) test. As of March 31, 2011, approximately 20% of commercially-insured individuals were subject to more restrictive PAs, which may include requirements for multiple timed walk tests and/or EDSS (Expanded Disability Status Scale) score requirements to initiate therapy, and/or objective measures of ambulation improvement to reauthorize Ampyra therapy. We estimate that, as of March 31, 2011, approximately 5% of commercially-insured

individuals were blocked from receiving reimbursement for Ampyra. Access figures were calculated based on the number of pharmacy lives reported by commercial healthcare plans.

As of March 31, 2011, inventory levels at the specialty pharmacy providers that distribute Ampyra (excluding Kaiser and the specialty distributor to the VA) were approximately two-weeks. The specialty pharmacy providers, Kaiser and the specialty distributor to the VA are contractually obligated to hold no more than 30 days of inventory.

On May 5, 2011, the Company announced that net sales of Ampyra for the first quarter of 2011 were $46.8 million. Although this represented a decline in net sales in the first quarter compared to the fourth quarter of 2010, total prescriptions were flat quarter over quarter. The Company had originally believed that sales of Ampyra might decrease in the fourth quarter of 2010 due to the discontinuations from Ampyra therapy of some patients who were part of the initial large bolus of pent up demand for Ampyra early in the launch. Instead, sales were up in the fourth quarter and the expected decline in sales materialized early in the first quarter of 2011 primarily due to variability in the timing of orders by the specialty pharmacies.

As the Company disclosed in the fourth quarter, data from IMS Health, a provider of market intelligence to the pharmaceutical and healthcare industries, were not accurate in that quarter with regard to either the trends or the absolute volumes of total prescriptions (TRx) or new prescriptions (NRx). At the beginning of the year, IMS said that it had changed its methodology. As of the date of this filing, restated IMS weekly data for the first quarter of 2011 were accurate with regard to the trend for total prescriptions (TRx) of Ampyra but were not accurate regarding the trends for new prescriptions (NRx) or the absolute volumes of either total or new prescriptions. Quarter over quarter TRx trends also were not accurate between the fourth quarter of 2010 and first quarter of 2011.

The FDA granted Ampyra orphan drug status, which provides seven years of market exclusivity for the drug. In addition, we have issued patents that cover the formulation and use of Ampyra. We filed for patent term extension for Ampyra pursuant to the provisions of the Hatch-Waxman Act that allows for up to five additional years of patent protection based on the development timeline of a drug. Although we have applied to extend both Ampyra patents listed in the FDA Orange Book, we will ultimately need to select only one patent for extension, if both are granted.

In 2010, we received non-final rejection letters from the U.S. Patent and Trademark Office (USPTO) on two patent applications for Ampyra filed in late 2004 and early 2005. In November 2010, we timely responded to the letter regarding the 2005 application, and in March 2011 we timely responded to the letter regarding the 2004 application. Subsequently, on April 19, 2011, the Company announced that USPTO has allowed U.S. Patent Application No. 11/010,828 entitled “Sustained Release Aminopyridine Composition,” the patent that was the subject of the 2004 application. The claims of the patent application relate to methods to improve walking in patients with multiple sclerosis (MS) by administering 10 mg of sustained release 4-aminopyridine (dalfampridine) twice daily. The patent that issues from this application, which will be eligible for listing in FDA Orange Book, is set to expire in early February 2026, based on the USPTO’s calculated patent term adjustment of 413 days, which the Company is currently evaluating.

In November 2010, the European Patent Office (EPO) posted a Communication of Intention to Grant a Patent for a patent application we submitted with “composition for use” and other use claims directed to sustained release aminopyridine compositions for, among other things, increased walking speed, improving lower extremity muscle strength, or improving lower extremity muscle tone, in patients with MS. We timely paid the grant fee for this application in March 2011. A corresponding patent is currently under review by the USPTO. The USPTO operates independently of the EPO, and the EPO’s decision should not be taken to indicate the outcome for the U.S. patent.

In June 2009, we entered into the Collaboration Agreement with Biogen Idec. In January 2010, Biogen Idec announced that it submitted a centralized Marketing Authorization Application (MAA) to the European Medicines Agency (EMA) and a New Drug Submission (NDS) to Health Canada for Ampyra, which is known outside the U.S. as fampridine. In January 2011, the EMA’s Committee for Medicinal Products for Human Use (CHMP) decided against approval. Biogen Idec has filed an appeal to request a re-examination of the decision by the CHMP. We are working closely with Biogen Idec on a formal appeal of the decision. The appeal process generally takes up to six months. Biogen Idec received a Notice of Deficiency from Health Canada regarding its application for approval of Fampyra in Canada, to which it intends to respond. Health Canada will have approximately a year to reply to that response.

We have three research and development programs focused on novel approaches to repair damaged components of the CNS. We believe all of our research and development programs—neuregulins, remyelinating antibodies and chondroitinase—have broad applicability and have the potential to be first-in-class therapies. While these programs have initially been focused on MS and spinal cord injury (SCI), we believe they may be applicable across a number of CNS disorders, including stroke and traumatic brain injury, because many of the mechanisms of tissue damage and repair are

similar. In addition, we believe that these programs may have applicability beyond the nervous system, including in the field of cardiology.

In March 2010, we filed an Investigational New Drug (IND) application for Glial Growth Factor 2 (GGF2), the lead product candidate for our neuregulins program, as a therapy for heart failure, and in April 2010 the IND became effective. In December 2010, the first patient was enrolled in the first clinical trial of GGF2. Acorda is collaborating with the Vanderbilt University Heart and Vascular Institute to conduct this Phase 1 single-dose trial in patients with heart failure. If we are able to establish a proof of concept for treatment of heart failure through human clinical studies, we may decide to develop the product either by entering into a partnership, most likely with a cardiovascular-focused company, or developing it on our own. We and Vanderbilt University received a $1 million Cardiac Translational Research Implementation Program (C-TRIP) grant from the National Heart, Lung and Blood Institute (NHLBI) to support research on GGF2 separate from the Phase 1 clinical trial. If these studies are successful, Acorda and Vanderbilt will be eligible to apply for a second phase C-TRIP grant of at least $7.5 million.

We began work with a contract manufacturer in 2009 to scale up manufacturing and purification processes for one of the remyelinating antibodies, rHIgM22, under cGMP for preparation for a future IND application. These manufacturing processes have been completed and we are now in formal preclinical safety and toxicity studies. If rHIgM22 proves to have a satisfactory preclinical safety profile, we expect to file an IND for the treatment of MS. We also are continuing research on the potential use of chondroitinases for the treatment of injuries to the brain and spinal cord. The chondroitinase program is in the research and translational development phases and has not yet entered formal preclinical development.

We have had significant operating losses since inception as a result of our focus on clinical and research and development activities and our goal of building an internal sales, managed markets and marketing organization in the U.S. We may incur losses for the next several years as we continue to support an expanded sales and marketing organization and other activities in connection with the commercialization of Ampyra and the advancement of our clinical and preclinical development programs. Our current guidance is for Ampyra 2011 full year net revenue to increase over the prior year to $205-$230 million. Selling, general and administrative (SG&A) expenses for the full year 2011 are currently expected to be $130-$140 million excluding share based compensation charges. SG&A will be primarily driven by commercial and administrative costs related to Ampyra. Research and development (R&D) expenses for the full year 2011 are currently expected to be $40-$45 million excluding share based compensation charges. R&D expenses in 2011 include post-marketing studies for Ampyra and continuing development expenses for our pipeline products, including Phase 1 clinical trials for GGF2. The projected amounts of SG&A and R&D for the full year 2011 in this paragraph and elsewhere in this report are non-GAAP financial measures because they exclude share-based compensation charges. Non-GAAP financial measures are not an alternative for financial measures prepared in accordance with GAAP. However, we believe the presentation of these non-GAAP financial measures, when viewed in conjunction with our GAAP results, provides investors with a more meaningful understanding of our projected operating performance because they exclude non-cash charges that are substantially dependent on changes in the market price of our common stock. We believe that non-GAAP financial measures that exclude share-based compensation charges help indicate underlying trends in our business, and are important in comparing current results with prior period results and understanding projected operating performance. Also, management uses non-GAAP financial measures that exclude share-based compensation charges to establish budgets and operational goals, and to manage the Company's business and to evaluate its performance.

We will also continue to explore opportunities to expand our pipeline through the potential in-licensing and/or acquisition of select products and technologies in neurology. We are interested in both clinical and commercial stage products, with a particular focus on Phase 2 product candidates and products that would reach the commercial stage in 2012 or beyond, although we are open to assessing compounds at other stages as well.

On April 19, 2011, Peder Jensen, M.D., was elected to the Company's Board of Directors to replace Wise Young, Ph.D., M.D., who resigned from the Board on the same day. Dr. Jensen has more than 24 years of global drug development experience in both pharmaceutical and biotechnology companies, across therapeutic areas including neurology, cardiovascular, anti-infective, oncology, and immunology. Dr. Jensen's experience includes over 20 years with Schering-Plough Corporation, the global pharmaceutical company, and then Merck & Co., Inc. after the merger of Schering-Plough with Merck in 2009. During his tenure at Schering-Plough/Merck, Dr. Jensen held a number of global senior research and development positions, including most recently Corporate Senior Vice President, and General Manager, R&D for Japan and Asia/Pacific. Dr. Young, who served on the Company's Board since the Company's founding in 1995, will continue to advise the company in a consulting role as Special Scientific Advisor.

In August 2007, the Company received a Paragraph IV Certification Notice from Apotex Inc. advising that it had submitted an ANDA to the FDA seeking marketing approval for generic versions of Zanaflex Capsules. In October 2007, the

Company filed a lawsuit against Apotex Corp. and Apotex Inc. (collectively, Apotex) for patent infringement in relation to the filing of the ANDA by Apotex. The defendants answered the Company's complaint, asserting patent invalidity and non-infringement and counterclaiming, seeking a declaratory judgment of patent invalidity and non-infringement. The Company denied those counterclaims. On July 2, 2010, the U.S. District Court held a Markman hearing to determine the interpretation of certain terms in the Company's Zanaflex Capsules patent that is at issue in this litigation. The Court ruled favorably on a number of those terms, and the case is proceeding. The court initially set a trial date of April 25, 2011, but has moved the trial date to May 9, 2011.

Our timely filing of a lawsuit against Apotex in October 2007 triggered an automatic stay on FDA approval of the Apotex ANDA for 30 months. That stay expired in March 2010. Consequently, Apotex will be able to receive FDA approval of its ANDA, if Apotex is able otherwise to satisfy FDA's review requirements for ANDAs, at which time it could begin selling a generic tizanidine hydrochloride capsule in competition with Zanaflex Capsules and Zanaflex tablets, even if our patent litigation remains pending. If Apotex begins selling its product before it is successful in challenging the validity, infringement, or enforceability of our patent, Apotex would be selling at the risk of our ultimately prevailing on our patent infringement claims and its being held liable for damages for patent infringement.

The Company accrues for amounts related to loss contingencies if it is probable that a liability has been incurred and the amount is reasonably estimable. As of March 31, 2011, there have been no accruals for loss contingencies aside from payments related to the litigation itself.

Results of Operations

Three-Month Period Ended March 31, 2011 Compared to March 31, 2010

Net Revenue

Ampyra

We recognize product sales of Ampyra following shipment of product to a network of specialty pharmacy providers, Kaiser and the specialty distributor to the VA. We recognized net revenue from the sale of Ampyra of $46.8 million and $3.1 million for the three-month periods ended March 31, 2011 and 2010, respectively. There was a 7.5% increase for the wholesale acquisition price of Ampyra effective March 4, 2011.

Discounts and allowances which are included as an offset in net revenue consists of allowances for customer credits, including estimated chargebacks, rebates, discounts and returns. Discounts and allowances are recorded following shipment of Ampyra tablets to our network of specialty pharmacy providers, Kaiser and the specialty distributor to the VA. For the three-month period ended March 31, 2011 discounts and allowances also consisted of rebate allowances for the new Medicare Part D coverage gap (see also discussion under the "Healthcare Reform" header below). Discounts and allowances may increase as a percentage of sales as we enter into managed care contracts in the future and we incur costs incurred related to new Healthcare Reform Medicare rebates described under the "Healthcare Reform" header below.

Our current guidance is for Ampyra 2011 full year net revenue to increase over the prior year to $205-$230 million.

Zanaflex

We recognize product sales of Zanaflex Capsules and Zanaflex tablets using a deferred revenue recognition model where shipments to wholesalers are recorded as deferred revenue and only recognized as revenue when end-user prescriptions of the product are reported. We recognized net revenue from the sale of Zanaflex Capsules and Zanaflex tablets of $12.2 million for the three-month period ended March 31, 2011, as compared to $12.3 million for the three-month period ended March 31, 2010. The decrease was due to a decrease in prescriptions due to increasing managed care pressure, among other factors offset by a 9% price increase for Zanaflex Capsules effective November 1, 2010. Sales of Zanaflex Capsules may decline in 2011.

Discounts and allowances which are included as an offset in net revenue consists of allowances for customer credits, including estimated chargebacks, rebates, and discounts. Adjustments are recorded for estimated chargebacks, rebates, and discounts.

Healthcare Reform

In March 2010, healthcare reform legislation was enacted in the U.S. This legislation contains several provisions that will affect our business. Beginning in 2011, the new law requires drug manufacturers to provide a 50% discount to Medicare beneficiaries whose prescription drug costs cause them to be subject to the Medicare Part D coverage gap (i.e., the "donut hole"). An estimate for the first quarter Ampyra donut hole rebates was recorded during the three-month period ended March 31, 2011. We did not record anything for Zanaflex for the three-month period ended March 31, 2011 because we do not expect the amount for Zanaflex to be material. We expect that the amounts of the donut hole rebates to be recorded for Ampyra in the three-month periods ending June 30, 2011 and September 30, 2011 will increase over the amount recorded for the three-month period ended March 31, 2011 as the number of patients subject to the donut hole increases over these quarters.

Also, beginning in 2011, the new healthcare reform legislation requires certain drug manufactures to pay a new excise drug fee. It is based on certain government sales of certain branded prescription drug sales in 2009. We believe this fee will not be material to our 2011 financial statements.

License and Royalty Revenue

The Company recognized $2.4 million in license and royalty revenue primarily related to the $110.0 million received from Biogen Idec in 2009 for the three-month periods ended March 31, 2011 and 2010.

On January 21, 2011 Biogen Idec announced that the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) decided against approval of fampridine to improve walking ability in adult patients with multiple sclerosis. Biogen Idec has appealed this opinion and requested a re-examination of the decision by the CHMP. We changed the amortization period on a prospective basis during the three-month period ended March 31, 2011 by 5 months and currently estimate the recognition period to be approximately 12 years from the date of the Collaboration Agreement.

Cost of Sales

Ampyra

We recorded cost of sales of $9.7 million for the three-month period ended March 31, 2011 as compared to $688,000 for the three-month period ended March 31, 2010. Cost of sales for the three-month period ended March 31, 2011 consisted primarily of $8.5 million in inventory costs related to recognized revenues. Cost of sales for the three-month period ended March 31, 2011 also consisted of $970,000 in royalty fees based on net sales, $225,000 in amortization of intangible assets, and $32,000 in period costs related to packaging, freight and stability testing.

Cost of sales for the three-month period ended March 31, 2010 consisted primarily of $525,000 in inventory costs related to recognized revenues. Our launch stock inventory was received in bulk form prior to regulatory approval; therefore, the manufacturing cost associated with this inventory was classified as research and development expense as there was no alternative future use prior to regulatory approval. This expensed inventory represented approximately 8% of the total cost basis of our launch stock inventory. The remaining packaged portion of the inventory cost was received after regulatory approval and thus capitalized. This reduction to our cost basis effectively reduced our cost of sales related to recognized revenues by approximately $45,000 for the three-month period ended March 31, 2010. Our reduced cost basis inventory was sold during the year ended December 31, 2010 and as of this date we are not carrying any launch inventory on our balance sheet with a reduced costs basis.

Cost of sales for the three-month period ended March 31, 2010 also consisted of $114,000 in amortization of intangible assets, and $50,000 in period costs related to packaging, freight and stability testing.

Zanaflex

We recorded cost of sales of $2.3 million for the three-month period ended March 31, 2011 as compared to $2.4 million for the three-month period ended March 31, 2010. Cost of sales for the three-month period ended March 31, 2011 consisted of $1.1 million in inventory costs primarily related to recognized revenues, $800,000 in royalty fees based on net product shipments, $321,000 in amortization of intangible assets, which is unrelated to either the volume of shipments or the amount of revenue recognized, and $67,000 in period costs related to freight and stability testing. Cost of sales for the three-month period ended March 31, 2010 consisted of $1.2 million in inventory costs primarily related to recognized revenues, $807,000 in royalty fees based on net product shipments, $321,000 in amortization of intangible assets, which is unrelated to either the volume of shipments or the amount of revenue recognized, and $49,000 in period costs related to packaging, freight, and stability testing. Payments to and interest expense related to the PRF transaction discussed below in the section titled "Liquidity and Capital Resources" do not impact the Company's cost of sales.

Research and Development

Research and development expenses for the three-month period ended March 31, 2011 were $10.7 million as compared to $8.1 million for the three-month period ended March 31, 2010, an increase of approximately $2.6 million, or 33%. The increase was primarily attributable to clinical trial and statistical work of $2.9 million related to post-marketing clinical studies of Ampyra. The increase was also attributable to an increase of $579,000 for work on our life cycle management program for Ampyra and an increase of $205,000 related to a Phase I GGF2 clinical trial.

The overall increase in research and development expenses was partially offset by a decrease related to a reduction in expenses allocated to research and development of $1.2 million for Ampyra manufacturing and stability work that was classified as research and development for the three-month period ended March 31, 2010 as it was incurred prior to FDA approval of the drug.

Research and development (R&D) expenses for the full year 2011 are currently expected to be $40-$45 million excluding share based compensation charges. R&D expenses in 2011 include post-marketing studies for Ampyra and continuing development expenses for our pipeline products, including Phase 1 clinical trials for GGF2.

Selling, General and Administrative

Sales and marketing expenses for the three-month period ended March 31, 2011 were $22.4 million compared to $16.9 million for the three-month period ended March 31, 2010, an increase of approximately $5.5 million or 33%. This increase was primarily attributable to an increase of $3.9 million in marketing, trade and distribution expenses, managed markets, and various activities associated with Ampyra as well as an increase in staff and compensation of $1.6 million resulting from the expansion of our field sales staff and the overall commercial department in order to support the Ampyra brand.

General and administrative expenses for the three-month period ended March 31, 2011 were $15.5 million compared to $9.9 million for the three-month period ended March 31, 2010, an increase of approximately $5.6 million, or 57%. This increase was the result of a $3.2 million increase in legal expenses primarily related to litigation and general and administrative staff and compensation expenses related to supporting the growth of the overall organization, an increase in costs related to Ampyra post-approval, safety expenses of $1.2 million, an increase in medical affairs expenses including educational programs and research of $954,000, and an increase in business development expenses of $188,000.

Selling, general and administrative (SG&A) expenses for the full year 2011 are currently expected to be $130-$140 million excluding share based compensation charges. SG&A will be primarily driven by commercial and administrative costs related to Ampyra.

Other Expense

Other expense was $996,000 for the three-month period ended March 31, 2011 compared to $1.0 million for the three-month period ended March 31, 2010. Other expense for the three-month period ended March 31, 2011 consisted of interest expense principally related to the PRF revenue interest agreement of $1.1 million and interest income of $140,000. Other expense for the three-month period ended March 31, 2010 consisted of interest expense principally related to the PRF revenue interest agreement of $1.2 million and interest income of $204,000.

Liquidity and Capital Resources

We have incurred annual operating losses since inception and, as of March 31, 2011, we had an accumulated deficit of approximately $440.8 million. We have financed our operations primarily through private placements of our securities, public offerings of our common stock, our Collaboration and Licensing Agreement, sales of Zanaflex Capsules and Ampyra, and, to a lesser extent, from loans, government grants and our financing arrangement with PRF.

Financing Arrangements

In January 1997, Elan International Services, Ltd. (EIS) loaned us an aggregate of $7.5 million pursuant to two convertible promissory notes to partly fund our research and development activities. On December 23, 2005, EIS transferred these promissory notes to funds affiliated with Saints Capital. As of March 31, 2011, $3.8 million of these promissory notes plus $2.4 million of accrued interest was outstanding. The first of seven annual payments on this note was paid on the one year anniversary after Ampyra approval in January 2011.

On December 23, 2005, we entered into a revenue interest assignment agreement with PRF, a dedicated healthcare investment fund, pursuant to which we assigned to PRF the right to a portion of our net revenues (as defined in the agreement) from Zanaflex Capsules, Zanaflex tablets and any future Zanaflex products. To secure our obligations to PRF, we also granted PRF a security interest in substantially all of our assets related to Zanaflex. Our agreement with PRF covers all Zanaflex net revenues generated from October 1, 2005 through and including December 31, 2015, unless the agreement terminates earlier. In November 2006, we entered into an amendment to the revenue interest assignment agreement with PRF. Under the terms of the amendment, PRF paid us $5.0 million in November 2006 and an additional $5.0 million in February 2007 as our net revenues during the fiscal year 2006 exceeded $25.0 million. Under the terms of the amendment, we paid PRF two $5.0 million payments on December 1, 2009 and December 1, 2010.

Under the agreement and the amendment, PRF is entitled to the following portion of Zanaflex net revenues:

- with respect to Zanaflex net revenues up to and including $30.0 million for each fiscal year during the term of the agreement, 15% of such net revenues;
- with respect to Zanaflex net revenues in excess of $30.0 million but less than and including $60.0 million for each fiscal year during the term of the agreement, 6% of such net revenues; and
- with respect to Zanaflex net revenues in excess of $60.0 million for each fiscal year during the term of the agreement, 1% of such net revenues.

Notwithstanding the foregoing, once PRF has received and retained payments under the agreement that are at least 2.1 times the aggregate amount PRF has paid us under the agreement, PRF will only be entitled to 1% of Zanaflex net revenues. In connection with the transaction, we have a liability recorded, referred to as the revenue interest liability, of approximately $5.3 million. We impute interest expense associated with this liability using the effective interest rate method and record a corresponding accrued interest liability. The effective interest rate is calculated based on the rate that would enable the debt to be repaid in full over the life of the arrangement. The interest rate on this liability may vary during the term of the agreement depending on a number of factors, including the level of Zanaflex sales. We currently estimate that the imputed interest rate associated with this liability will be approximately 5.7%. Payments made to PRF as a result of Zanaflex sales levels reduce the accrued interest liability and the principal amount of the revenue interest liability.

Investment Activities

At March 31, 2011, cash and cash equivalents and short-term investments were approximately $225.3 million, as compared to $240.0 million at December 31, 2010. As of March 31, 2011, our cash and cash equivalents consist of highly liquid investments with original maturities of three months or less at date of purchase and consist of time deposits and investments in a Treasury money market fund and high-quality government bonds. Also, we maintain cash balances with financial institutions in excess of insured limits. We do not anticipate any losses with respect to such cash balances. As of March 31, 2011, our cash and cash equivalents were $78.5 million, as compared to $34.6 million as of December 31, 2010. Our short-term investments consist of US Treasury bonds with original maturities greater than three months and less than one year. The balance of these investments was $146.9 million as of March 31, 2011, as compared to $205.4 million as of December 31, 2010.

Net Cash Used in Operations

Net cash used in operations was $12.1 million and $24.0 million for the three-month period ended March 31, 2011 and 2010, respectively. Cash used in operations for the three-month period ended March 31, 2011 was primarily attributable to a net decrease of 8.2 million due to changes in working capital items. It was also attributable to an increase in inventory held by the Company of $6.4 million, an increase in accounts receivable of $1.5 million resulting from a slight increase in Zanaflex gross sales and the 7.5% price increase for Ampyra effective in March 2011, a decrease in the non-current portion of deferred license revenue of $1.9 million due to the amortization of the upfront collaboration payment received during the three-month period ended September 30, 2009, a net loss of $672,000, and a decrease in the current portion of this deferred license revenue of $371,000. Cash used in operations for the three-month period ended March 31, 2011 was partially offset by a non-cash share-based compensation expense of $3.8 million, amortization of net premiums and discounts on short-term investments of $1.9 million, and depreciation and amortization of $1.1 million.

Cash used in operations for the three-month period ended March 31, 2010 was primarily attributable to a net loss of $21.1 million, an increase in inventory held by the Company of $16.8 million due to the launch of Ampyra, a decrease in the non-current portion of deferred cost of license revenue of $2.4 million, and an increase in accounts receivable of $2.2 million due to the launch of Ampyra. Cash used in operations for the three-month period ended March 31, 2010, was partially offset by an increase of $13.0 million due to changes in working capital items, a non-cash share-based compensation expense of $3.2 million, amortization of net premiums and discounts on short-term investments of $1.2 million, depreciation and amortization of $838,000, and a decrease in the non-current portion of deferred cost of license revenue of $165,000.

Net Cash Provided by Investing

Net cash provided by investing activities for the three-month period ended March 31, 2011 was $55.8 million, primarily due to $99.5 million in proceeds of short-term investments which was partially offset by $42.8 million in purchases of short-term investments and $907,000 in purchases of intangible assets and property and equipment.

Net Cash Provided by Financing

Net cash provided by financing activities for the three-month period ended March 31, 2011 was $157,000 due to $392,000 in net proceeds from option exercises which was offset by $235,000 in repayments to PRF.

Future Capital Needs

Our current guidance is for Ampyra 2011 full year net revenue to increase over the prior year to $205-$230 million. Selling, general and administrative (SG&A) expenses for the full year 2011 are currently expected to be $130-$140 million excluding share based compensation charges. SG&A will be primarily driven by commercial and administrative costs related to Ampyra. Research and development (R&D) expenses for the full year 2011 are currently expected to be $40-$45 million excluding share based compensation charges. R&D expenses in 2011 include post-marketing studies for Ampyra and continuing development expenses for our pipeline products, including Phase 1 clinical trials for GGF2.

Our future capital requirements will depend on a number of factors, including the amount of revenue generated from sales of Ampyra and Zanaflex Capsules, the continued progress of our research and development activities, the timing and outcome of regulatory approvals, the amount and timing of milestone or other payments made or received under collaborative agreements, the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights and acquisition or in-licensing of new products or compounds and development costs relating to those new products or compounds. We may continue to incur losses from operations as we continue to support our sales and marketing infrastructure for the commercialization of Ampyra and Zanaflex Capsules, increase our efforts to support for the sales of Ampyra, and continue our clinical development and advance our preclinical programs.

To the extent our capital resources are insufficient to meet future operating requirements we will need to raise additional capital, reduce planned expenditures, or incur indebtedness to fund our operations. We may be unable to obtain additional debt or equity financing on acceptable terms, if at all. If adequate funds are not available, we may be required to curtail our sales and marketing efforts, delay, reduce the scope of or eliminate some of our research and development programs or obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain product candidates that we might otherwise seek to develop or commercialize independently.

Contractual Obligations and Commitments

A summary of our minimum contractual obligations related to our major outstanding contractual commitments is included in our Annual Report on Form 10-K for the year ended December 31, 2010. Our long-term contractual obligations include commitments and estimated purchase obligations entered into in the normal course of business. Under certain supply agreements and other agreements with manufacturers and suppliers, we are required to make payments for the manufacture and supply of our clinical and approved products. During the three-month period ended March 31, 2011, commitments related to the purchase of inventory consistent with our normal course of business decreased as compared to the three-month period ended December 31, 2010. As of March 31, 2011, we have inventory-related purchase commitments totaling approximately $15.7 million within the next year.

Under certain license agreements, we are required to pay royalties for the use of technologies and products in our R&D activities and in the commercialization of products. The amount and timing of any of the foregoing payments are not known due to the uncertainty surrounding the successful research, development and commercialization of the products.

Under certain license agreements, we are also required to pay license fees and milestones for the use of technologies and products in our R&D activities and in the commercialization of products. We have committed to make potential future milestone payments to third parties of up to approximately $32.1 million as part of our various collaborations, including licensing and development programs. Payments under these agreements generally become due and payable only upon achievement of certain developmental, regulatory or commercial milestones. Because the achievement of these milestones had not occurred as of March 31, 2011, such contingencies have not been recorded in our financial statements. Amounts related to contingent milestone payments are not considered contractual obligations as they are contingent on the

successful achievement of certain development, regulatory approval and commercial milestones. There is uncertainty regarding the various activities and outcomes needed to reach these milestones, and they may not be achieved.

Critical Accounting Policies and Estimates

The following discussion of critical accounting policies identifies the accounting policies that require application of management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. It is not intended to be a comprehensive list of all of our significant accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management's judgment in their application. There are also areas in which the selection of an available alternative policy would not produce a materially different result. We have identified the following as our areas of critical accounting policies: sales revenue recognition, inventory, research and development, income taxes, and share-based compensation.

Revenue Recognition

Ampyra

Ampyra is available only through a network of specialty pharmacy providers that provide the medication to patients by mail, Kaiser Permanente (Kaiser), and the U.S. Department of Veterans Affairs (VA). We recognize revenue by applying the guidance in Staff Accounting Bulletin (SAB) 104 which requires that we do not recognize revenue from product sales until there is persuasive evidence of an arrangement, delivery has occurred, the price is fixed and determinable, the buyer is obligated to pay us, the obligation to pay is not contingent on resale of the product, the buyer has economic substance apart from us, the Company has no obligation to bring about the sale of the product, the amount of returns can be reasonably estimated and collectability is reasonably assured. We recognize product sales of Ampyra following shipment of product to a network of specialty pharmacy providers, Kaiser and the specialty distributor to the VA. As of March 31, 2011, inventory levels at specialty pharmacy providers that distribute Ampyra (does not include Kaiser or the specialty distributor to the VA) represented approximately two weeks of their anticipated usage. The specialty pharmacy providers, Kaiser, and the specialty distributor to the VA are contractually obligated to hold no more than 30 days of inventory.

Our net revenues represent total revenues less allowances for customer credits, including estimated rebates, discounts and returns. These allowances are recorded for cash consideration given by a vendor to a customer that is presumed to be a reduction of the selling prices of the vendor's products or services and, therefore, are characterized as a reduction of revenue. At the time product is shipped to specialty pharmacies, Kaiser and the specialty distributor to the VA, an adjustment is recorded for estimated chargebacks, rebates, and returns. These allowances are established by management as its best estimate based on available information and will be adjusted to reflect known changes in the factors that impact such reserves. In determining the amounts of certain allowances and accruals, we must make significant judgments and estimates. Allowances for rebates, discounts and returns are established based on the contractual terms with customers, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for each product and anticipated introduction of competitive products. Product shipping and handling costs are included in cost of sales.

Based on our specialty distribution model where we sell to only 12 specialty pharmacy providers, Kaiser and the specialty distributor to the VA, the data we receive from these distributors, and returns experience of other specialty products with similar selling models, we have been able to make a reasonable estimate for product returns. At March 31, 2011, inventory levels at the specialty pharmacy providers (this does not include Kaiser) represented approximately two weeks of their anticipated usage. The specialty pharmacy providers, Kaiser, and the specialty distributor to the VA have contractually agreed to hold no more than 30 days of inventory. We will accept returns of Ampyra for two months prior to and six months after its expiration date. We will provide a credit to customers with whom we have a direct relationship. Once our product is prescribed, it cannot be returned. We do not exchange product from inventory for the returned product.

Zanaflex

We apply the revenue recognition guidance in Accounting Standards Codification (ASC) 605-15-25, which among other criteria requires that future returns can be reasonably estimated in order to recognize revenue. We have accumulated some sales history with Zanaflex Capsules; however, due to existing and potential generic competition and customer conversion from Zanaflex tablets to Zanaflex Capsules, we cannot reasonably determine a return rate at this time and, thus, are not permitted to recognize revenue based on shipments to wholesalers. As a result, we account for sales of these products using a deferred revenue recognition model. We continue to accumulate data and when we are able to reasonably estimate

product returns based on this data and based on greater certainty regarding generic competition we will then begin to recognize revenue based on shipments of product to our wholesale drug distributors.

Under our deferred revenue model, we do not recognize revenue following shipment of Zanaflex Capsules and Zanaflex tablets to our wholesale drug distributors. Instead, we record deferred revenue at gross invoice sales price, and classify the cost basis of the inventory held by the wholesaler as a component of inventory. We recognize revenue when prescriptions are filled to an end-user because once a prescription is filled the product cannot be returned. We use monthly prescription data that we purchase to determine the amount of revenue to be recognized. When we receive the prescription data, we use the number of units of product prescribed to record gross sales. We then reduce deferred revenue and record cost of goods sold.

In addition to the prescription data we purchase, we also receive data that we use to monitor trends in sales from wholesalers to their customers. We receive this data from an outside vendor on a monthly basis. This data includes the number of bottles shipped from certain wholesalers to their customers. We also compare our shipments to wholesalers to prescription reports to further assess inventory in the distribution channel on a monthly basis. We use the wholesaler sales trend data and the wholesaler vs. prescription comparison to better understand market conditions, but not as a basis for recognizing revenue. We have not made any shipments as a result of incentives to our wholesalers and our policy is not to ship in excess of our wholesalers' inventory levels maintained in the ordinary course of business.

Our net revenues represent total revenues less allowances for customer credits, including estimated discounts, rebates, and chargebacks. These allowances are recorded for cash consideration given by a vendor to a customer that is presumed to be a reduction of the selling prices of the vendor's products or services and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's statement of income. Adjustments are recorded for estimated chargebacks, rebates, and discounts. These allowances are established by management as its best estimate based on available information and are adjusted to reflect known changes in the factors that impact such reserves. Allowances for chargebacks, rebates and discounts are established based on the contractual terms with customers, analysis of historical levels of discounts, chargebacks and rebates, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for each product and anticipated introduction of competitive products. Product shipping and handling costs are included in cost of sales.

We accept returns of Zanaflex Capsules and Zanaflex tablets for six months prior to and twelve months after their expiration date. We provide a credit to customers with whom we have a direct relationship or a cash payment to those with whom we do not have a direct relationship. We do not exchange product from inventory for the returned product. Returns of products sold by us are charged directly against deferred revenue, reducing the amount of deferred revenue that we may recognize. In addition, we record a charge to cost of goods sold for the cost basis of the estimated product returns we believe may ultimately be realized at the time of product shipment to wholesalers. We recognize this charge at the date of shipment since it is probable that we will receive a level of returned products; upon the return of such product we will be unable to resell the product considering its expiration dating; and, we can reasonably estimate a range of returns. This charge represents the cost basis for the low end of the range of the Company's estimated returns.

We initiated a product recall for three lots of Zanaflex Capsules in February 2011 due to two reports of empty Zanaflex Capsules that had been distributed to pharmacies and sold to patients. Returns of this recalled product are being charged directly against deferred revenue, reducing the amount of deferred revenue that we may recognize. Some shipments of Zanaflex Capsules during the three-month period ended March 31, 2011 were likely to replace this recalled product. Under the terms of our agreement with Elan, they are responsible for the cost of replacing the inventory and any reasonable and actual costs and expenses that we incur in connection with the recall.

Collaborations

We recognize collaboration revenues by analyzing each element of the agreement to determine if it shall be accounted for as a separate element or single unit of accounting. If an element shall be treated separately for revenue recognition purposes, the revenue recognition principles most appropriate for that element are applied to determine when revenue shall be recognized. If an element shall not be treated separately for revenue recognition purposes, the revenue recognition principles most appropriate for the bundled group of elements are applied to determine when revenue shall be recognized. Payments received in excess of revenues recognized are recorded as deferred revenue until such time as the revenue recognition criteria have been met.

Ampyra Inventory

Prior to regulatory approval of Ampyra in 2010, the Company incurred expenses for the manufacture of several batches of Ampyra that ultimately became available to support the commercial launch of this drug candidate. Until the necessary initial regulatory approval was received, we charged all such amounts to research and development expenses. As a result, our initial sales of Ampyra resulted in higher gross margins than if the inventory costs had not previously been expensed. Upon regulatory approval of Ampyra, the Company began capitalizing the commercial inventory costs associated with manufacturing with Elan and at its second manufacturer, Patheon.

The cost of Ampyra inventory manufactured by Elan is based on specified prices calculated as a percentage of net product sales of the product shipped by Elan to Acorda. In the event Elan does not manufacture the products, Elan is entitled to a compensating payment for the quantities of product provided by the alternative manufacturer. This compensating payment is included in our inventory balances.

Research and Development

Research and development expenses include the costs associated with our internal research and development activities including, employee compensation and benefits, occupancy costs, and research and development conducted for us by third parties, such as sponsored university-based research, clinical trial vendors, contract manufacturing for our preclinical program, costs of materials used in clinical trials and depreciation of capital resources used to develop our products and regulatory consulting to support our products. In addition, research and development expenses include expenses related to grant revenue, the cost of clinical trial drug supply shipped to our clinical study vendors and the cost of Ampyra inventory received up until regulatory approval. We account for our clinical study costs by estimating the patient cost per visit in each clinical trial and recognizing this cost as visits occur, beginning when the patient enrolls in the trial. This estimated cost includes payments to the trial site and patient-related costs, including laboratory costs related to the conduct of the trial. Cost per patient varies based on the type of clinical trial, the site of the clinical trial, and the length of the treatment period for each patient. As actual costs become known to us, we adjust our accrual; such changes in estimate may be a material change in our clinical study accrual, which could also materially affect our results of operations. With respect to previously established clinical study accruals in prior periods, for the three-month periods ended March 31, 2011 we did not make any significant adjustments to our clinical study costs. All research and development costs are expensed as incurred except when we are accounting for nonrefundable advance payments for goods or services to be used in future research and development activities. In these cases, these payments are capitalized at the time of payment and expensed ratably over the period the research and development activity is performed.

Income Taxes

As part of the process of preparing our financial statements we are required to estimate our income taxes in each of the jurisdictions in which we operate. We account for income taxes by the asset and liability method. Under this method, deferred income taxes are recognized for tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end, based on enacted laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are provided if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We recorded a $117,000 provision for income taxes for the three-month period ended March 31, 2011. We did not record any tax provision or benefit for the three-month period ended March 31, 2010. We have provided a valuation allowance for the full amount of our gross deferred tax assets since realization of any future benefit from deductible temporary differences and net operating loss carryforwards cannot be sufficiently assured at March 31, 2011.

As of March 31, 2011, we had available federal net operating loss carry-forwards of approximately $273.9 million and state net operating carry-forwards of approximately $251.6 million, which may be available to offset future taxable income, if any. The federal losses are expected to expire between 2019 and 2031 while the state losses are expected to expire between 2012 and 2031. We also have research and development tax credit carry-forwards of approximately $4.0 million for federal income tax reporting purposes which are available to reduce federal income taxes, if any, through 2019. Since our inception, we have incurred substantial losses and may incur substantial and recurring losses in future periods. The Internal Revenue Code of 1986, as amended, the Code, provides for a limitation of the annual use of net operating loss and research and development tax credit carry-forwards (following certain ownership changes, as defined by the Code) that could significantly limit our ability to utilize these carry-forwards. We have experienced various ownership changes, as defined by the Code, as a result of past financings. Accordingly, our ability to utilize the aforementioned carry- forwards may be limited.

Additionally, because U.S. tax laws limit the time during which these carry-forwards may be applied against future taxes we may not be able to take full advantage of these attributes for federal income tax purposes.

Share-based Compensation

We account for stock options and restricted stock granted to employees and non-employees by recognizing the costs resulting from all share-based payment transactions in the financial statements at their fair values. We estimate the fair value of each option on the date of grant using the Black-Scholes closed-form option-pricing model based on assumptions for the expected term of the stock options, expected volatility of our common stock, prevailing interest rates, and an estimated forfeiture rate.

We have based our current assumptions on the following:

Assumption	Method of estimating
•Estimated expected term of options	•Historical term data
•Expected volatility	•Combination of historic volatility of our common stock since October 1, 2006 and the historic volatility of the stock of our peer companies
•Risk-free interest rate	•Yields of U.S. Treasury securities corresponding with the expected life of option grants
•Forfeiture rates	•Historical forfeiture data

Of these assumptions, the expected term of the option and expected volatility of our common stock are the most difficult to estimate since they are based on the exercise behavior of the employees and expected performance of our common stock. Increases in the term and the volatility of our common stock will generally cause an increase in compensation expense.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our financial instruments consist of cash equivalents, short-term investments, grants receivable, convertible notes payable, accounts payable, and put/call liability. The estimated fair values of all of our financial instruments approximate their carrying amounts at March 31, 2011.

We have cash equivalents and short-term investments at March 31, 2011, which are exposed to the impact of interest rate changes and our interest income fluctuates as our interest rates change. Due to the short-term nature of our investments in money market funds and US Treasury bonds, the carrying value of our cash equivalents and short-term investments approximate their fair value at March 31, 2011. At March 31, 2011, we held $225.3 million in cash and cash equivalents and short-term investments which had an average interest rate of approximately 0.04%.

We maintain an investment portfolio in accordance with our investment policy. The primary objectives of our investment policy are to preserve principal, maintain proper liquidity to meet operating needs and maximize yields. Although our investments are subject to credit risk, our investment policy specifies credit quality standards for our investments and limits the amount of credit exposure from any single issue, issuer or type of investment. Our investments are also subject to interest rate risk and will decrease in value if market interest rates increase. However, due to the conservative nature of our investments and relatively short duration, interest rate risk is mitigated. We do not own derivative financial instruments. Accordingly, we do not believe that there is any material market risk exposure with respect to derivative or other financial instruments.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”) we carried out an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the first quarter of 2011, the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer. Based on that evaluation, these officers have concluded that, as of March 31, 2011, our disclosure controls and procedures were effective to achieve their stated purpose.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules, regulations, and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding disclosure.

Change in internal control over financial reporting

In connection with the evaluation required by Exchange Act Rule 13a-15(d), our management, including our chief executive officer and chief financial officer, concluded that there were no changes in our internal control over financial reporting during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the effectiveness of controls

Our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In August 2007, the Company received a Paragraph IV Certification Notice from Apotex Inc. advising that it had submitted an ANDA to the FDA seeking marketing approval for generic versions of Zanaflex Capsules. In response to the filing of the ANDA, in October 2007, the Company filed a lawsuit against Apotex Corp. and Apotex Inc. (collectively, Apotex) in the U.S. District Court for the District of New Jersey asserting infringement of our U.S. Patent No. 6,455,557 relating to multiparticulate tizanidine compositions, including those sold by us as Zanaflex Capsules. The patent expires in 2021.

In November 2007, the defendants answered the Company's complaint, asserting patent invalidity and non-infringement and counterclaiming, seeking a declaratory judgment of patent invalidity and non-infringement. The Company denied those counterclaims. On July 2, 2010, the U.S. District Court held a Markman hearing to determine the interpretation of certain terms in the Company's Zanaflex Capsules patent that is at issue in this litigation. The Court ruled favorably on a number of those terms, and the case is proceeding. The Court initially set a trial date of April 25, 2011, but has moved the trial date to May 9, 2011.

Our timely filing of a lawsuit against Apotex in October 2007 triggered an automatic stay on FDA approval of the Apotex ANDA for 30 months. That stay expired in March 2010. Consequently, Apotex will be able to receive FDA approval of its ANDA, if Apotex is able otherwise to satisfy FDA's review requirements for ANDAs, at which time it could begin selling a generic tizanidine hydrochloride capsule in competition with Zanaflex Capsules and Zanaflex tablets, even if our patent litigation remains pending. If Apotex begins selling its product before it is successful in challenging the validity, infringement, or enforceability of our patent, Apotex would be selling at the risk of our ultimately prevailing on our patent infringement claims and its being held liable for damages for patent infringement.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, as updated by the information in this Item 1A, all of which could materially affect our business, financial condition or future results. The risks described or referred to herein are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Following is the restated text of an individual risk factor that was published in our 2010 Annual Report on Form 10-K. We have made modifications to this risk factor that may be material.

The pharmaceutical industry is subject to stringent regulation and failure to obtain regulatory approval will prevent commercialization of our product candidates and, if we do not comply with FDA regulations if we obtain regulatory approval, approved products could be withdrawn from the market.

Our research, development, preclinical and clinical trial activities, as well as the manufacture and marketing of any products that we may successfully develop, are subject to an extensive regulatory approval process by the FDA and other regulatory agencies abroad. The process of obtaining required regulatory approvals for drugs is lengthy, expensive and uncertain. Any regulatory approvals may contain limitations on the indicated usage of a drug or, distribution restrictions, or may be conditioned on burdensome post-approval study or other requirements, including the requirement that we institute and follow a special risk management plan to monitor and manage potential safety issues, all of which may eliminate or reduce the drug's market potential. Additional adverse events that could impact commercial success, or even continued regulatory approval, might emerge with more extensive post-approval patient use. Post-market evaluation of a product could result in marketing restrictions or withdrawal from the market.

Of the large number of drugs in development, only a small percentage result in the submission of an NDA to the FDA and even fewer are approved for commercialization.

In order to conduct clinical trials to obtain FDA approval to commercialize any product candidate, an IND application must first be submitted to the FDA and must become effective before clinical trials may begin. Subsequently, an NDA must be submitted to the FDA, including the results of adequate and well-controlled clinical trials demonstrating,

among other things, that the product candidate is safe and effective for use in humans for each target indication. In addition, the manufacturing facilities used to produce the products must comply with current good manufacturing practices, or cGMPs, and must pass a pre-approval FDA inspection. Extensive submissions of preclinical and clinical trial data are required to demonstrate the safety, efficacy, potency and purity for each intended use. The FDA may refuse to accept our regulatory submissions for filing if they are incomplete.

Clinical trials are subject to oversight by institutional review boards and the FDA to ensure compliance with the FDA's good clinical practice requirements, as well as other requirements for the protection of clinical trial participants. We depend, in part, on third-party laboratories and medical institutions to conduct preclinical studies and clinical trials for our products and other third-party organizations to perform data collection and analysis, all of which must maintain both good laboratory and good clinical practices required by regulators. If any such standards are not complied with in our clinical trials, the resulting data from the clinical trial may not be usable or we, an institutional review board or the FDA may suspend or terminate such trial, which would severely delay our development and possibly end the development of such product candidate.

In addition, we are subject to regulation under other state and federal laws, including requirements regarding occupational safety, laboratory practices, environmental protection and hazardous substance control, and we may be subject to other local, state, federal and foreign regulations. We cannot predict the impact of such regulations on us, although it could impose significant restrictions on our business and additional expenses to comply with these regulations.

We also are subject to periodic unannounced inspections by the FDA and other regulatory bodies related to other regulatory requirements that apply to marketed drugs manufactured or distributed by us. If we receive a notice of inspectional observations or deficiencies from FDA, we may be required to undertake corrective and preventive actions in order to address the FDA's concerns, which could be expensive and time-consuming to complete and could impose additional burdens and expenses on how we conduct the affected activities. For example, the FDA conducted an inspection of our adverse event reporting in February 2009 that resulted in a Form FDA 483 with five inspectional observations. The observations cited the failure to submit NDA field alert reports for Zanaflex Capsules in a timely manner, the failure to review adequately complaints concerning distributed product, the late submission of NDA annual reports, and inadequate written procedures for our quality control unit, NDA field alert reporting, and the training of our personnel. We have undertaken corrective and preventive actions in order to address the FDA's concerns cited in the Form FDA 483. However, the FDA might identify different or additional deficiencies in subsequent inspections. In addition, although Ampyra was approved by the FDA on January 22, 2010, the FDA has not inspected our third party suppliers' drug product manufacturing sites in connection with that approval. The process validation efforts and manufacturing process at these sites could be inspected at a later date and the FDA might find what it considers to be deficiencies in the manufacturing process or process validation efforts, which could negatively impact the availability of product supply.

We and our third party suppliers are generally required to maintain compliance with cGMPs and are subject to inspections by the FDA or comparable agencies in other jurisdictions to confirm such compliance. In addition, the FDA must approve any significant changes to our suppliers or manufacturing methods. If we or our third party suppliers cannot demonstrate ongoing cGMP compliance, we may be required to withdraw or recall product and interrupt commercial supply of our products. Any delay, interruption or other issues that arise in the manufacture, fill-finish, packaging, or storage of our products as a result of a failure of our facilities or the facilities or operations of our third party suppliers to pass any regulatory agency inspection could significantly impair our ability to develop and commercialize our products. Significant noncompliance could also result in the imposition of monetary penalties or other civil or criminal sanctions. Non-compliance could increase our costs, cause us to lose revenue, and damage our reputation.

Even if our suppliers or manufacturing methods are in compliance with applicable requirements, we may encounter problems with the manufacture of our products. To investigate and/or resolve these problems, we may be required to withdraw or recall product and interrupt commercial supply of our products. These events could increase our costs, cause us to lose revenue, and damage our reputation. We are required to submit field alert reports to the FDA if we learn of certain reported problems with our products, and we are required to investigate the causes of the reported problems. For example, in February 2011, we filed a field alert report with the FDA pertaining to two reports of empty Zanaflex Capsules that had been distributed to pharmacies and sold to patients. In March 2011, after investigation of the issue and discussion with the FDA, we implemented a Class II, Level II Recall of three lots of Zanaflex Capsules. The FDA agreed with our proposal to conduct a phased approach of recalling product from our wholesalers and then from our retailers in order to appropriately address the issue and to mitigate an out-of-stock situation. In addition, in April 2011, we filed a field alert with the FDA pertaining to two reports that empty Ampyra bottles had been distributed to a specialty pharmacy and sold to patients. We are currently investigating the cause of the reported problems and, depending on the results of the investigation and other factors, further action may be required.

Item 5. Other Information

We are party to a License Agreement, dated February 3, 2003, with Cornell Research Foundation, Inc. On May 5, 2011, we delivered written notice to Cornell terminating the License Agreement. Pursuant to the License Agreement, the termination is effective 45 days after the notice.

Item 6. Exhibits

10.14*	Amended and Restated License Agreement, dated September 26, 2003, by and between the Registrant and Elan Corporation, plc.
10.41*	License Agreement, dated as of December 19, 2003, by and among the Registrant, Cambridge University Technical Services Limited, and King's College London.
10.59*	Development and Supplemental Agreement between Elan Pharma International Limited and the Registrant dated January 14, 2011.
10.60*	Amendment #1 to License Agreement among the Registrant, Cambridge Enterprise Limited (formerly Cambridge University Technical Services Limited), and Kings College London dated as of March 4, 2011.
31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Portions of this exhibit were redacted pursuant to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed."

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.

ACORDA THERAPEUTICS, INC.

By: /s/ RON COHEN
Ron Cohen, M.D.
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 9, 2011

By: /s/ DAVID LAWRENCE
David Lawrence, M.B.A.
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: May 9, 2011

Exhibit Index

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** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed."

Exhibit 10.14

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

EXECUTION COPY

Date: 26, September 2003

ELAN CORPORATION, PLC.

AND

ACORDA THERAPEUTICS, INC.

AMENDED AND RESTATED LICENSE AGREEMENT

INDEX

THIS AMENDED AND RESTATED LICENSE AGREEMENT is made as of the day of September 2003

BETWEEN:

(1) **Elan Corporation, plc.** , a public limited company incorporated under the laws of Ireland, and having its registered office at Lincoln House, Lincoln Place, Dublin 2, Ireland (" **Elan** "); and

(2) **Acorda Therapeutics, Inc.** , a corporation organized under the laws of the State of Delaware and having its principal office at 15 Skyline Drive, Hawthorne, New York 10532, United States of America (" **Acorda** ").

RECITALS:

(A) As of April 21, 1998, Elan and Acorda entered into an amended and restated licence and supply agreement relating to SCI (effective as from January 23, 1997) (the " **SCI Agreement** ");

(B) Effective as of April 21, 1998, Elan, Acorda and MS R & D entered into a licence and supply agreement relating to MS (the " **MS Agreement** ");

(C) Pursuant to the Assignment Agreement (i) MS R & D assigned all of its rights, title, interest and obligations under the MS Agreement to Acorda, and Acorda assumed all of MS R & D's obligations thereunder; and (ii) Elan, Acorda and MS R & D terminated the MS R & D Agreements (as defined in the Assignment Agreement)

(D) The Parties desire and agree that certain provisions of the SCI Agreement and the MS Agreement should be amended, clarified and restated to reflect the intentions of the Parties with respect to the development, manufacturing and marketing of the Product in the Territory for the Indications on the terms and conditions set out herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree that each of the MS Agreement and the SCI Agreement, and all of the terms, conditions and provisions of the MS Agreement and the SCI Agreement, are hereby superceded and replaced and restated in their entirety by this Agreement and the Supply Agreement and the terms, conditions and provisions hereof and thereof, as of the Amendment Date, as follows and as set forth in the Supply Agreement:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1. In the present Agreement and any further agreements based thereon between the Parties hereto, the following definitions shall prevail:

" **Acorda Know-How** " shall mean all knowledge, information, trade secrets, data and expertise relating to the Product which is not generally known to the public that is owned or possessed by Acorda (and/or its Affiliates), or that is developed by Acorda (and/or its Affiliates) during the term of this Agreement relating to the Product, including clinical data, whether or not covered by any patent, copyright, design, trademark or other industrial or intellectual property rights and excluding Elan Intellectual Property. Title to all inventions and other intellectual property made solely by Acorda employees in connection with the Project shall be owned by Acorda.

" **Acorda Patent Rights** " shall mean any and all rights under any and all patents and patent applications now existing, currently pending or hereafter filed, owned or acquired or licensed by Acorda (and/or its Affiliates) from a Third Party which would be infringed by the manufacture, use or sale of the Product, the current status of which is set forth in **Schedule 1** . Acorda Patent Rights shall also include all continuations, continuations-in-part, divisionals and re-issues of such patents and patent applications and any patents issuing thereon and extensions of any patents licensed hereunder. Acorda Patent Rights shall further include any patents or patent applications covering any improved methods of making or using the Product invented or acquired by Acorda (and/or its Affiliates) from a Third Party during the term of this Agreement, and under which Acorda (and/or its Affiliates) has a right to grant a licence hereunder. Acorda Patent Rights shall exclude Elan Intellectual Property.

" **Act** " shall mean the United States Federal Food Drug and Cosmetic Act of 1934, and the rules and regulations promulgated thereunder, or any successor act, as the same shall be in effect from time to time.

" **Affiliate** " shall mean any corporation or entity controlling, controlled by or under the common control of Elan or Acorda as the case may be. For the purpose of this Agreement, "control" shall mean the direct or indirect ownership of at least fifty percent (50%) of the outstanding shares or other voting rights of the subject entity to elect directors, or if not meeting the preceding criteria, any entity owned or controlled by or owning or controlling at the maximum control or ownership right permitted in the country where such entity exists.

" **Agreement** " shall mean this amended and restated license agreement (which expression shall be deemed to include the Recitals and Appendices and Schedules hereto).

" **Alternate Compound** " shall mean any mono- or di-aminopyridine, other than the Compound, as well as the isomers, and the salts thereof.

" **Amendment Date** " shall mean September 2003.

" **API** " shall mean any Compound or Alternate Compound, in bulk form, for use as an active ingredient in the manufacture of Product.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk *, have been separately filed with the Commission.

" **Assignment Agreement** " shall mean the Termination and Assignment Agreement entered into by and among Acorda, Elan and MS R & D as of the Amendment Date, a copy of which is attached hereto as **Schedule 2** .

" **Cardinal Agreement** " shall mean the Laboratory Services Agreement by and between Cardinal Health PTS, Inc. ("Cardinal") and Acorda dated April 1, 2003 relating to stability testing of oral tablets of Fampridine.

" **cGCP** ", " **cGLP** " and " **cGMP** " shall mean current Good Clinical Practises, current Good Laboratory Practises and current Good Manufacturing Practises, respectively, pursuant to the Act and FDA guidance documents.

" **CMC Section** " shall mean the chemistry, manufacturing, and controls section of an NDA as defined in 21 CFR Section 314.50 (1) and its equivalent in other registration applications.

" **Committee** " shall mean the committee to be established pursuant to Article 10.

" **Competition** " shall mean on a country by country basis the sale or distribution by a Third Party of a sustained release oral pharmaceutical formulation of a mono- or di-aminopyridine active agent for administration on a once or twice daily basis for the treatment or amelioration of any neurological condition(s) (including neurogenic conditions) in humans, where the sales or distribution of such formulation by said Third Party for a calendar year are at least fifteen percent (15%) of the total sales of the Product in such country in such calendar year expressed in equivalent units. The determination that Competition exists in any country in any calendar year shall be deemed conclusively if a mutually agreed reputable organization such as IMS has made such determination based on its conduct of a market share study in such country during such year, provided the existence of such level of sales of competing products may also be established by other reasonable evidence. Once a determination is made that Competition exists for a Product in any country, such determination shall be made again by the Parties each calendar year for so long as the Product is marketed in that country; provided that in the event that Competition has ceased prior to the end of a calendar year and has not resumed, the Competition shall be deemed to have terminated for such year.

" **Compound** " shall mean the compound known as 4-aminopyridine as well as the isomers, and the salts thereof.

" **Confidential Information** " shall mean (i) any proprietary or confidential information or material in tangible form disclosed hereunder that is marked as "Confidential" at the time it is delivered to the receiving Party, or (ii) proprietary or confidential information disclosed orally hereunder which is identified as confidential or proprietary when disclosed and such disclosure of confidential information is confirmed in writing within thirty (30) days by the disclosing Party.

" **Designee** " shall mean a sub-licensee, distributor or any other Third Party authorised by Acorda including those entities or persons appointed by Acorda pursuant to the provisions of Article 2.3.1.

"Development Plan " shall have the meaning set forth in Article 3.1.

" **DMF** " shall mean a Drug Master File, as defined in 21 CFR Section 314.420, as the same may be amended or re-promulgated from time to time, or any successor filing or procedure and/or its equivalent in the other countries of the Territory.

" **Dominating Patent** " shall mean an unexpired patent that has not been invalidated by a court or governmental agency which is owned by a Third Party, which covers the Product sold by Acorda or its Designees, under circumstances such that Acorda, including on behalf of its Designees, has no commercially reasonable alternative to obtaining a royalty-bearing licence under such patent in order to practise or exploit the Elan Intellectual Property to develop and/or commercialise the Product.

" **EDDI** " shall mean Elan Drug Delivery Inc., a wholly-owned subsidiary of Elan, and the successor to Elan Pharmaceutical Research Corp.

" **Elan Intellectual Property** " shall mean the Elan Patent Rights and/or the Elan Know-How.

" **Elan Know-How** " shall mean all knowledge, information, trade secrets, data and expertise within Elan's oral controlled release technology relating to the Product which is not generally known to the public that is owned or possessed by Elan (and/or its Affiliates), or to be developed by Elan (and/or its Affiliates), whether before or during the term of this Agreement, whether or not covered by any patent, copyright, design, trademark or other industrial or intellectual property rights, or developed by or on behalf of Elan (and/or its Affiliates) in connection with the Project, or developed by or on behalf of Elan (and/or its Affiliates) pursuant to the Axogen Agreement. Title to all inventions and other intellectual property made solely by employees of Elan in connection with the Project shall be owned by Elan.

Elan Know-How shall exclude:

(a) any and all know how as of the Amendment Date pertaining to the development or manufacture of transdermal formulations of the Compound and/or other mono- or di-aminopyridines, isomers and salts thereof, other than US patents numbers 5,370,879, 5,540,938 and/or 5,580,580, and any foreign equivalents, divisionals, reissues or continuations and any patents issued thereon, and the know-how described therein; and

(b) nanoformulation technology to the extent specifically licensed by Elan to Merck pursuant to the Merck Agreement for Indications other than MS or SCI.

" **Elan Patent Rights** " shall mean any and all rights under any and all patents and patent applications now existing, currently pending or hereafter filed, owned or acquired or licensed by Elan (and/or its Affiliates) which would be infringed by the manufacture, use or sale of the Product, the current status of which as of the Amendment Date is set forth in **Schedule 3** . Elan Patent Rights shall also include all continuations, continuations-in-part, divisionals and re-issues of such patents and patent applications and any patents

issuing thereon and extensions of any patents licensed hereunder. Elan Patent Rights shall further include any patents or patent applications covering any improved methods of making or using the Product invented or acquired by Elan (and/or its Affiliates) during the term of this Agreement and under which Elan (and/or its Affiliates) has a right to grant a licence hereunder, and Elan's (and/or its Affiliates) interest in any intellectual property conceived reduced to practice or otherwise developed in connection with the Project.

" **EMEA** " shall mean the European Agency for the Evaluation of Medicinal Products based in London (UK), as established by Council Regulation n° 2309/93 of July 22, 1993, as subsequently amended by Commission Regulation 649/98 of March 23, 1998.

" **End of Phase 2 Meeting** " shall mean the first end of Phase 2 meeting with the FDA, as defined in 21 CFR Section 312.47, intended to determine the safety of proceeding to Phase 3, evaluate the Phase 3 plan and protocols and identify any additional information necessary to support an NDA for Product.

" **EXW** " and " **Ex Works** " shall have the meaning as such term is defined in the ICC Incoterms, 2000, International Rules for the Interpretation of Trade Terms, ICC Publication No. 560.

" **Fampridine Product** " shall mean any finished pharmaceutical oral sustained release dosage form containing the Compound, which is in the scope of one or more Valid Claims within the Elan Patent Rights in the country of sale, and/or incorporates Elan Know-How in material part. The use of the pre-clinical, toxicological, pharmacokinetic, metabolic, formulation, methods, clinical protocols and data developed for and on behalf of Elan, which is included in the Elan Know-How shall constitute incorporation of the Elan Know-How in material part.

" **FDA** " shall mean the United States Food and Drug Administration or any other successor agency, whose approval is necessary to market the Product in the United States of America.

" **First Commercial Sale** " shall mean the first In Market sale of Product in any country by Acorda or an Acorda Designee for end use or consumption, after all required Regulatory Approvals have been granted by the governing health authority of such country.

" **FTE** " means Elan's full time equivalent charging rate for its appropriate employees or consultants from time to time (based on cost without mark-up) which as of the Amendment Date is [***] per day.

" **GAAP** " shall mean generally accepted accounting principles in the United States consistently applied.

" **IND** " shall mean the investigational new drug application and any amendments thereto for the Product filed with the FDA including IND numbers 17,627 and 51,333.

" **Indication** " shall mean any use or indication of Product for treatment of any condition, including SCI and MS.

" **Initial Period** " shall have the meaning set forth in Article 12.5.1.1.

" **In Market** " shall mean the sale of the Product, whether by Acorda or its Designee, to an unaffiliated Third Party such as a wholesaler, distributor, managed care organisation, hospital or pharmacy and shall exclude the transfer pricing of the Product by Acorda to an Affiliate.

"Joint Invention" shall mean all inventions and other intellectual property made jointly by employees of Acorda and Elan in connection with the Project, which inventions and intellectual property shall be jointly owned by Elan and Acorda.

" **Launch Stocks** " shall have the meaning set forth in the Supply Agreement.

" **License Revenues** " shall mean the monetary amount or non cash consideration (exclusive of any taxes or duties that Acorda may be required by law to pay, but not including income, corporation or similar taxes) paid to Acorda for the granting to any Third Party any of the rights granted to Acorda under this Agreement and shall further include any other on going fees paid to Acorda in respect of such rights, but shall exclude bona fide research or development fees and payments received by Acorda and any payments received by Acorda for the sale of the Product from Elan pursuant to the provisions of Article 2.11.3. For the avoidance of doubt, it is understood and agreed that License Revenues shall not include and Elan shall not be entitled to receive any share of payments received from a Third Party for the purchase of equity in Acorda, debt financing, the licence of intellectual property other than the Elan Intellectual Property, rights to products other than the Product or the reimbursement of patent or other expenses incurred by Acorda; provided that License Revenues shall include and Elan shall be entitled to receive any share of payments received from a Third Party for the purchase of equity in Acorda where such payments or a portion thereof are referable to the granting of rights to the Elan Intellectual Property for the Product. The fact that a premium is paid by a Third Party for the purchase of equity in Acorda shall not of itself mean that the premium is referable to the granting of rights to the Elan Intellectual Property for the Product. For the avoidance of doubt, the Parties hereby confirm that the definition of License Revenues does not include royalties calculated as a percentage of NSP or of net In Market sales payable in each case by Designees to Acorda.

"Major European Markets" shall mean each of the United Kingdom, France, Germany and Italy.

" **Manufacturing Cost** " shall have the same meaning as in the Supply Agreement.

" **Merck Agreement** " shall mean the Technology Transfer and License Agreement dated 26 July 1999 between Merck & Co. Inc. (" **Merck** "), Elan, Elan Pharmaceutical Research Corp. (now EDDI) and Elan Pharma International Limited.

" **MS** " shall mean multiple sclerosis.

" **MS Field** " shall mean use as an oral prescription medicine for the treatment of MS in humans.

" **MS R & D** " shall mean MS Research and Development Corporation, a Delaware corporation, having an office at 15 Skyline Drive, Hawthorne, New York 10532 USA.

" **MS Term** " shall mean shall mean the period beginning on 21 April 1998 and ending upon expiry or termination of this Agreement, howsoever arising.

" **NDA** " shall mean the new drug application as defined in the Act and applicable regulations promulgated thereunder including any supplements or amendments thereto, which Acorda may file for the Product with the FDA.

" **NDA Approval** " shall mean the final approval to market the Product by the FDA as defined under the Act.

" **NDA Equivalent** " shall mean any new registration application or submission including any supplements or amendments thereto, such as a foreign counterpart to the NDA, which Acorda may file for the Product with any regulatory authority in any regulatory jurisdiction in the Territory other than the United States that is required to obtain Regulatory Approval in such jurisdiction.

" **NDA Timeline** " shall mean the development and regulatory timeline attached hereto as **Schedule 4.**

" **Notional NSP** " shall mean the estimated NSP of Product at the applicable time, which shall on a country-by-country basis be provided by Acorda to the Committee within ninety (90) days prior to commencement of each calendar year (or, for the Launch Year in any country, within ninety (90) days prior to the estimated date of First Commercial Sale in such country); provided, that:

(a) for (i) the Launch Year and (ii) if no Statement is due to be produced prior to ninety (90) days prior to the estimated date of First Commercial Sale in such country, the Notional NSP shall be estimated in good faith; and

(b) in each subsequent year, Notional NSP shall be calculated by reference to the average NSP in that country as evidenced by the last four Statements (or such lesser number of Statements as have actually been produced in relation to that country).

" **NSP** " shall mean that sum determined by deducting from the gross amount billed, however characterized, for the Product, commencing on the date of First Commercial Sale and sold In Market by Acorda or an Acorda Designee, the following:

(a) transportation charges or allowances, including freight pick-up allowances, and packaging costs, if any;

(b) trade, quantity or cash discounts, service allowances and independent broker's or agent's commissions, if any, allowed or paid;

(c) credits or allowances, if any, given or made on account of price adjustments, returns up to ten per cent (10%) of gross sales, off-invoice promotional discounts, rebates, any and all national, federal, state or local government rebates, whether in existence now, or enacted at any time during the term of this Agreement, rejections, recall or Product destruction (voluntarily made or requested or made by an appropriate government agency sub-division or department) for the Product; and

(d) any duty, tariff or tax (other than income or corporation tax), excise or governmental charge upon or measured by the production, import, export, sale, transportation, delivery, or use of the Product.

In the event that Acorda or its Designee shall sell the Product together with other products to third parties in a particular country and the price attributable to the Product is less than the average price of "arms length" sales of the Product alone in the particular country for the reporting period in which sales occur (such sales to be excluded from the calculation of the average price of "arms length" sales), NSP for any such sales shall be the average price of "arms length" sales by Acorda or its Designee of the Product alone and in the country during the reporting period in which such sales occur. If the average price of "arms length" sale of the Product cannot be determined in any given country, the NSP will be determined by the value of the Product sold to similar customers in countries with similar pricing and reimbursement structures and for similar quantities. Any dispute as to the determination of fair market value that cannot be resolved through discussion between the Parties shall be determined by an independent arbitrator in accordance with the provisions of Article 12.14.

" **Other Indication Field** " shall mean use as a prescription medicine for the treatment of any condition in humans, excluding the SCI Field and the MS Field, but for the avoidance of doubt including the treatment of SCI and/or MS otherwise than orally.

" **Other Indication Term** " shall mean the period beginning on the Amendment Date and ending upon expiry or termination of this Agreement, howsoever arising.

" **Party** " shall mean Acorda or Elan, as the case may be.

" **Parties** " shall mean Acorda and Elan.

" **Patheon Agreement** " shall mean the Technical Transfer Program Proposal for Commercial Registration entered into by and between Patheon, Inc. ("Patheon") and Acorda dated as of February 26, 2003 relating to the manufacturing of Fampridine tablets.

" **Phase 3 Clinical Study** " shall mean a clinical trial conducted after an End of Phase 2 Meeting and conducted on a sufficient number of patients that is designed to establish that the Product is safe and efficacious for its intended Indication and is intended to

define warnings, precautions and adverse reactions that are associated with Product in the dosage range and formulation to be prescribed, and to support Regulatory Approval of Product for such Indication.

" **Product** " shall mean any finished pharmaceutical dosage form containing the Compound or an Alternate Compound, which is in the scope of one or more Valid Claims within the Elan Patent Rights in the country of sale, and/or incorporates Elan Know-How in material part. The use of the pre-clinical, toxicological, pharmacokinetic, metabolic, formulation, methods, clinical protocols and data developed for and on behalf of Elan (except for tests and studies conducted by or on behalf of Acorda as contemplated by this Agreement), which is included in the Elan Know-How shall constitute incorporation of the Elan Know-How in material part.

" **Project** " shall mean all activity undertaken by Elan and Acorda in order to develop the Product in accordance with the Development Plan, together with (i) all activity as undertaken by Elan and Acorda to develop the Fampridine Product for SCI prior to the Amendment Date, and (ii) all activity as undertaken by Elan, Acorda and MS R & D to develop the Fampridine Product for MS, prior to the Amendment Date.

" **Regulatory Approval** " shall mean (i) NDA approval by the FDA in the United States of America, (ii) in the case of the Major European Markets, approval of the NDA Equivalent by the EMEA in the Major European Markets (and/or the applicable regulatory authorities in such Major European Market not failing to provide or rejecting such approval), or (iii) such approvals as are required in any other country of the Territory to launch the sale of the Product in the normal course of business, as applicable, in each case including any required pricing and reimbursement approvals.

" **Research and Development Cost** " shall mean in the case of research and development being conducted by or on behalf of Elan in connection with the Project the costs thereof calculated in accordance with GAAP.

" **Rush** " shall mean Rush-Presbyterian-St. Luke's Medical Center.

" **Rush/Acorda License"** shall mean the License Agreement entered into as of the Amendment Date by and between Rush and Acorda, and any amendments or supplements thereto, the form of which, including the schedules thereto, is attached hereto as **Schedule 5** .

" **Rush Payments Agreement** " shall mean the Rush Payments Agreement entered into as of the Amendment Date by and between Elan and Acorda, and any amendments or supplements thereto, in connection with the Rush/Acorda License, a form of which is attached hereto as **Schedule 6** .

" **Rush Side Agreement** " shall mean the Side Agreement entered into as of the Amendment Date by and between Rush, Acorda, Elan and EDDI, and attached as a schedule to the Rush/Acorda License, and any amendments or supplements thereto.

" **SCI** " shall mean spinal cord injury indications.

" **SCI Field** " shall mean use as an oral prescription medicine for the treatment of SCI in humans.

" **SCI Term** " shall mean the period beginning on 23 January 1997 and ending upon expiry or termination of this Agreement, howsoever arising.

" **SEC** " shall mean the United States Securities and Exchange Commission or any successor agency thereto.

" **Specifications** " shall mean the specifications for the Product(s) and API attached as **Schedule 7** , as they may be modified from time to time by mutual written agreement of the Parties consistent with the specifications approved by the FDA in the NDA and, outside the United States, any NDA Equivalent.

" **Supply Agreement** " shall mean the supply agreement between Elan and Acorda of even date herewith, in the form attached hereto as **Schedule 8** .

" **Technology Transfer Responsibilities** " shall mean the respective responsibilities of each of Acorda and Elan in connection with the Project relating, as applicable, to the (i) activities being conducted under the Cardinal Agreement; (ii) activities being conducted under the Patheon Agreement, and (iii) procurement of API, as set forth on **Schedule 9** hereto, as such responsibilities may be modified from time to time by mutual agreement of the Parties.

" **Territory** " shall mean all of the countries of the world.

" **Third Party(ies)** " shall mean a person or entity who or which is neither a Party nor an Affiliate of a Party.

" **Trademark** " shall mean the trademark(s) as may be selected by Acorda which has been or may be registered by Acorda in one or more countries of the Territory.

" **Valid Claim(s)** " shall mean a claim in any patent within the Elan Patents which has not lapsed or become abandoned and which claim has not been declared invalid by an unreversed or an unappealable decision of a court of competent jurisdiction.

" **$** " and " **US$** " shall mean United States Dollars.

1.2. In this Agreement

1.2.1 the singular includes the plural and vice versa, the masculine includes the feminine and vice versa and references to natural persons include corporate bodies, partnerships and vice versa;

1.2.2 any reference to an Article, Exhibit or Schedule shall, unless otherwise specifically provided, be to an Article, Exhibit or Schedule of this Agreement;

1.2.3 the headings of this Agreement are for ease of reference only and shall not affect its construction or interpretation; and

1.2.4 the expressions “include”, “includes”, “including”, “in particular” and similar expressions shall be construed without limitation.

ARTICLE 2 THE LICENSE

2.1. License Grant :

Elan shall remain proprietor of all the Elan Intellectual Property relating to the Product and any trademark licensed by Elan to Acorda, (such as an acronym for the applicable technology applied to the Product), but hereby grants to Acorda an exclusive (even as to Elan) licence under the Elan Intellectual Property in the Territory to package, use, import, export, promote, distribute, offer for sale, sell and otherwise exploit and, solely as permitted in the Supply Agreement, to make and have made:

2.1.1 the Fampridine Product in the SCI Field for the SCI Term;

2.1.2 the Fampridine Product in the MS Field for the MS Term; and

2.1.3 without prejudice to Articles 2.1.1 and 2.1.2, the Product in the SCI Field, MS Field and/or Other Indication Field for the Other Indication Term, subject to any contractual obligations of Elan under the Merck Agreement with respect to a formulation using Nanoformulation technology (as defined in the Merck Agreement) in the Other Indication Field.

in each case under the terms and conditions set out herein.

2.2. Acceptance; Acorda Non-Competition :

Subject to the provisions of the following sentence, Acorda hereby accepts such licence and confirms that Acorda and its Affiliates will not directly or indirectly market as a prescription medicine any other sustained release oral dosage form or transdermal form, containing the Compound or any other mono-or di-aminopyridine active agent, other than Product (“ **Acorda Competing Product** ”) during the period Acorda retains a licence under the Agreement and for one year thereafter.

Should Acorda or its Affiliates market an Acorda Competing Product in the countries of the European Economic Area, Elan reserves as its sole remedy the right to terminate the exclusive licences granted to Acorda solely in the applicable country (ies) in which Acorda or its Affiliates market an Acorda Competing Product, which thenceforth for the remainder of the term of this Agreement shall become non-exclusive in nature in such countries of the European Economic Area, and to stop licensing improvements in such countries of the European Economic Area.

2.3. Sub-licensing :

2.3.1 Acorda may sub-license or otherwise authorise one or more third parties (each a Designee) to use, import, offer for sale, promote, distribute, sell and otherwise exploit the Product in one or more countries of the Territory (but not the rights to manufacture the Product which may only be sub-licensed in accordance with the provisions of the Supply Agreement). In circumstances where the third party is entitled to, or is likely to be able to obtain, access to the CMC Section, the prior written consent of Elan shall be obtained to any sub-licence or other agreement permitted by this Article 2.3.1 which consent shall not be unreasonably withheld or delayed. In the event that the Third Party is entitled to access to Confidential Information disclosed by Elan to Acorda, the agreement between the Third Party and Acorda shall contain obligations of confidentiality no less onerous than those set out in this Agreement. Elan shall be furnished with a copy of the proposed and the executed sub-licence or other agreement contemplated by this Article 2.3.1 Any sub-licence or other agreement permitted by this Article 2.3.1 shall be subject to the terms of this Agreement, but excluding the right to grant a sub-licence. Acorda shall use its reasonable endeavours to ensure that Elan shall have the same rights of audit and inspection vis a vis a Designee, as Elan has pursuant to this Agreement concerning Acorda. A sub-licence may be granted by Acorda without any obligation upon the Designee to pay to Acorda or Elan any amounts other than those set out in this Agreement.

2.3.2 Insofar as the obligations owed by Acorda to Elan are concerned, Acorda shall remain responsible for all acts and omissions of any Designee as if such acts and omissions were by Acorda. Any sub-licence or other agreement permitted by Article 2.3.1 shall automatically and immediately terminate on termination of this Agreement.

2.3.3 For the avoidance of doubt, the Parties hereby confirm that In Market sales of the Product by any Designee shall constitute sales by Acorda for the purposes of Article 5.6.

2.4. Use of Data and Improvements :

Subject to the provisions of Article 12.1 Elan may use the Elan Intellectual Property and all technical and clinical data or improvements generated by Elan pursuant to this Agreement in connection with Elan's commercial arrangements for the Product in any country which ceases to be a part of the Territory, or in relation to the Product in the Territory in the event of the termination of this Agreement.

2.5. Rush:

Each of Elan and Acorda hereby acknowledges and agrees that the licences previously granted to Elan by Rush and the licenses granted to Acorda by Rush pursuant to the Rush/Acorda License do not constitute Elan Patent Rights or Elan Know-How for the purposes of this Agreement.

2.6. Technical Advice:

Without prejudice to Article 5.1.2, Elan shall, if requested, advise Acorda in any technical matters as may become necessary for the proper utilisation of the licence to Acorda pursuant to this Agreement and shall provide reasonable advice and assistance to Acorda with respect thereto without additional charge.

2.7. Combination Products :

In the event that Acorda wishes to develop, market and sell an oral sustained release product for the treatment of SCI which contains the Compound or an Alternate Compound as one of two or more pharmaceutically active ingredients (" **Combination Product** "), Acorda shall seek the consent of Elan to extend the licences granted by Elan to Acorda pursuant to this Agreement, which consent shall not be unreasonably withheld or delayed. In the event that such consent is furnished, the Parties shall negotiate in good faith the terms of an agreement, including where applicable, such amendments as are appropriate to this Agreement.

2.8. Elan Competing Product :

For the term of the Agreement, Elan shall not itself or through an Affiliate or Third Party commercialise or, develop in the Territory nor license another party in the Territory to commercialise or develop any other sustained release oral dosage form for prescription use in humans which contains the Compound or any Alternate Compound as an active ingredient for:

2.8.1 the indication of SCI; and/or

2.8.2 the indication of MS; and/or

2.8.3 any other Indications, subject, during the term of the Merck Agreement, to any contractual obligations of Elan under the Merck Agreement with respect to a formulation using Nanoformulation technology (as defined in the Merck Agreement).

(each, an " **Elan Competing Product** ").

2.9. Trademark:

2.9.1 Acorda shall market the Product in the Territory under a Trademark, whether during the Initial Period or thereafter, which Trademark will be owned by Acorda.

2.9.2 Elan grants to Acorda a non-exclusive royalty free licence in the Territory solely for use in connection with the sale of the Product, for the term of this Agreement to use any trademark which relates to the Elan technology applicable to the Product (" **Elan Trademark** "), such as an acronym for the applicable technology applied to the Product, on the following terms:

2.9.2.1 Acorda shall as soon as it becomes aware of any infringement give to Elan in writing full particulars of any use or proposed use by any other person, firm or company of a trade name or trademark or mode

or promotion or advertising which amounts to or might amount either to infringement of Elan's rights in relation to the Elan Trademark or to passing off.

2.9.2.2 If Acorda becomes aware that any other person, firm or company alleges that the Elan Trademark is invalid or that the use of the Elan Trademark infringes any rights of another party or that the Elan Trademark is otherwise attacked or attackable, Acorda shall immediately give to Elan full particulars in writing thereof and shall make no comment or admission to any Third Party in respect thereof.

2.9.2.3 Elan shall have the right to conduct all proceedings relating to the Elan Trademark and shall in its sole discretion decide what action, if any, to take in respect of any infringement or alleged infringement of the Elan Trademark or passing-off or any other claim or counter-claim brought or threatened in respect of the use or registration of the Elan Trademark. Any such proceedings shall be conducted at Elan's expense and for its own benefit.

2.9.2.4 At no time during or after the term of this Agreement shall Acorda challenge or assist others to challenge the Elan Trademark, or the registration thereof or attempt to register any trademarks, marks, or trade names confusingly similar to the Elan Trademark.

2.9.3 Acorda shall not be obliged to use the Elan Trademark to identify the Product but at Elan's request shall be obliged to use the Elan Trademark to identify the applicable Elan technology embodied in the Product. For the avoidance of doubt, the Parties hereby confirm that Acorda shall not be entitled to a licence to use any trademark owned or controlled by Elan which identifies a product, including Neurelan®.

2.10. When packaged, and to the extent permitted by law, a product label shall include an acknowledgement that the Product is made under licence from or, if applicable, manufactured by Elan. Such acknowledgement shall take into consideration regulatory requirements and Acorda's commercial requirements, including any requirement to state that Product is mananufactured by Patheon. Acorda shall wherever possible give due acknowledgement and recognition to Elan in all printed promotional and other material regarding the Product such as stating that the Product is under licence from, or if applicable, manufactured by, Elan. Acorda shall consult with and obtain the approval of Elan as to the format and content of the promotional and other material insofar as it relates to a description of, or other reference to, the application of the Elan Intellectual Property. It shall be presumed that Elan approved of such use unless Elan provides written notice of disapproval of such use to Acorda within thirty (30) days of delivery of such materials to Elan, such approval not to be unreasonably withheld. The further consent of Elan shall not be required where the format and content of such materials is

substantively materially similar as the materials previously furnished to and approved by Elan.

2.11. Diligence :

2.11.1 Acorda shall use reasonable efforts consistent with the reasonable standard as would be applied by a bio-pharmaceutical company of similar size, stage of development and assets for a product of the market size and potential of the Product to market and promote the Product throughout the Territory.

2.11.2 Acorda shall effect a national commercial launch of the Product in the United States of America within one hundred and eighty (180) days of NDA Approval, provided that Acorda shall have received the agreed quantities of Launch Stocks ordered pursuant to firm purchase orders at least sixty (60) days in advance of the launch date. It is agreed that with respect to Japan and the Major European Markets, Acorda will effect a national commercial launch of the Product within one hundred and eighty (180) days after the necessary Regulatory Approvals, provided that Acorda shall have received the agreed quantities of Launch Stocks ordered pursuant to firm purchase orders pursuant to the Supply Agreement at least sixty (60) days in advance of the projected launch date. In the event that Acorda shall have received the agreed quantities of Launch Stocks ordered pursuant to firm purchase orders pursuant to the Supply Agreement at least sixty (60) days in advance of the projected launch date and Acorda does not make a national commercial launch in one or more of the countries listed above within the one hundred and eighty (180) day period, or such longer period permitted by the provisions of this Article 2.11.2, the licences granted to Acorda hereunder shall with thirty (30) days notice from Elan terminate in the applicable country and Elan shall be entitled to a licence to the Acorda Patent Rights and the Acorda Know-How in the applicable country on the terms set out in Article 2.11.3 and to the Trademark on the terms set out in Article 2.9. Notwithstanding the above, in the event that the Parties disagree whether or not Acorda has satisfied its obligations under this Agreement in any country listed above, the matter may be submitted to arbitration by either Party, and Acorda's rights and licences shall remain in effect until and unless the arbitrator makes a decision that Acorda's right and licence in such country should terminate.

2.11.3 Acorda will use commercially reasonable efforts to file and obtain registration approval in the United States of America, the Major European Markets and Japan as soon as practicable. In the event of any failure by Elan to perform its obligations under this Agreement or under the Supply Agreement which results in Acorda's failure to obtain such a Regulatory Approval or any delay thereof, the Parties through the Committee shall make reasonable and appropriate adjustments to the period in which Acorda shall have to file to obtain the applicable Regulatory Approval. If (x) Acorda fails to file to obtain a Regulatory Approval to commercialise the Product in the United States of America, Japan or the Major European Markets within a commercially reasonable time after completion and receipt of positive data from all pre-

clinical and clinical studies required for the related NDA or any NDA Equivalent, as determined by the Committee, or (y) Acorda fails to effect a commercial launch of the Product in the United States of America, Japan or the Major European Markets within the period specified in Article 2.11.2 above then, in such event, provided that Elan has terminated Acorda's licence as provided in Article 12.5.2.2, Acorda shall, at the option of Elan, license, make available and transfer to Elan all of Acorda's data, information, applications, approvals and filings to permit Elan to commercialise the Product in the applicable region, in exchange for an initial payment equal to Acorda's costs of developing such data, information, applications, approvals and filings for such region and [*****] of NSP (for which purpose the definition of NSP as set out in Article 1 shall apply mutatis mutandis) of the Product by Elan and/or its designees (for which purpose the definition of Designee as set out in Article 1 shall apply mutatis mutandis) in such region. In such event Elan shall be entitled to a licence to the Acorda Patent Rights and the Acorda Know-How to commercialise the Product on the terms set out in this Article 2.11.3 and to the Trademark on the terms set out in Article 2.9. In the event that Elan is entitled to such licence, the Parties shall enter into a further written licence agreement which shall include customary and reasonable terms relating to, inter alia , the timing of royalty payments to Acorda, reporting obligations regarding net sales, audit rights of Acorda with respect to books and records relating to net sales, sublicense and indemnity provisions, which obligations shall, unless otherwise agreed by the Parties, be substantially similar to those in this Agreement with respect to commercialisation of the Products by Acorda.

2.11.4

2.11.4.1 Acorda will use its commercially reasonable efforts to obtain Regulatory Approval to commercialise the Product in the other countries of the Territory that it selects, having regard to the effort and expenditure required to obtain Regulatory Approval for the Product and the commercial opportunities for the Product in such other countries of the Territory.

2.11.4.2 In the event that the Parties disagree whether Acorda has satisfied its obligations under Article 2.11.4.1, with regard to one or more of such other countries of the Territory, the matter may be submitted to the Committee, and if not resolved by the Committee, by arbitration, by either Party, and Acorda's rights and licences shall remain in effect until and unless the arbitrator makes a decision that Acorda's right and licence hereunder in such country should terminate.

2.11.4.3 If Acorda (a) indicates to Elan that it does not intend to file to obtain Regulatory Approval and commercialise the Product in a particular country or countries of the Territory, or (b) fails to commence commercialisation in any country in the Territory (other than the United States, the Major European Markets {or, if

commercialization has commenced in the Major European Markets, any other country subject to the jurisdiction of the EMEA, provided that Acorda provides to the Committee a marketing plan for such other countries} or Japan), within one hundred and (180) days after receiving the required Regulatory Approval therefor, provided that Acorda shall have ordered and received the agreed quantities of Launch Stocks ordered pursuant to firm purchase orders pursuant to the Supply Agreement at least sixty (60) days in advance of the projected launch date, Elan shall be entitled to a licence to the Acorda Patent Rights and the Acorda Know-How to commercialise the Product in such countries on the terms set out in Article 2.11.3 and to the Trademark on the terms set out in Article 2.9.

ARTICLE 3 DEVELOPMENT OF THE PRODUCT

3.1. Subject to the provisions of this Article 3, Acorda shall use its reasonable efforts, as would be deemed commensurate with the achievement of its own business aims for a similar product of its own to conduct such part of the Project as the Parties mutually agree shall be conducted by Acorda. Subject to the provisions of this Article 3, Elan shall use its reasonable efforts, as would be deemed commensurate with the achievement of its own business aims for a similar product of its own, to conduct such part of the Project as the Parties mutually agree that shall be conducted by Elan. The allocation between the Parties of their respective responsibilities for conducting parts of the Project (i) is set forth in **Schedule 9 - Technology Transfer Responsibilities,** and (ii) shall be set forth in a development plan (the " **Development Plan** ") to be prepared and updated from time to time by Acorda in consultation with Elan, relating to the development of the Product, the current form of which is attached as **Schedule 4 - NDA Timeline** , and the Committee shall monitor the progress of such activities. Elan and Acorda each undertake that it shall carry out the respective studies, testing and activities set forth as Technology Transfer Responsibilities, in the Development Plan, and otherwise undertaken and conducted by it in good faith and in accordance with prevailing cGCP and cGLP and FDA standards and guidelines.

3.2. Provided that Elan uses reasonable endeavours to meet its obligations under this Agreement, Elan shall have no liability to Acorda as a result of any failure or delay of the Product to achieve one or more of the milestones set out in the Project and/or to obtain the NDA Approval or the approval of the regulatory authorities in one or more of the other countries of the Territory. Acorda shall have no liability to Elan as a result of any failure or delay of the Product to obtain the NDA Approval or the approval of the appropriate health regulatory authorities in one or more of the countries of the Territory.

3.3. The Parties hereby confirm that each shall undertake its respective part of the Project as a collaborative effort and that the provisions of this Agreement requires that each Party diligently carries out those tasks assigned to it under the Project and as otherwise agreed during the course of the Project. Each Party shall co-operate with the other in good faith particularly with respect to unknown problems or contingencies and shall perform its

obligations in good faith and in a commercially reasonable, diligent and workmanlike manner. Each Party will update the other Party on the progress of the Project at meetings of the Committee.

3.4. Elan will supply Acorda with Acorda's reasonable requirements of Product including clinical trial supplies to enable Acorda to carry out the Project. The Product shall be supplied by Elan EXW at Manufacturing Cost.

3.5. Acorda agrees to carry out and complete the Phase III programme in the United States of America to a standard and timeframe that a company of comparable size, stage of development and assets would use for a product of similar size and potential as the Product.

3.6. With respect to generating stability data on the oral Product in bulk tablet form, Elan and Acorda acknowledge and agree that (i) under the SCI Agreement and the MS Agreement, Elan had the responsibility for generating such data, (ii) pursuant to the Cardinal Agreement, Cardinal is currently performing such stability testing, (iii) the Technology Transfer Responsibilities shall govern the related responsibilities of the Parties, provided that the data resulting from such stability testing shall be provided to both Acorda and Elan, and Elan shall have the right to and responsibility for providing necessary and appropriate technical assistance and oversight of such stability testing (including having the right at its own expense to arrange for its employees involved in the Project to discuss the stability testing and its results with the technical personnel of Acorda and Cardinal upon reasonable notice and at reasonable times); and (iv) Elan shall incorporate such stability data into the CMC module that it will prepare for delivery to Acorda for inclusion in the NDA or any NDA Equivalent, pursuant to Article 3.8.

3.7. For the avoidance of doubt, the Parties hereby confirm that a primary objective of the Project is to generate the NDA and secure NDA Approval for the oral Product. As of the date of the SCI Agreement, the MS Agreement and the Amendment Date, it is the Parties' expectation that the body of data so generated in the Project will also support such applications for Regulatory Approval that Acorda shall make in the other countries of the Territory. In the event however that such expectation proves unfounded or incorrect and further data is required to obtain such other approvals as are pursued by Acorda in the other countries of the Territory, Acorda shall determine the viability of proceeding further with the regulatory application and generation of the further data requirements. In the event that Acorda elects to continue, the Parties shall update the Development Plan to reflect the allocation between the Parties of conducting such additional activities. In such event, subject to and in accordance with the provisions of this Article 3, Elan shall be responsible for conducting such further activities and generating such further data as set forth in the Development Plan to allow Acorda to seek such further Regulatory Approvals in the Territory. Notwithstanding the foregoing, it is intended by the Parties that except as otherwise specifically set forth in a Development Plan agreed to by the Parties and subject to compliance with regulatory requirements, Acorda shall have primary responsibility and decision making authority with respect to development and marketing of Product.

3.8. Elan shall be responsible for the preparation and delivery to Acorda of the CMC Section in electronic and hard copy form and the latter in format suitable for inclusion in the NDA and any NDA Equivalent in accordance with applicable law and regulatory standards and as the Parties may mutually agree. Acorda shall provide Elan as soon as practicable with a copy of any comments received by Acorda from the FDA or any other regulatory authority relating to the CMC Section and Elan shall provide or, at Acorda's request, cooperate with Acorda to provide, a response to such comments as soon as practicable. In the event that there is a deficiency in the CMC Section attributable to negligence by Elan in the activities conducted by Elan, then Elan shall be responsible for correcting such deficiency, at Elan's expense, and shall use reasonable efforts to do so as soon as practicable. In the event Elan breaches the foregoing obligation, in addition to any other remedies available to Acorda, Acorda shall have the right to correct such deficiency or arrange to have a Third Party conduct any required activities necessary to correct such deficiency, at Elan's expense, the cost of which may be offset against any amounts otherwise due Elan under this Agreement. Acorda shall be responsible for the maintenance of the CMC Section in accordance with applicable law and regulatory standards, at Acorda's expense, provided that (i) Elan shall cooperate with and provide reasonable assistance to Acorda in connection with such maintenance; and (ii) any revisions, amendments or supplements to the CMC Section required by or resulting from the negligence of Elan in performing its obligations hereunder or under the Supply Agreement, or from any action taken by Elan on its own initiative, or taken by Acorda or any Acorda Designee on behalf of or at the request of Elan, including any changes made by Elan on its own initiative to its manufacturing processes or facilities, shall be at Elan's expense; and (iii) Elan shall not make any changes to its manufacturing processes or facilities that would require an amendment or supplement to the CMC Section without first notifying Acorda of such changes and preparing and delivering to Acorda any required amendments or supplements to the CMC Section before the implementation of such changes.

If Elan is required in any regulatory jurisdiction to file with any regulatory authority a DMF relating to Compound or Product, Elan shall at Acorda's cost prepare and file in accordance with applicable regulatory requirements such DMF and Acorda shall have a right of reference thereto to the extent required by the NDA or any NDA Equivalent or in order to exercise its license rights under this Agreement.

Similarly, if Elan is entitled to market, distribute and sell the Product in a particular country, and Acorda is required in any regulatory jurisdiction to file with any regulatory authority a DMF relating to Compound or Product, Acorda shall at Elan's cost prepare and file in accordance with applicable regulatory requirements such DMF and Elan shall have a right of reference thereto to the extent required by the NDA or any NDA Equivalent or in order to exercise its rights under this Agreement.

ARTICLE 4 [NOT USED]

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

ARTICLE 5 FINANCIAL PROVISIONS

5.1. Research and Development Activities :

5.1.1 In consideration for the research and development of the Product by Elan under this Agreement, Acorda shall pay to Elan the amounts set out in Article 5.1.2.

5.1.2 Research and Development Cost incurred by Elan after the Amendment Date and before commercial launch of the Product shall be invoiced and payable monthly, at a rate of FTE plus [***].

5.1.3 Elan will keep accurate records consistent with its normal business practices, of the efforts expended by it under the Project for which it is charging Acorda, which will include the time spent by each person working on the Project. Each quarter Elan will send reports to Acorda in order to enable Acorda to monitor Elan's level of effort to assure Acorda that the committed level of effort is being applied.

5.1.4 If Elan's development efforts require the use of a Third Party, Elan will, prior to appointing such Third Party, discuss with Acorda the activities to be undertaken by such Third Party and the terms and conditions thereof. Elan will not proceed with such Third Party without the prior written approval of Acorda, which approval shall not be unreasonably withheld. Elan shall charge Acorda for the time spent by its employees in administering the work conducted by such Third Parties on the basis set out in Article 5.1.2. Elan shall have the right to charge Acorda for all reasonable out of pocket expenses incurred in the provision of its obligations thereunder.

5.2. License Royalties :

5.2.1 In consideration of the rights and licence granted to Acorda to the Elan Patent Rights by virtue of the SCI Agreement, Acorda has paid to Elan $5,000,000 (five million United States Dollars); and

5.2.2 In consideration of the rights and licence granted to MS R & D to the Elan Patent Rights by virtue of the MS Agreement, MS R & D has paid to Elan $15,000,000 (fifteen million United States Dollars) –

receipt of each of which is hereby acknowledged by Elan.

5.3. Milestone Payments :

5.3.1 In further consideration of the rights and license granted to Acorda to the Elan Patent Rights hereunder, Acorda shall pay to Elan the following non-refundable amounts contingent upon occurrence of the specified event, with each milestone payment to be made no more than once with respect to the achievement of such event (but payable the first time such milestone is achieved) for Product:

5.3.1.1 US$2,500,000 (two million five hundred thousand dollars) 90 (ninety) days after written receipt of NDA Approval of the Product for the first Indication;

5.3.1.2 US$2,500,000 (two million five hundred thousand dollars) on the earlier of (a) 90 (ninety) days after written receipt of NDA Approval of the Product for a second Indication or (b) the 2 nd (second) anniversary of NDA Approval of the Product for the first Indication;

5.3.1.3 US$1,000,000 (one million dollars) upon the commencement of a Phase III Clinical Study of the Product for a third Indication;

5.3.1.4 US$1,000,000 (one million dollars) upon acceptance by the FDA for filing of the NDA for a third Indication;

5.3.1.5 US$1,500,000 (one million five hundred thousand dollars) upon written receipt of NDA Approval of the Product for a third Indication;

5.3.1.6 US$1,500,000 (one million five hundred thousand dollars) upon First Commercial Sale of the Product for a third Indication;

5.3.1.7 US$1,000,000 (one million dollars) upon the commencement of a Phase III Clinical Study of the Product for a fourth Indication;

5.3.1.8 US$1,000,000 (one million dollars) upon acceptance by the FDA for filing of the NDA for a fourth Indication;

5.3.1.9 US$1,500,000 (one million five hundred thousand dollars) upon written receipt of NDA Approval of the Product for a fourth Indication; and

5.3.1.10 US$1,500,000 (one million five hundred thousand dollars) upon First Commercial Sale of the Product for a fourth Indication –

the payments described in Articles 5.3.1.1 to 5.3.1.10 being " **Milestone Payments** ".

5.3.2 The Milestone Payments referred to in Articles 5.3.1.3 through 5.3.1.10 shall be payable within forty five (45) days after achievement of the applicable milestone event.

5.3.3 For the avoidance of doubt, references in this Article 5.3 to an Indication by number are to the number of Indications for which a particular milestone has been achieved.

By way of example, the Milestone Payment in Article 5.3.1.9 shall become payable upon NDA Approval for a Indication "E", where Indications "A", "B"

and "C" have already received NDA Approval, notwithstanding that commencement of a Phase III Clinical Study of the Product and/or NDA filing for Indication "D" may have occurred before commencement of such studies for Indication "E".

5.3.4 In respect of each of the third and fourth indication of the Product, in the event that Acorda spends in excess of [***] on Phase III Clinical Studies for such indication, Acorda shall be entitled to credit one half of the excess spend in respect of that indication, over and above [***] per indication, against the respective Milestone Payments for that indication, viz. the Milestone Payments referred to in Articles 5.3.1.4 and 5.3.1.5 for the third indication and the Milestone Payments referred to in Articles 5.3.1.8 and 5.3.1.9 for the fourth indication, up to a maximum of [****] for each indication.

5.3.5 The Milestone Payments shall not be subject to future performance obligations of Elan to Acorda and shall not be applicable against future services provided by Elan to Acorda.

5.4. Certain Payments relating to Rush/Acorda License :

Elan shall reimburse Acorda in respect of the milestone payments payable from Acorda to Rush pursuant to Section 5.2 of the Rush/Acorda License and Acorda shall pay Elan an additional royalty, each in accordance with and subject to the terms and conditions of the Rush Payments Agreement.

5.5. License Revenues :

In further consideration of the rights and licence granted to Acorda to the Elan Patent Rights by virtue of this Agreement, Acorda shall pay to Elan [***] of all and any License Revenues.

5.6. Royalty on Sales :

5.6.1 Subject to Article 5.6.2 and in further consideration of the rights and license granted to Acorda to the Elan Patent Rights while there is a Valid Claim thereunder, and in consideration of the rights and license granted to Acorda of the Elan Know-How thereafter, Acorda shall additionally pay to Elan a royalty of [***] of the NSP of the Product (the " **Elan Royalty** "). The Elan Royalty shall be payable as follows:

5.6.1.1 In respect of the Elan Royalty, where Elan manufactures and supplies the Product, Elan shall render an invoice in respect of the quantities of Product delivered to Acorda for a sum calculated by reference to [***] of the Notional NSP and the quantity of Product supplied. For the avoidance of doubt the Parties agree that if for whatever reason the Product supplied by Elan to Acorda which meets the Specifications and the applicable law and regulatory

requirements is not sold by Acorda, payment to Elan for such Product shall nonetheless be effected and the price of the Product shall be determined by reference to the NSP calculated pursuant to the provisions of Article 5.6.1.2.

5.6.1.2 Within forty five (45) days of the end of each calendar quarter, Acorda shall notify Elan of the prevailing NSP for Product sold in the previous quarter. Acorda shall calculate the total Elan Royalty payable to Elan for the Product supplied by Elan during the previous quarter by reference to [***] of the NSP. The Parties shall adjust their account by Acorda promptly paying to Elan, or by Elan crediting Acorda against the price of Product to be supplied (as the case may be), the difference between the sum paid pursuant to Article 5.6.1.1 and the sum calculated pursuant to this Article 5.6.1.2.

5.6.1.3 In respect of the Elan Royalty, where Elan does not manufacture and supply the Product, within forty five (45) days of the end of each calendar quarter (for the first two years following first commercial sale of the Product in any country of the Territory, within sixty (60) days of the end of each quarter), Acorda shall notify Elan of the prevailing NSP of Product sold in that preceding quarter and of the quantity of Product sourced from third parties. The Elan Royalty in respect of such Product shall each be payable on the date on the date such report is due.

5.6.2 In countries where there are no Valid Claims covering the Product and if there is no Competition, Acorda shall pay to Elan the applicable Elan Royalty set forth in Article 5.6.1 for sales in such countries; provided, if, and only if, (a) Elan is not manufacturing the Product, (b) there are no Valid Claims covering the Product and (c) there is Competition in any such country, the Elan Royalty due under Article 5.6.1 on Product sales in such country shall be reduced to [***] of NSP provided, however, that in the event there is Competition in any country, the Parties agree to discuss, considering market conditions, further reducing the Elan Royalty.

5.6.3 In the event that Elan or its subcontractor does not manufacture and supply the Product and in the event that Acorda enters into a licence agreement with any Third Party with respect to a Dominating Patent, or to avoid or settle a claim by a Third Party for infringement or misappropriation by any Elan Intellectual Property right relating to the manufacture, use or sale of the Product, Acorda may offset any payments made in accordance with such licence agreements against any royalty amounts (and not amounts in respect of manufacturing) owed by Acorda to Elan, up to a maximum of [***] of the royalty amounts due. For the purpose of this Article 5.6.3 the Parties hereby confirm that the minimum Elan Royalty payable by Acorda to Elan shall be [***] of the NSP. Any dispute under this Article 5.6.3 (including one as to

whether Acorda should have entered into such agreement) shall be resolved by referring such matter to an independent patent attorney for arbitration, and in the event of such a dispute the offset above shall only take effect prospectively upon an arbitrator's decision in favour of Acorda. In such event the procedure set forth in Article 12.14 shall to the extent practicable apply to the conduct of such arbitration.

5.6.4 No more than one royalty payment shall be due with respect to a sale of a particular Product (except any royalty payable under the Rush Payments Agreement). No multiple payments shall be payable because any Product or its manufacture, sale or use is covered by more than one Valid Claim covering the Product. No royalty payments shall be payable with respect to Products distributed for use in research and/or development, in clinical trials or as promotional samples.

5.6.5 All payments due hereunder shall be made in United States Dollars in accordance with Article 5.9.

5.6.6 For the avoidance of doubt, the Elan Royalty and any royalty payable under the Rush Payments Agreement shall be payable whether or not Elan is manufacturing and supplying the Product.

5.7. Additional Expenses :

Acorda shall pay Elan within thirty (30) days of the date of invoicing for any technical assistance requested by Acorda, including travel and subsistence, provided that Elan is not otherwise obliged to provide such assistance pursuant to the terms of the Agreement. Elan's charges for such work shall be Research and Development Cost plus [***], as well as reimbursement for out-of pocket expenses incurred by Elan to Third Parties in performing activities under the Development Plan that are not already included in Research and Development Cost.

5.8. Non-Refundable Payments :

All payments received by Elan from Acorda under Article 5 shall be non-refundable, subject to the provisions of Article 5.9.5.

5.9. Payments, Reports and Records :

5.9.1 Acorda shall keep and shall cause its Affiliates and Designees to keep true and accurate records of gross sales of the Product, the items deducted from the gross amount in calculating the NSP, the NSP and the royalties payable to Elan under Article 5 hereof. Acorda shall deliver to Elan a written statement thereof within forty five (45) days following the end of each calendar quarter (or any part thereof in the first or last calendar quarter of this Agreement) for such calendar quarter. The said written statements shall set forth on a country-by-country basis, the calculation of the NSP from gross revenues during that calendar quarter, the applicable percentage rate, and a computation of the sums due to Elan (the " **Statement** "). The Parties' financial officers shall agree upon the

precise format of the Statement. Acorda shall also provide Elan with preliminary monthly sales reports in a format to be determined by the Committee.

5.9.2 Payments due on NSP of the Product based on sales amounts in a currency other than United States Dollars shall first be calculated in the foreign currency and then converted to United States Dollars on the basis of the exchange rate in effect for the purchase of United States Dollars with such foreign currency quoted in the Wall Street Journal (or comparable publication if not quoted in the Wall Street Journal) with respect to the sale of currency of the country of origin of such payment for the day prior to the date on which the payment by Acorda is being made. In order to facilitate the payments, the Parties may agree that with respect to a certain country or countries the payments due with regard to Product sales in such country or countries will be paid directly by the Acorda Designee(s) responsible for the marketing of the Product in such country or countries to Elan. In remitting such royalty payments such Designees(s) will abide by the terms of this Article 5.9. No such direct payments will be made by any Acorda Designee unless Acorda and Elan have beforehand agreed that such direct royalty payment and such direct payments shall not adversely affect the withholding liability of Elan compared to the payments made by Acorda to Elan.

5.9.3 If laws, rules or regulations require withholding of income taxes or other taxes imposed upon payments set forth in this Article 5, Elan shall provide Acorda, prior to any such payment, once each calendar year or more frequently if required, with all forms or documentation required by any applicable taxation laws, treaties or agreements to such withholding or as necessary to claim a benefit thereunder (including, but not limited to Form W-8BEN or any successor forms). Any such income or other taxes which Acorda is required by law to pay or withhold on behalf of Elan with respect to royalties and any other monies payable to Elan under this Agreement shall be deducted from the amount of such NSP payments, royalties and other monies due. Acorda shall furnish Elan with proof of such payments. Any such tax required to be paid or withheld shall be an expense of and borne solely by Elan. Acorda shall promptly provide Elan with a certificate or other documentary evidence to enable Elan to support a claim for a refund or a foreign tax credit with respect to any such tax so withheld or deducted by Acorda. Both Parties will reasonably cooperate in completing and filing documents required under the provisions of any applicable tax treaty or under any other applicable law, in order to enable Acorda to make such payments to Elan without any deduction or withholding.

5.9.4 All payments due hereunder shall be made to the designated bank account of Elan in accordance with such timely written instructions as Elan shall from time to time provide.

5.9.5 For the twenty four (24) month period following the close of each calendar year during the term of the Agreement, Elan and Acorda will provide each other's independent certified accountants (reasonably acceptable to the other Party) with access, during regular business hours and upon reasonable prior request and

subject to the confidentiality provisions as contained in this Agreement, to such Party's books and records relating to the Product, solely for the purpose of verifying the accuracy and reasonable composition of the calculations hereunder for the calendar year then ended, including in the case of Elan the sums payable by Acorda to Elan pursuant to Article 5. If such accounting firm concludes that additional royalties were owed during such period then Acorda shall pay the additional royalties within sixty (60) days after the date of delivery of such accounting firm's written report so concluding. In the event such accounting firm concludes that amounts were overpaid by Acorda during such period, Elan shall repay Acorda the amount of such overpayment within sixty (60) days after the date of delivery of such accounting firm's written report so concluding.

5.9.6 In addition, for the twenty four (24) month period following the close of each calendar year, Elan will provide Acorda's independent certified accountants (reasonably acceptable to Elan) with access, during regular business hours and upon reasonable prior request and subject to the confidentiality provisions as contained in this Agreement, to Elan's books and records relating to (i) the Manufacturing Cost of the Product; (ii) any activities undertaken by Elan on behalf of Acorda pursuant to Article 3; and (iii) any activities undertaken by Elan on behalf of Acorda pursuant to Article 6, in each case, for the purpose of verifying the reasonable basis of the payments made by Acorda hereunder with respect thereto.

5.9.7 Notwithstanding any other provision of this Agreement, if at any time legal restrictions prevent the prompt remittance of part or all of the payments due to Elan in any country, payment shall be made through such lawful means or methods as Acorda may determine after consultation with Elan. When in any country the law or regulations prohibit both the transmittal and deposit of royalties on sales in such a country, payments shall be suspended for as long as such prohibition is in effect and promptly after such prohibition ceases to be in effect, all royalties or other payments that Acorda or its Affiliates would have been obligated to transmit or deposit, but for the prohibition, shall be deposited or transmitted, as the case may be, to the extent allowable, less any transactional costs. If the royalty rate specified in this Agreement should exceed the permissible rate established in any country, the royalty rate for sales in such country shall be adjusted to the highest legally permissible or government-approved rate.

ARTICLE 6 REGISTRATION OF THE PRODUCT

6.1. As is stated at Article 3.7, a primary objective of the Project is to generate the NDA and to secure NDA Approval. As of the date of this Agreement, it is the Parties' expectation that the body of data so generated during the Project will support such applications for Regulatory Approval that Acorda shall make in the other countries of the Territory.

6.2. Subject to the review by the Committee pursuant to Article 10 and to Elan's preparation and delivery to Acorda of the CMC Section in form and substance acceptable for inclusion in the NDA (as well as any revisions thereto as may be mandated or requested by the FDA), and to the other provisions of this Article 6, Acorda shall have the right and responsibility for filing, shall use its reasonable efforts to prosecute to approval, and shall own the NDA. It is acknowledged that Elan has assigned the IND to Acorda. Within ninety (90) days following the completion of the Project as determined by the Committee, Acorda shall submit the NDA for filing with the FDA.

6.3. Acorda shall not alter the Specifications or any part of the CMC Section unless (a) by agreement with Elan, or (b) mandated by the FDA or other regulatory authority. In either case, Acorda shall promptly notify Elan and for changes made after NDA Approval, shall be responsible for Elan's reasonable expenses associated with required changes to its manufacturing license(s **).**

6.4. Subject to Elan preparing and delivering to Acorda the CMC Section as set forth in this Agreement, Acorda shall be responsible for obtaining all Regulatory Approvals necessary for Elan to package the Product into final market packaging. Acorda shall be responsible for obtaining all applicable FDA and other state and local regulatory approvals for the distribution of the Product in the United States of America and elsewhere. Elan shall co-operate with Acorda in obtaining such approvals.

6.5. Acorda shall maintain at its own cost the NDA (and shall bear the cost of any amendments or supplements to the CMC Section, other than those requested by Elan, which costs shall be borne by Elan) with the FDA during the period that Acorda and/or its Designees are marketing the Product. Acorda shall continue to maintain the NDA with the FDA, at Elan's request and expense, if Elan acquires the right to a licence in the United States or any other country in which the NDA is relied upon as the primary application for Regulatory Approval pursuant to Article 2.11.3 for such term thereafter during which Elan and/or its designees (for which purpose the definition of Designee as set out in Article 1 shall apply mutatis mutandis) is marketing the Product. Acorda hereby agrees to provide to Elan a copy of the NDA within thirty (30) days of the submission thereof to the FDA. Acorda shall also furnish a copy to Elan of all other regulatory filings and other material correspondence with the FDA and other regulatory authorities within thirty (30) days of submission. The NDA and any NDA Equivalent or application for Regulatory Approval filed in Territory for the Product shall remain the property of Acorda, provided that Acorda shall allow Elan access thereto to enable Elan to fulfil its obligations and exercise its rights hereunder.

6.6. During the NDA registration procedure, Acorda shall keep Elan promptly and fully advised of Acorda's registration activities, progress and procedures during Committee meetings. Elan and Acorda shall each before proceeding with any FDA filings, meetings or telephone conferences, inform and discuss the participation of the other with respect to any such proposed dealings with the FDA relating to the Product and shall promptly provide to that other copies of all correspondence with, and all documents and applications filed with, or submitted by it to, any regulatory authority with respect to Product; provided, however, that that the Parties acknowledge and agree that Acorda

shall be the primary contact with the FDA and any other regulatory authority in the Territory with respect to Product.

6.7. It is hereby acknowledged that there are inherent uncertainties involved in the development and registration of pharmaceutical products with the FDA or any other regulatory body in the United States of America insofar as obtaining approval is concerned and that such uncertainties form part of the business risk involved in undertaking the form of commercial collaboration as set forth in this Agreement. Therefore, save for using its reasonable efforts, neither Party shall have any liability to the other solely as a result of any failure of the Product to achieve the approval of the FDA, or any other regulatory body in the United States of America.

6.8. Acorda shall also be responsible for the filing and prosecution at its own cost of the regulatory applications with the regulatory authorities in Japan, the Major European Markets and in such other countries of the Territory as it elects and Elan shall cooperate fully with Acorda in connection with such activities. The provisions of Articles 6.1 to 6.7 inclusive shall apply, mutatis mutandis, to Acorda's and Elan's obligations vis a vis Japan, the Major European Markets and such other countries of the Territory.

ARTICLE 7 [NOT USED]

ARTICLE 8 WARRANTY AND INDEMNITY

8.1. Elan represents and warrants that Elan is the sole and exclusive owner or licensee of, or controls all right, title and interest in the Elan Intellectual Property; Elan has the right to grant the rights and licences granted herein, and the Elan Intellectual Property as it pertains to the Product and the Product is free and clear of any lien, encumbrances, security interest) or restriction on license; Elan will not grant during the term of this Agreement, any right, licence or interest in and to the Elan Intellectual Property or the Product, or any portion thereof, inconsistent with the licence granted to Acorda herein; and there are no pending or, to the knowledge of Elan, threatened, actions, suits, investigations, claims or proceedings in any way related to the Elan Intellectual Property or the Product. Insofar as such patent rights and know-how constitute Elan Patent Rights or Elan Know-How for the purposes of this Agreement, Elan represents and warrants that it is entitled to grant a licence to such patent rights and know-how as are developed by or on behalf of Elan pursuant to the Axogen Agreement, including any patent rights and non-patented know-how or other information which may be conceived, reduced to practice or otherwise developed by or on behalf of Elan pursuant to the Axogen Agreement. Elan agrees to hold Acorda harmless from any and all costs, expenses and damages (including reasonable attorneys' fees) incurred or sustained by Acorda as the result of any Third Party's challenges to Elan's right to enter into this Agreement and to grant the rights and licences herein granted to Acorda and the Elan Intellectual Property.

8.2. Elan represents and warrants that the execution of this Agreement and the full performance and enjoyment of the rights of Acorda under this Agreement will not breach or in any way

be inconsistent with the terms and conditions of any licence, contract, understanding or agreement, whether express, implied, written or oral between Elan and any Third Party.

8.3. Acorda represents and warrants that it has not granted any option, licence, right or interest in or to the Compound or to the Acorda Patent Rights to any Third Party which would conflict with the terms of this Agreement. Acorda agrees to hold Elan harmless from any and all costs, expenses and damages (including reasonable attorneys' fees) incurred or sustained by Elan as the result of any Third Party's challenges to Acorda's right to enter into this Agreement.

8.4. Acorda represents and warrants that the execution of this Agreement will not breach or in any way be inconsistent with the terms and conditions of any licence, contract, understanding or agreement, whether express, implied, written or oral between Acorda and any Third Party.

8.5. Each Party represents and warrants that with respect to all data and information generated by it to support regulatory filings seeking to obtain approval of the regulatory authorities shall, to the best of that party's knowledge, be free from fraud or material falsity and shall be accurate and reliable for purposes of supporting approval of the submissions. Each Party warrants that all regulatory applications made by that Party have not been and will not be obtained either through bribery or the payment of illegal gratuities, and that no Regulatory Approval shall be obtained with illegal or unethical behaviour of any kind.

8.6. Elan represents and warrants that the Product supplied to Acorda by Elan under this Agreement has been and shall be free of any lien, security, interest or other encumbrance on title, conform to the Specifications and in accordance with all regulations and requirements of the FDA and foreign regulatory authorities including, without limitation, the cGMP regulations which apply to the manufacture, storage, packaging and supply of the Product. Elan represents and warrants that the Product supplied to Acorda under this Agreement has been and shall be free of defects in material and workmanship, shall not be adulterated or mis-branded as defined by the Act (or applicable foreign law) and shall not be a product which would violate any section of such Act if introduced in interstate commerce and shall be fit for use as a pharmaceutical product. Acorda agrees not to assert its right to rescind this Agreement (if any) in the event of a breach of the representations of Elan contained in this Article 8.6.

It is hereby acknowledged for the avoidance of doubt that for the purposes of this Article 8, commercial supplies of Product under the Supply Agreement are not regarded as supplied "under this Agreement".

8.7. Elan and Acorda is each fully cognisant of all applicable statutes, ordinances and regulations of the United States of America with respect to the manufacture of the Product including, but not limited to, the Act and regulations thereunder, cGLP, cGCP and cGMP. Elan shall manufacture or procure the manufacture the Product under this Agreement in conformity with the Specifications, the relevant portions of the CMC Section and, if applicable, the DMF and in a manner which fully complies with all United States of America and foreign statutes, ordinances, regulations and practices.

8.8. Acorda shall indemnify and hold harmless Elan, its agents and employees from and against all claims, damages, losses, liabilities and expenses to which Elan, its agents, and employees may become subject related to or arising out of Acorda's bad faith, gross negligence or intentional misconduct in connection with the filing or maintenance of the NDA. Elan shall indemnify and hold harmless Acorda, its agents and employees from and against all claims, damages, losses, liabilities and expenses to which Acorda, its agents, and employees may become subject related to or arising out of Elan's bad faith, gross negligence or intentional misconduct in connection with the preparation of the CMC Section.

8.9. Elan shall indemnify, defend and hold harmless Acorda and its officers, directors, employees and agents from all actions, losses, claims, demands, damages, costs and liabilities (including reasonable attorneys' fees) due to Third Party claims to which Acorda is or may become subject insofar as they arise out of or are alleged or claimed to arise out of (i) any breach by Elan of any of its obligations under this Agreement, (ii) any breach of a representation or warranty of Elan made in this Agreement, (iii) any activities conducted by Elan in connection with the Project, (iv) any failure of the Product provided under this Agreement to meet the Specifications, or (v) the manufacture or shipment of the Product provided under this Agreement by Elan, except in each case to the extent due to the negligence or wilful misconduct of Acorda.

8.10. Acorda shall indemnify, defend and hold harmless Elan and its officers, directors, employees and agents from all actions, losses, claims, demands, damages, costs and liabilities (including reasonable attorneys' fees) due to Third Party claims to which Elan is or may become subject insofar as they arise out of or are alleged or claimed to arise out of (i) any breach by Acorda of any of its obligations under the Agreement, (ii) any breach of any representation or warranty of Acorda made in this Agreement, and (iii) any activities conducted by Acorda in connection with the Project, except to the extent due to the negligence or wilful misconduct of Elan.

8.11. Acorda shall indemnify, defend and hold harmless Elan and its officers, directors, employees and agents from all actions, losses, claims, demands, damages, costs and liabilities (including reasonable attorneys' fees) due to Third Party claims to which Elan is or may become subject insofar as they arise out of or are alleged or claimed to arise out of activities conducted by Acorda or its Designee in the manufacture, transport, packaging, storage, handling, distribution, promotion, marketing or sale of the Product, that was caused by the negligence or wrongful acts or omissions on the part of Acorda or its Designees, except in each case, to the extent covered by Article 8.10 or due to the negligence or wilful misconduct of Elan.

8.12. Elan represents and warrants that, the manufacture, sale, distribution or use of the Product in the Territory solely because of the use of the Elan Intellectual Property does not, to Elan's actual knowledge, infringe any patent owned by a Third Party, provided, that Elan represents and warrants that it is not aware of any pending or threatened proceeding or claim of any person or entity pertaining to the Product, that asserts the infringement of any patent owned by a Third Party. In the event that (I) a claim or proceedings are brought against Acorda and/or Elan by a Third Party alleging that the

manufacture, sale, distribution or use of the Product in the Territory infringes the patent rights of such Third Party, and such alleged infringement results from the use of the Elan Intellectual Property, and (II) Elan was in breach of the foregoing representation and warranty with respect to such Third Party patent rights, Elan's liability to Acorda with respect to such infringement pursuant to this Article 8.12 (including without limitation, reasonable attorney's fees and other out of pocket expenses of the litigation, including the fees and expenses incurred by Elan and Acorda) shall be limited to and shall be borne by the Parties in the manner set forth in Article 11.3.1.

For purposes of this Article 8, "Elan's actual knowledge" shall mean the knowledge of representatives of Elan that have been engaged in the Project in a key operational role.

8.13. Elan has no actual knowledge that (a) the issued and unexpired patents included in the Elan Patent Rights are invalid or unenforceable over any references or prior art known to Elan or its agents, taken alone or in combination, nor (b) that the pending patent applications included in the Elan Patent Rights fail to include patentable subject matter, nor (c) that Elan and its agents have failed to comply with any duty of candor imposed on an applicant for patent before a particular national or regional patent office with respect to the patents, applications and patent offices listed in Schedule 3.

8.14. Acorda represents and warrants that as of the date of this Agreement to Acorda's actual knowledge, the development and manufacture of the Product by Elan or Acorda, or the manufacture, sale, distribution or use of the Product in the Territory, solely because of the use of the Acorda Patent Rights or Acorda Know-How will not to the best of Acorda's belief infringe any patent owned by a Third Party.

For purposes of this Article 8, "Acorda's actual knowledge" shall mean the knowledge of representatives of Acorda that have been engaged in the Project in a key operational role.

8.15. As a condition of obtaining an indemnity in the circumstances set out above, the Party seeking an indemnity shall:

8.15.1 fully and promptly notify the other Party of any claim or proceeding, or threatened claim or proceeding;

8.15.2 permit the indemnifying Party to take full care and control of such claim or proceeding;

8.15.3 assist in the investigation and defence of such claim or proceeding;

8.15.4 not compromise or otherwise settle any such claim or proceeding without the prior written consent of the other Party, which consent shall not be unreasonably withheld; and

8.15.5 take all reasonable steps to mitigate any loss or liability in respect of any such claim or proceeding.

8.16. TO THE FULLEST EXTENT PERMITTED BY LAW, APART FROM THE FOREGOING REPRESENTATIONS, WARRANTIES AND INDEMNITY, ELAN MAKES NO ADDITIONAL REPRESENTATIONS OR WARRANTIES AND HEREBY DISCLAIMS ALL WARRANTIES, REPRESENTATIONS, AND LIABILITIES, WHETHER EXPRESS OR IMPLIED, ARISING FROM CONTRACT OR TORT (EXCEPT FRAUD), IMPOSED BY STATUTE OR OTHERWISE, RELATING TO THE PRODUCT AND/OR ANY PATENTS OR TECHNOLOGY USED OR INCLUDED IN THE PRODUCT, INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR PURPOSE, CORRESPONDENCE WITH DESCRIPTION, OR NON-INFRINGEMENT.

8.17. EXCEPT IN RESPECT OF EACH PARTY'S LIABILITY TO INDEMNIFY THE OTHER AGAINST CLAIMS MADE BY A THIRD PARTY, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, ELAN AND ACORDA SHALL NOT BE LIABLE TO THE OTHER BY REASON OF ANY REPRESENTATION OR WARRANTY, CONDITION OR OTHER TERM OR ANY DUTY OF COMMON LAW, OR UNDER THE EXPRESS TERMS OF THIS AGREEMENT, FOR ANY CONSEQUENTIAL, SPECIAL OR INCIDENTAL OR PUNITIVE LOSS OR DAMAGE (WHETHER FOR LOSS OF CURRENT OR FUTURE PROFITS, LOSS OF ENTERPRISE VALUE OR OTHERWISE) AND WHETHER OCCASIONED BY THE NEGLIGENCE OF THE RESPECTIVE PARTIES, THEIR EMPLOYEES OR AGENTS OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT THAT THIS LIMITATION SHALL NOT APPLY TO DAMAGES DIRECTLY OR INDIRECTLY ARISING FROM PERSONAL INJURY OR DEATH CAUSED BY THE DEFECTIVE DESIGN AND/OR MANUFACTURE OF THE PRODUCT.

8.18. Elan represents and warrants that Elan Corporation plc will provide Elan Pharma Limited or any other subsidiaries with a licence and the rights to manufacture the Product in accordance with the terms of this Agreement and the Supply Agreement.

ARTICLE 9 [NOT USED]

ARTICLE 10 COMMITTEE

10.1. Acorda and Elan shall establish the Committee to provide oversight, review and coordination relating to the development, manufacturing and supply, Regulatory Approval and commercialisation of the Product, and for resolution of disputed issues that may arise between the Parties under this Agreement or the Supply Agreement. Unless otherwise agreed, the Committee shall be comprised of six members, with three members appointed by each of Elan and Acorda. The operation of the Committee shall be as set forth at Article 10.2 to Article 10.5. Acorda and Elan each shall appoint a person (a " **Primary Contact** ") to be the primary contact between the Parties with respect to the Project and to coordinate correspondence and communications between the Parties. Each Party shall notify the other in writing within thirty (30) days after the

Amendment Date of its representatives on the Committee and of the appointment of its Primary Contact and shall notify the other Party as soon as practicable upon changing its Committee representatives or the Primary Contact appointment in accordance with Article 12.12. The Primary Contact of each Party will be one of its three representatives in the Committee.

10.2. Except as specifically set forth in this Agreement, the Committee shall be responsible for overseeing the Project, including the following:

10.2.1 reviewing and, if deemed necessary or desirable, updating the Development Plan, the Technology Transfer Responsibilities and the Project budget; and accordingly Elan shall advise the Committee if it believes that the budget for items of the Project has been or is likely to be significantly exceeded;

10.2.2 facilitating the transfer of know-how, regulatory correspondence and communications and other data as contemplated by this Agreement and the Supply Agreement;

10.2.3 reviewing and assessing the progress of development of Product and, to the extent contemplated by this Agreement, evaluating and, if determined by the Committee, approving Technology Transfer Responsibilities and authorizing Elan to perform tasks required in connection with development of and regulatory submissions relating to Product;

10.2.4 discussing objectives for and performance of the Product in the Territory, and the promotional activities and materials associated therewith;

10.2.5 resolving any disputes between the Parties relating to the Project, provided, however, that Acorda shall have the final decision as to all clinical trial protocols and the conduct of all clinical trials and marketing and promotional activities by Acorda or its Designee; and

10.2.6 such other activities as are delegated to the Committee under this Agreement.

10.3. The Committee shall use its best efforts to resolve any disputed issues, conflicts or differences of opinion between the Parties under this Agreement. If the Committee is unable to reach a consensus on any issue within thirty (30) days after such issue being presented to the Committee by a Party, notwithstanding the exercise of its best efforts as provided in Article 10, then such issue shall be referred to the chief executive officers of Acorda and Elan Any final decision of the CEOs shall be conclusive and binding on the Parties hereto, and must be reached, if practicable under the circumstances, within thirty (30) days after being referred to the CEO, provided, however, that issues referred to in Article 10.2.5 as being subject to Acorda's final decision shall be determined finally and conclusively by Acorda in the event that the Committee and/or the CEOs are unable to reach a consensus; provided further, that any such decision shall comply with applicable governmental regulatory requirements. Any matter as to which the CEOs are unable to reach agreement may be submitted by either Party to binding arbitration for final

resolution pursuant to Article 12.14, or as otherwise agreed, except with respect to matters for which Acorda has authority to make final decisions.

10.4. The Committee shall consist of the Primary Contact from each Party together with such additional business and development personnel from each Party who are deemed necessary to accomplish the work of the Committee. Unless otherwise agreed, the Committee shall meet at least once each calendar quarter, in person, or by video or telephone conference. In such instance, the next quarterly meeting will be scheduled. Meetings shall be chaired by the chief representative of Acorda and such representative shall be responsible for preparing minutes of such meetings.

10.5. At each meeting, Acorda shall summarize the status of Acorda's clinical development, regulatory and, if applicable, marketing and promotional activities with respect to Product. Any disclosures of such progress, results, data or know-how in any meeting shall be deemed Confidential Information of Acorda. At and between meetings of the Committee, each Party shall keep the other fully and regularly informed as to its progress with its respective obligations.

10.6. The Committee shall not be empowered to alter the terms of this Agreement. The continuation of the Committee shall be at the discretion of the Parties as deemed appropriate to further the registration and commercialisation activities in the Territory.

ARTICLE 11 PATENTS

11.1.

11.1.1 Acorda shall have the first right to file, prosecute and maintain the Elan Patent Rights in Elan's name, using patent counsel selected by Acorda, and shall be responsible for the payment of all related patent filing, prosecution and maintenance costs, subject to this Article 11.1.1. Upon Acorda's request, Elan shall reasonably cooperate in the filing, prosecution or maintenance of any patent application or patent included in the Elan Patent Rights. If Acorda elects not to file, prosecute or maintain a patent application or patent included in the Elan Patent Rights in any particular country, it shall provide Elan with written advance notice sufficient to avoid any loss or forfeiture, or at least 60 days notice, and Elan shall have the right, but not the obligation, at its sole expense, to file, prosecute or maintain such patent application or patent in such country in Elan's name. If Elan elects to file, prosecute or maintain a patent or application within the Elan Patent Rights that Acorda has elected not to file, prosecute or maintain, such patent or application in such country shall no longer be deemed an Elan Patent Right for purposes of the license in Article 2 to Acorda.

11.1.2 Acorda shall have the first right to file, prosecute and maintain any patent application(s) or patent(s) arising from Joint Inventions and shall be responsible for the payment of all related patent prosecution and maintenance costs. Upon Acorda's request, Elan shall reasonably cooperate in the filing, prosecution or

maintenance of any such patent application or patent. If Acorda elects not to file, prosecute or maintain any such patent application or patent in any particular country, it shall provide Elan with written advance notice sufficient to avoid any loss or forfeiture, or at least 60 days notice, and Elan shall have the right, but not the obligation, at its sole expense, to file, prosecute or maintain such patent application or patent in such country. Thereafter, such patent or patent application in such country shall be deemed solely an Elan Patent Right. In any such case, Acorda shall not grant any Third Party a license under its interest in the applicable Joint Invention without the prior written consent of Elan.

11.2. Acorda and Elan shall promptly inform the other in writing of any alleged infringement of which it shall become aware by a Third Party of any patents within the Elan Patent Rights and provide each other with any available evidence of infringement. The Parties will thereafter consult and cooperate to determine a course of action, including, without limitation, the commencement of legal action by either party. However, Acorda shall have the first right to initiate and prosecute such legal action at its own expense and in the name of Elan and Acorda, or to control the defense of any declaratory judgment action relating to Elan Patent Rights and Elan will co-operate with such action at Acorda's request and expense. Elan shall receive [*] of any such recovery remaining after the deduction by Acorda of the reasonable expenses (including attorney's fees and expenses) incurred in relation to such an infringement proceeding. In the alternative to the foregoing, the Parties may agree to institute such proceedings in their joint names and shall reach agreement as to the proportion in which they will share the proceeds of any such proceedings, and the expense of any costs not recovered, or the costs or damages payable to the Third Party. Should Acorda decide not to pursue such infringers within six (6) months of acquiring knowledge of such infringement, except with respect to Paragraph IV Certifications, in such case the time of notice shall not exceed 20 days, Elan may do so at its expense provided that Acorda shall receive [*] of any such recovery remaining after the deduction by Elan of the reasonable expenses (including attorney's fees and expenses) incurred in relation to such an infringement proceeding. Acorda will co-operate with such action at Elan's request and expense. The Party involved in any such claim, suit or proceeding, shall keep the other Party hereto reasonably informed of the progress of any such claim, suit or proceeding. For any such legal action or defense, in the event that any Party is unable to initiate, prosecute, or defend such action solely in its own name, the other Party will join such action voluntarily and will execute all documents necessary for the Party to prosecute, defend and maintain such action.

11.3.

11.3.1 In the event that (I) a claim or proceedings are brought against Acorda and/or Elan by a Third Party alleging that the manufacture, sale, distribution or use of the Product in the Territory infringes the patent rights of such Third Party, and such alleged infringement results from the use of the Elan Intellectual Property, and (II) as of the date the Specifications for the Product have been agreed, Elan was or should reasonably have been aware of such Third Party patent rights, the following shall apply as regards the Third Party claim, including without

limitation, reasonable attorney's fees and other out of pocket expenses of the litigation, including the fees and expenses incurred by Elan and Acorda (" **Patent Expenses** "):

11.3.1.1 if Elan or its subcontractor is manufacturing the Product, Acorda shall bear the first [***] of Patent Expenses; Elan and Acorda shall bear the remaining Patent Expenses equally;

11.3.1.2 if Elan or its subcontractor is not manufacturing the Product, Acorda shall discharge the Patent Expenses. Acorda shall be entitled to credit the Patent Expenses from up to [***] of the royalty otherwise payable to Elan pursuant to Article 5.6 and may carry forward any such uncredited Patent Expenses to be credited against up to [***] of the royalty otherwise payable to Elan pursuant to Article 5.6 until fully expended; Elan and Acorda shall bear the remaining Patent Expenses equally.

During the term of this Agreement, Acorda shall have the first right but not the obligation to defend the proceedings referred to in this paragraph and Elan will co-operate with such action at Acorda's request and expense. In such event Acorda shall keep Elan advised of all material developments in the said proceedings and shall not settle or compromise such proceedings without the consent of Elan which shall not be unreasonably withheld or delayed. Should Acorda decide not defend such proceedings, Elan may do so and Acorda will co-operate with such action at Elan's request and expense. In such event Elan shall keep Acorda advised of all material developments in the said proceedings and shall not settle or compromise such proceedings without the consent of Acorda which shall not be unreasonably withheld or delayed.

Any sums payable by Elan to Acorda, or by Acorda to Elan pursuant to this Article 11.3.1 shall be discharged by Elan or Acorda, as the case may be, within thirty (30) days of the appropriate invoice and reasonable supporting documentation being furnished.

11.3.2 In the event that a claim or proceedings are brought against Elan and/or Acorda by a Third Party alleging that the manufacture, sale, distribution or use of the Product in the Territory as a result of the use of the Elan Patent Rights or Elan Know-How infringes the patent rights of such a Third Party and Elan should not reasonably have been aware of such Third Party patent rights, Acorda and Elan shall meet to discuss in what manner the said proceedings should be defended and, the manner in which any award for damages, costs and expenses incurred in respect of or arising out of such a claim or proceedings should be borne as between Elan and Acorda.

11.3.3 Acorda shall reasonably consider taking such action as is reasonable, such as, to re-formulate or modify the applicable Product so as to avoid infringing the

patent rights of a Third Party, or entering into a licence agreement with such Third Party after due consultation with Elan.

11.3.4 Elan shall have no liability to Acorda whatsoever or howsoever arising for any losses incurred by Acorda as a result of having to cease selling Product or having to defer the launch of selling Product, as a result of a court order or settlement entered into pursuant to Article 11.5.

11.4.

11.4.1 In the event that a claim or proceedings are brought against Elan by a Third Party alleging that the manufacture, sale, distribution or use of the Product in the Territory infringes the patent rights of such Third Party, and such alleged infringement results from the use of the Acorda Patent Rights or Acorda Know-How, Elan shall promptly advise Acorda of such threat or suit. Acorda shall indemnify Elan against such a claim, including without limitation, reasonable attorney's fees and other expenses of the litigation, provided however, that as of the date the Specifications have been agreed, Acorda was or should reasonably have been aware of such Third Party patent rights; and further provided that Elan shall not acknowledge to the Third Party or to any other person the validity of the patent rights of such a Third Party and shall not compromise or settle any claim or proceedings relating thereto without the written consent of Acorda. At its option, Acorda may elect to take over the conduct of such proceedings from Elan.

11.4.2 In the event that a claim or proceedings are brought against Elan by a Third Party alleging that the manufacture, sale, distribution or use of the Product in the Territory solely as a result of the use of the Acorda Patent Rights or Acorda Know-How infringes the patent rights of such a Third Party and Acorda should not reasonably have been aware of such Third Party patent rights, Acorda and Elan shall meet to discuss in what manner the said proceedings should be defended and, the manner in which any award for damages, costs and expenses incurred in respect of or arising out of such a claim or proceedings should be borne as between Elan and Acorda.

11.4.3 In the event that a claim or proceedings are brought against Elan by a Third Party alleging that the manufacture, sale, distribution or use of the Product in the Territory infringes any patents held by such Third Party and Acorda or its Designee is manufacturing the Product, and the claim or proceeding results from the use of the patent rights or know-how of Acorda or its Designee (and not the Elan Intellectual Property), Elan shall promptly advise Acorda of such threat or suit. Acorda shall indemnify Elan against such a claim, including without limitation, reasonable attorney's fees and other expenses of the litigation; provided that Elan shall not acknowledge to the Third Party or to any other person the validity of the patent rights of such a Third Party and shall not compromise or settle any claim or proceedings relating thereto without the written consent of Acorda. At its option, Acorda may elect to take over the conduct of such proceedings from Elan.

11.5. In the event that a claim or proceedings are brought against either Party by a Third Party alleging that the sale, distribution or use of the Product in the Territory as a result of the use of the Joint Inventions infringes the patent rights of such a Third Party, Acorda and Elan shall meet to discuss in what manner the said proceedings should be defended and the manner in which any award for damages, costs and expenses incurred in respect of or arising out of such a claim or proceedings should be borne as between Elan and Acorda, provided, however, that Acorda shall have the first right to control the defense of such action relating to Joint Inventions and Elan will co-operate with such action at Acorda's request and expense. Neither Party shall acknowledge to a Third Party or to any other person the validity of the patent rights of such a Third Party, the invalidity of the Elan Patent Rights or the Acorda Patent Rights and shall not compromise or settle any claim or proceedings relating thereto without the written consent of the other Party, such consent not to be unreasonably withheld or delayed. The Parties shall co-operate in relation to all material aspects of such litigation or other proceedings and shall meet to discuss in what manner the said proceedings should be defended. If one Party has control of the litigation or other proceeding pursuant to the terms of this Agreement and the other Party wishes to retain separate representation, the latter Party shall bear the costs of such representation.

11.6. Acorda agrees to mark all Product it sells or distributes pursuant to this Agreement with applicable patent numbers or otherwise in accordance with the applicable statute or regulations in the country or countries of manufacture and sale thereof.

ARTICLE 12 SUNDRY CLAUSES

12.1. Secrecy :

12.1.1 Any Confidential Information pertaining to the Product that has been or will be communicated or delivered by Elan to Acorda, and any information from time to time communicated or delivered by Acorda to Elan, including, without limitation, trade secrets, business methods, and cost, supplier, manufacturing and customer information, shall be treated by Acorda and Elan, respectively, as Confidential Information, and shall not be disclosed or revealed to any Third Party whatsoever or used in any manner except as expressly provided for herein; provided, however, that such Confidential Information shall not be subject to the restrictions and prohibitions set forth in this section to the extent that such Confidential Information:

12.1.1.1 is available to the public in public literature or otherwise, or after disclosure by one Party to the other becomes public knowledge through no default of the Party receiving such confidential information; or

12.1.1.2 was known to the Party receiving such confidential information prior to the receipt of such confidential information by such Party, whether received before or after the date of this Agreement; or

12.1.1.3 is obtained by the Party receiving such confidential information from a Third Party not subject to a requirement of confidentiality with respect to such confidential information; or

12.1.1.4 is required to be disclosed pursuant to: (A) any order of a court having jurisdiction and power to order such information to be released or made public; or (B) any lawful action of a governmental or regulatory agency.

12.1.2 Each Party shall take all such precautions with Confidential Information disclosed to it by the other Party as it normally takes with its own confidential information to prevent any improper disclosure of the Confidential Information disclosed to it by the other Party to any Third Party; provided, however, that such confidential information may be disclosed within the limits required to obtain any authorisation from the FDA or any other United States of America or foreign governmental or regulatory agency or, with the prior written consent of the other Party, which shall not be unreasonably withheld, or as may otherwise be required in connection with the purposes of this Agreement.

12.1.3 Notwithstanding the above, each Party hereto may use or disclose Confidential Information disclosed to it by the other Party to the extent such use or disclosure is reasonably necessary in filing or prosecuting patent applications, prosecuting or defending litigation, complying with applicable governmental regulations or otherwise submitting information to tax or other governmental authorities, conducting clinical trials, or making a permitted sub-licence or otherwise exercising its rights hereunder, provided that if a Party is required to make any such disclosure of the other party's Confidential Information, other than pursuant to a confidentiality agreement, it will given reasonable advance notice to the latter Party of such disclosure and, save to the extent inappropriate in the case of patent applications and regulatory submissions, will use its best efforts to secure confidential treatment of such information prior to its disclosure (whether through protective orders or otherwise).

12.1.4 Each Party agrees that it will not use, directly or indirectly, any Confidential Information disclosed by the other Party pursuant to this Agreement or the Supply Agreement, other than as expressly provided herein or in the Supply Agreement.

12.1.5 Acorda and Elan will not publicise the existence of this Agreement in any way without the consent of the other, which consent shall not be unreasonably withheld or delayed, subject to the disclosure requirements of applicable laws and regulations; provided , however , that it is understood that the Parties or their Affiliates may make disclosure of this Agreement and the terms hereof in any filings required by the SEC, may file this Agreement as an exhibit to any filing with the SEC and may distribute any such filing in the ordinary course of its business, provided , further , that to the maximum extent allowable by SEC rules and regulations, the Parties shall be seek to maintain the confidentiality

obligations set forth herein and shall redact any confidential information set forth in such filings. In the event that either Party wishes to make an announcement concerning the Agreement, that Party shall seek the consent of the other Party, which consent shall not be unreasonably withheld or delayed and shall not be required to the extent the text of the announcement relating to this Agreement has previously been agreed to by the other Party. The terms of any such announcement shall be agreed in good faith.

12.2. Assignments/ Subcontracting :

12.2.1 Subject to the provisions of this Article 12.2, each party be entitled without the consent of the other:

12.2.1.1 to subcontract or delegate the whole or any part of its duties hereunder to its Affiliate(s) (but shall remain responsible for its obligations under this Agreement); and/or

12.2.1.2 to assign this Agreement to its Affiliate, provided that such assignment has no material adverse tax implications for the other party or parties hereto, and provided further that the assigning Party shall remain liable and responsible with such assignee to the other Party for the performance of any obligations, representations or warranties delegated, contracted, assigned or otherwise transferred to any such assignee.

12.2.2 Elan may, but shall not be obliged to, assign its rights and obligations under this Agreement to a Permitted Assignee (as such term is defined in the Supply Agreement) of the Supply Agreement.

12.2.3 Each Party may assign all (but not a portion) of its rights and obligations under this Agreement to an entity that acquires all or substantially all of its business or assets to which this Agreement pertains, whether by merger, reorganisation, acquisition, sale or otherwise.

12.2.4 Except as provided for in this Article 12.2, this Agreement may not be assigned by a party without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

12.2.5 Any permitted assignee of a Party under this Article 12.2 shall assume all related obligations of its assignor under this Agreement.

12.3. Parties bound :

This Agreement shall be binding upon and enure for the benefit of Parties hereto, their successors and permitted assigns.

12.4. Severability :

If any provision in this Agreement is agreed by the Parties to be, or is deemed to be, or becomes invalid, illegal, void or unenforceable under any law that is applicable hereto, (i) such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable or, if it cannot be so amended without materially altering the intention of the Parties, it will be deleted, with effect from the date of such agreement or such earlier date as the Parties may agree, and (ii) the validity, legality and enforceability of the remaining provisions of this Agreement shall not be impaired or affected in any way.

12.5. Duration and Termination :

12.5.1

12.5.1.1 Subject to the other provisions of Article 12.5, this Agreement shall remain in full force and effect for a period commencing as of the date of this Agreement and shall expire on a country by country basis on the latest of:

(a) fifteen (15) years starting from the Amendment Date;

(b) expiry of the last to expire patent included in the Elan Patent Rights in that country; and

(c) the existence of Competition in that country

(the "Initial Period ") .

12.5.1.2 At the end of the Initial Period, the Agreement may be continued for five (5) year terms by the consent of the Parties, which consent shall not be unreasonably withheld or delayed. The Party requiring the extension shall serve two (2) years written notice on the other prior to the end of the Initial Period or any additional five (5) year period.

12.5.2 The Agreement shall be subject to earlier termination in accordance with the following provisions:

12.5.2.1 Acorda may terminate this Agreement in its entirety or with respect to any country with thirty (30) days prior written notice to Elan prior to Regulatory Approval, and with ninety (90) days prior written notice to Elan at any time thereafter;

12.5.2.2 subject to the determination in an arbitration that Acorda has breached the applicable provisions, Elan may terminate the Agreement for the applicable region(s) or country or countries of the Territory if Acorda breaches the provisions of Article 2.11.3, or Acorda indicates to Elan pursuant to Article 2.11.4.3, that it does not intend to obtain Regulatory Approval and commercialise the Product, and Elan does not exercise its option to take a licence to the

Acorda Patent Rights and the Acorda Know-How in accordance with Article 2.11.3.

12.5.3 In addition to the rights of early or premature termination provided for elsewhere in this Agreement, in the event that any of the terms or provisions hereof are incurably breached by either Party, the non-breaching Party may immediately terminate this Agreement by written notice. An incurable breach shall be committed when either Party is dissolved, liquidated, discontinued, becomes insolvent, or when any proceeding is filed or commenced by either Party under bankruptcy, insolvency or debtor relief laws. In the event of any other breach, the non-breaching Party may terminate this Agreement by the giving of written notice to the breaching Party that this Agreement will terminate on the sixtieth (60th) day from notice unless cure is sooner effected. If the breaching Party has proposed a course of action to rectify the breach and is acting in good faith to rectify same but has not cured the breach by the sixtieth (60th) day, the said period shall be extended by such period as is reasonably necessary to permit the breach to be rectified.

12.5.4 Upon exercise of those rights of termination as specified in Article 12.5.2, or Article 12.5.3, in any country or countries or the entire Agreement as the case may be, this Agreement shall, subject to the other provisions of the Agreement and Article 12.5.5, automatically terminate forthwith in the applicable country or countries or the entire Agreement as the case may be, and be of no further legal force or effect.

12.5.5 Upon termination of the Agreement:

12.5.5.1 any sums that were due from Acorda to Elan prior to the exercise of the right to terminate this Agreement (including but not limited to, Research and Development Costs and such additional expenses pursuant to Article 5.7 in each case incurred prior to the notice of termination, shall be paid in full within sixty (60) days of termination of this Agreement;

12.5.5.2 all confidentiality provisions set out herein shall remain in full force and effect for a period of five (5) years;

12.5.5.3 all representations and warranties shall insofar are appropriate remain in full force and effect;

12.5.5.4 the rights of inspection and audit shall continue in force for the period referred to in the relevant provisions of this Agreement;

12.5.5.5 termination of this Agreement for any reason shall not release any Party hereto from any liability which, at the time of such termination, has already accrued to the other Party or which is attributable to a period prior to such termination nor preclude either

P arty from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement;

12.5.5.6 save and except as is necessary to enable Elan to exercise the licences granted by Acorda to Elan pursuant to Article 2.9 and Article 2.11.3, upon any termination of this Agreement, Acorda and Elan shall promptly return to the other Party all Confidential Information received from the other Party (except one copy of which may be retained for archival purposes); and

12.5.5.7 in the event this Agreement is terminated for any reason, Acorda and its Designees shall have the right for a period of six (6) months from termination to sell or otherwise dispose of the stock of any Product then on hand, which such sale shall be subject to the terms of the Supply Agreement.

12.5.5.8 Article 1, Article 2.2, Article 8, Article 11.1.1, 11.1.2, 11.2, 11.3, 11.4, 11.5, and Article 12 shall survive the termination or expiration of this Agreement for any reason.

12.5.6

12.5.6.1 In the event of termination of the licences to the Elan Intellectual Property granted by Elan to Acorda pursuant to Article 2.11.3 as to any country or countries or in the event of the termination of this Agreement by Elan pursuant to Article 12.5.3, Acorda shall at the option of Elan grant a licence to the Acorda Patent Rights and the Acorda Know-How, including the data, information, Regulatory Applications, Regulatory Approvals, pricing and reimbursement approvals to enable Elan to commercialise the Products in such country or countries on the terms set out in Article 2.11.3 and to the Trademark on the terms set out in Article 2.9.

12.6. Force Majeure :

Neither Party to this Agreement shall be liable for delay in the performance of any of its obligations hereunder if such delay results from causes beyond its reasonable control, including, without limitation, acts of God, fires, strikes, acts of war, or intervention of a Government Authority, non availability of raw materials, but any such delay or failure shall be remedied by such Party as soon as practicable.

12.7. Relationship of the Parties :

Nothing contained in this Agreement is intended or is to be construed to constitute Elan and Acorda as partners or joint venturers or either Party as an employee of the other. Neither Party hereto shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other Party to any contract, agreement or undertaking with any Third Party.

12.8. Amendments :

No amendment, modification or addition hereto shall be effective or binding on either Party unless set forth in writing and executed by a duly authorised representative of both Parties.

12.9. Waiver :

No waiver of any right under this Agreement shall be deemed effective unless contained in a written document signed by the Party charged with such waiver, and no waiver of any breach or failure to perform shall be deemed to be a waiver of any future breach or failure to perform or of any other right arising under this Agreement.

12.10. No effect on other agreements :

Except as specifically set forth herein, no provision of this Agreement shall be construed so as to negate, modify or affect in any way the provisions of any other agreement between the Parties unless specifically referred to, and solely to the extent provided, in any such other agreement.

12.11. Applicable Law :

This Agreement is construed under and ruled by the laws of the State of New York, excluding its conflict of laws rules. For the purpose of this Agreement the Parties submit to the jurisdiction of the United States District Court for the State of New York.

12.12. Notice :

12.12.1 Any notice to be given under this Agreement shall be sent in writing in English by registered airmail or faxed to:

Elan at

c/o Elan International Services Ltd.
102 St. James Court
Flatts,
Smiths FL04
Bermuda

Attention: Secretary
Fax: +1 441 292 2224

Acorda at:

Acorda Therapeutics, Inc.
15 Skyline Drive
Hawthorne, New York 10532
United States of America
Attention: Chief Executive Officer
Fax : +1 914.347.4560

or to such other address (es) and fax numbers as may from time to time be notified by either Party to the other hereunder.

12.12.2 Any notice sent by registered air-mail shall be deemed to have been delivered within seven (7) working days after despatch and any notice sent by fax shall be deemed to have been delivered within twenty four (24) hours of the time of the despatch. Notice of change of address shall be effective upon receipt.

12.13. No Implied Rights :

No rights or licences are granted or deemed granted hereunder or in connection herewith, other than those rights expressly granted in this Agreement.

12.14. Arbitration :

Any dispute under this Agreement which is not settled by the Committee or the CEOs pursuant to Article 10 or otherwise by mutual consent shall be finally settled by binding arbitration, conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association by three (3) arbitrators appointed in accordance with said rules. The arbitration shall be held in New York, New York and at least one of the arbitrators shall be an independent expert in pharmaceutical product development and marketing (including clinical development and regulatory affairs). The arbitrators shall determine what discovery will be permitted, consistent with the goal of limiting the cost and time which the Parties must expend for discovery; provided the arbitrators shall permit such discovery as they deem necessary to permit an equitable resolution of the dispute. Any written evidence originally in a language other than English shall be submitted in English translation accompanied by the original or a true copy thereof. The costs of the arbitration, including administrative and arbitrators' fees, shall be shared equally by the Parties and each Party shall bear its own costs and attorneys' and witness' fees incurred in connection with the arbitration. A disputed performance or suspended performances pending the resolution of the arbitration must be completed within thirty (30) days following the final decision of the arbitrators or such other reasonable period as the arbitrators determine in a written opinion. The parties shall use all reasonable efforts to ensure that any arbitration subject to this Article 12.14 shall be completed within one (1) year from the filing of notice of a request for such arbitration. The arbitration proceedings and the decision shall not be made public without the joint consent of the Parties and each Party shall maintain the confidentiality of such proceedings and decision, subject to any contrary provision of this Agreement or unless otherwise permitted by the other Party. The Parties agree that the decision shall be the sole, exclusive and binding remedy between them regarding any and all disputes, controversies, claims and counterclaims presented to the arbitrators. Application may be made to any court having jurisdiction over the Party (or its assets) against whom the decision is rendered for a judicial recognition of the decision and an order of enforcement .

12.15. Independent Development :

Expect as expressly set forth in Article 2.2, nothing in this Agreement will impair Acorda's right to independently acquire, license, develop for itself, or have others develop for it, intellectual

property and technology performing similar functions as the Elan Intellectual Property or to market and distribute products based on such other intellectual property and technology.

12.16. Further Assurances :

At any time or from time to time on and after the date of this Agreement, each party shall at the request of the other (i) delivery to the other such records, data or other documents consistent with the provisions of this Agreement, (ii) execute, and delivery or cause to be delivered, all such consents, documents or further instruments of transfer or licence, and (iii) take or cause to be taken all such actions, as such party may reasonably deem necessary or desirable in order for such party to obtain the full benefits of this Agreement and the transactions contemplated hereby.

12.17. Entire Agreement :

This Agreement including its Appendices, Schedules and Exhibits, together set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes all prior discussions, agreements and writings in relating thereto, including the letter of agreement of 31 st December 1996, the SCI Agreement, the MS Agreement (as assigned and assumed) and any term sheets or memoranda of understandings relating to any of the foregoing.

12.18. Counterparts :

This Agreement may be executed in two counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

***

IN WITNESS THEREOF the Parties hereto have executed this Agreement in duplicate.

SIGNED

/s/ Klaas van Blanken/Pieter Bosse

for and on behalf of
ELAN CORPORATION, PLC.

Name: Monksland Holding BV
Title: Proxyholder

SIGNED

/s/ Ron Cohen

for and on behalf of
ACORDA THERAPEUTICS, INC.

Name: Ron Cohen
Title: President & Chief Executive Officer

SCHEDULE 1 ACORDA PATENT RIGHTS

GRANTED PATENT

Country	Patent Number	Grant Date	Status	Inventors
US	5,952,357	14-Sept-1999	Issued	Blass, J. et al.
	Title: TREATING DISEASES OF THE ANTERIOR HORN CELLS			
US	5,545,648	13-Aug-1996	Issued	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
AU	676,251	03-June-1997	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
CZ	28441	20-Dec-1993	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
EP	0626848	04-June-2003	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
HU	219583	19-Mar-2001	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			

KP	31250	25-Aug-1997	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
KR	301415	25-June-2001	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
NO	308.644	25-June-2001	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
NZ	258844	22-Sept-1997	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
RU	2160590	23-May-2000	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
SK	280922	20-Dec-1993	Granted	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			

PENDING PATENT APPLICATIONS

BG	99047	20-Dec-1993	Pending	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
CA	2,085,785	20-Dec-1993	Pending	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			
JP	6-514637	20-Dec-1993	Pending	Hansebout, R, et al.
	Title: THE USE OF 4-AMINOPYRIDINE IN THE TREATMENT OF A NEUROLOGICAL CONDITION			

SCHEDULE 2 ASSIGNMENT AGREEMENT

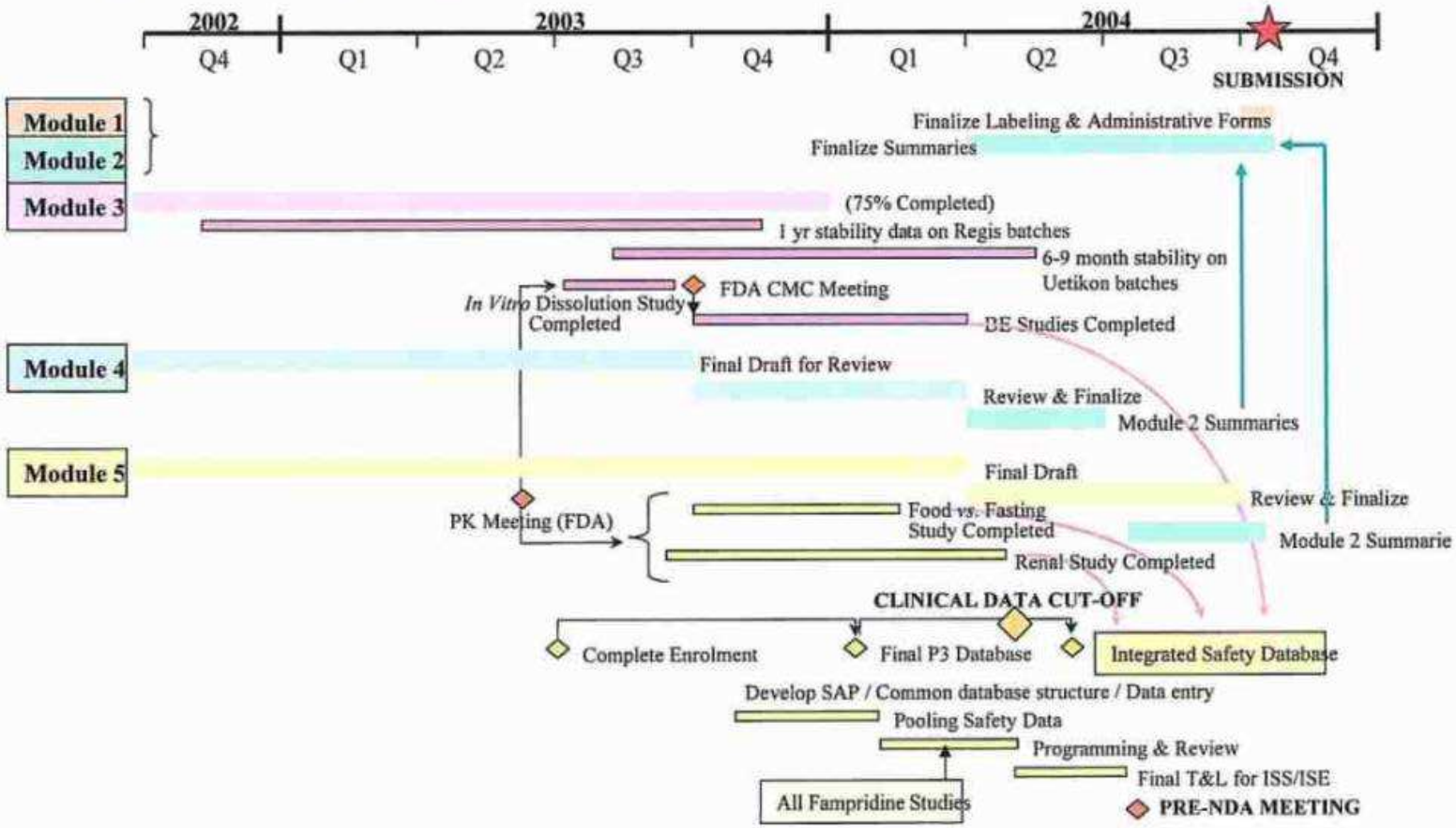
The remainder of this page is intentionally blank. The pages of this Schedule are numbered out of sequence.

SCHEDULE 3 ELAN PATENT RIGHTS

1806	Formulations and their use in the treatment of neurological diseases	Pending :	
		Canada	2054822
		Ireland	3952/90
		Japan	349324/1991
		Issued :	
		Australia	657706
		Europe	484186
		New Zealand	240439
		South Africa	91/8711
		United States	5370879
			5540938
			5580580
1832	Matrix Formulation of Potassium Chemical Blockers (Fampridine II)	Pending:	
		United States	10/389,791

SCHEDULE 4 NDA TIMELINE

NDA Timeline



SCHEDULE 5 RUSH/ACORDA LICENSE

The remainder of this page is intentionally blank. The pages of this Schedule are numbered out of sequence.

SCHEDULE 6 RUSH PAYMENTS AGREEMENT

The remainder of this page is intentionally blank. The pages of this Schedule are numbered out of sequence.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

SCHEDULE 7 SPECIFICATIONS

Current Analytical Methods and Specifications For Finished Product Contained in the US Drug Master File

[****]

SCHEDULE 8 SUPPLY AGREEMENT

The remainder of this page is intentionally blank. The pages of this Schedule are numbered out of sequence.

SCHEDULE 9 TECHNOLOGY TRANSFER RESPONSIBILITES

ELAN & ACORDA RESPONSIBILITIES IN CONNECTION WITH FAMPRIDINE DRUG PRODUCT TECHNOLOGY TRANSFER TO PATHEON, FAMPRIDINE STABILITY PROGRAM AT CARDINAL (FORMERLY MAGELLAN) & FOR API MANUFACTURERS

ELAN RESPONSIBILITIES DURING TECHNOLOGY TRANSFER TO PATHEON

- Elan will send to Patheon API, standards and samples of drug product batches required to successfully transfer the drug substance and drug product methods
- Elan will test and release API lots for the Patheon technology transfer studies
- Elan will send copies to Patheon of methods, specifications, method validation reports, batch formulae, component specifications, tablet tooling drawings, and process information as needed, to initiate method and process technology transfer
- Elan will review and approve method and process technology transfer protocols prepared by Patheon
- Elan will approve methods and process technology transfer reports
- Elan will consult with Patheon on issues as they arise during the method and process technology transfer; if required, an Elan analyst or process chemist will travel to Patheon to provide on-site assistance and training on the methods
- Elan will review analytical data and executed batch records generated from Patheon’s technology transfer work in connection with batch release by Patheon

ACORDA RESPONSIBILITIES DURING TECHNOLOGY TRANSFER TO PATHEON

- Acorda will manage Patheon project timelines
- Acorda will provide project management and technology assessment review support during method and process technology transfer
- Acorda will manage and approve the budget for the Patheon technology transfer work
- Acorda will consult with Patheon on issues as they arise during the method and process technology transfer; if required, an Acorda representative will travel to Patheon to participate in technical/project team meetings

ELAN RESPONSIBILITIES FOR PATHEON AFTER SUCCESSFUL TECHNOLOGY TRANSFER

- Elan will provide technical support and guidance to Patheon if technical issues arise
- Elan will perform release testing and regulatory release of API lots for the Patheon process validation studies if validation occurs prior to NDA approval

ACORDA RESPONSIBILITIES FOR PATHEON AFTER SUCCESSFUL TECHNOLOGY TRANSFER

- Acorda will review batch record and quality control documentation in connection with regulatory release by Patheon of process validation batches
- Acorda will manage the Patheon project
- Acorda will be responsible for compliance oversight of Patheon

- Acorda will review and approve all validation protocols and final reports generated by Patheon, as needed
- Acorda will review analytical data and batch records generated by Patheon in connection with regulatory release by Patheon
- Acorda will provide project management and technology assessment oversight and review support to Patheon
- Acorda will prepare the CTD Quality section for the NDA as it pertains to Patheon

ELAN RESPONSIBILITIES FOR CARDINAL (FORMERLY MAGELLAN) STABILITY PROGRAM

- Elan will review and approve Cardinal stability protocols
- Elan will review data generated from Cardinal's analytical testing as needed
- Elan will review stability data tables generated from the Cardinal stability studies
- Elan will notify Acorda of any out-of-specification results reported to them by Cardinal or discovered during the Elan review of stability data
- Elan will consult with Cardinal on issues as they arise during the stability studies; if required, an Elan analyst will travel to Cardinal to provide on-site assistance and training on the methods
- Elan will audit Cardinal and will be responsible for compliance oversight during the Cardinal stability studies
- Elan will participate and provide technical support during product-specific PAI activities at Cardinal as needed

ACORDA RESPONSIBILITIES FOR CARDINAL (FORMERLY MAGELLAN) STABILITY PROGRAM

- Acorda will participate in discussions with Cardinal and Elan on technical and project management issues
- Acorda will review stability protocols and final stability reports from the Cardinal studies
- Acorda will manage and approve the budget for the Cardinal stability studies
- Acorda will consult with Cardinal and Elan on issues as they arise during stability studies; if required, an Acorda representative will travel to Cardinal to participate in technical/project team meetings
- Acorda may participate in technical meetings with Cardinal and/or compliance audits that pertain to fampridine stability studies

ELAN RESPONSIBILITIES FOR PROCUREMENT OF FAMPRIDINE API

- Elan will provide technical advice to API manufacturers (Regis and Uetikon)
- Elan will perform regulatory release testing and will release batches for all incoming lots of API to be used in routine production at Elan and through process validation at Patheon (if validation takes place prior to NDA approval)
- Elan will oversee and review process validation activities at the API manufacturers
- Elan will participate and provide technical support during product-specific PAI activities at the API manufacturers as needed
- Elan will review API manufacturer’s regulatory documentation in connection with DMF submission by the API manufacturers in connection with NDA submission
- Elan will notify Acorda of any out-of-specification results reported to them by API manufacturers
- Elan will be responsible for auditing and assuring cGMP compliance at the API API manufacturers
- Elan will purchase API and manage supply chain logistics in connection with API to be used in Elan drug product production

- Elan will purchase and manage supply chain logistics in connection with API to be used in Patheon drug product only prior to NDA approval (in connection with technology transfer work and through process validation if validation occurs before NDA approval)

ACORDA RESPONSIBILITIES FOR PROCUREMENT OF FAMPRIDINE API

- Acorda will participate in discussions with API manufacturers on technical and project timeline issues
- Acorda will provide technical review support in connection with preparation of technical reports, regulatory documentation and validation documentation in connection with commercial scale-up and process optimization activities at the API manufacturers
- Acorda will participate in compliance audits of API manufacturers
- Acorda will review and advise Elan on budget matters in connection with API manufacturing and development
- Acorda will consult with Elan and API manufacturers on issues as they arise during development; if required, an Acorda representative will travel to the API manufacturers to participate in technical/project team meetings
- Acorda will be responsible for purchasing API to be used in commercial production of Patheon drug product

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the **"Agreement"**) is made and entered into as of this 19th day of December, 2003 (the **"Effective Date"**) among **ACORDA THERAPEUTICS, INC.,** a corporation organized and existing under the laws of the state of Delaware having a principal place of business at 15 Skyline Drive, Hawthorne, New York 10532, USA (**"Acorda"**), **CAMBRIDGE UNIVERSITY TECHNICAL SERVICES LIMITED,** an entity organized and existing under the laws of England having a registered address at The Old Schools, Trinity Lane, Cambridge CB2 1TS, UK. (**"CUTS"**), and **KING'S COLLEGE LONDON,** an Institution incorporated by Royal Charter, of Strand, London, WC2R 2LS, UK (**"KCL"** ; CUTS and KCL may be collectively referred to as the **"Institutions"**). Each of Acorda, CUTS and KCL may be referred to herein individually as a **"Party"** and collectively as the **"Parties."**

RECITALS

WHEREAS, CUTS is a wholly owned trading subsidiary of The Chancellor, Masters and Scholars of the University of Cambridge (**"Cambridge"**) and administers the granting of licenses on behalf of Cambridge;

WHEREAS, Professor James Fawcett of Cambridge, together with Professor Stephen McMahon and Dr. Elizabeth Bradbury of KCL, have developed technology described and claimed in the Patent Application (as defined in Section 1.17), and both Professor Fawcett and Cambridge have assigned to CUTS all of their intellectual property rights in the Patent Application, and all intellectual property rights in Professor McMahon's and Dr. Bradbury's inventions claimed in the Patent Application are owned by KCL;

WHEREAS, Institutions jointly own all right, title and interest in the international patent application entitled "Materials and Methods for the Treatment of CNS Damage";

WHEREAS, Acorda desires to obtain and Institutions wish to grant to Acorda, an exclusive (except as otherwise provided in this Agreement), worldwide development and commercialization license under such international patent application and any patents owned or controlled by the Institutions that arise or derive from such international patent application, including all intellectual property rights therein, for the development and commercialization of pharmaceutical products for all purposes; and

WHEREAS, Acorda also wishes to collaborate with Cambridge and KCL to undertake a research project on the terms set out in a sponsored research agreement of even date.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree as follows:

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

ARTICLE 1

DEFINITIONS

The following terms as used herein shall have the following meanings:

1.1 **"Active Ingredient"** means any compound or molecule, whether chemical or biological, that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect any structure or any function of the body of man or of animals. For the avoidance of doubt, this term includes those compounds or molecules that may undergo chemical change in the manufacture of a drug product and be present in such drug product in a modified form intended to furnish the specified activity or effect.

1.2 **"Affiliate"** means any corporation or non-corporate business entity which controls, is controlled by, or is under common control with Acorda. A corporation or non-corporate business entity shall be regarded as in control of another corporation if it owns, or directly or indirectly controls, at least fifty percent (50%) of the voting stock of the other corporation, or alternatively in either (a) the absence of the ownership of at least fifty percent (50%) of the voting stock of a corporation or (b) the case of a non-corporate business entity, or non-profit corporation, if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate business entity, as applicable.

1.3 **"Clinical Trial"** means any experiment in which a drug containing an Active Ingredient is administered or dispensed to, or used involving, one or more human subjects, except for the use of a marketed drug in the course of normal medical practice.

1.4 **"CNS"** means the central nervous system.

1.5 **"Control"** or **"Controlled"** means, with respect to a particular item of information or intellectual property right, that the particular Party (a) owns and has the ability to grant to another Party the licenses to such item as provided for herein, without violating the terms of an agreement with any Third Party, and/or (b) has a license to such item and has the ability to grant to another Party the licenses to such item provided for herein, without violating the terms of an agreement with any Third Party.

1.6 **"Dollars"** means United States dollars.

1.7 **"Earned Royalties"** means the royalties payable to Institutions by Acorda on Net Sales of Licensed Products by Acorda and/or its Affiliates as provided in Article 3.

1.8 **"FDA"** means the United States Food and Drug Administration or any successor entity.

1.9 **"IND"** means an investigational new drug application submitted to the FDA, which requests authorization from the FDA to administer an investigational drug or biological product to humans in the United States.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

1.10 **"Inventors"** means Professor James Fawcett, Professor Steve McMahon and Dr. Elizabeth Bradbury.

1.11 **"Licensed Enzyme Product"** means any pharmaceutical product containing or directly activating an enzyme, including but not limited to chondroitinase, to treat CNS disorders, diseases or injuries using the method covered by a Valid Claim in the Licensed Patents.

1.12 **"Licensed Patents"** means any or all of: (a) the Patent Application; (b) the substitutions, extensions, divisionals, continuations, or continuations-in-part of such Patent Application; (c) the patents issuing on any of the foregoing, including all re-examined or re-issued patents and extensions thereof; and (d) the foreign counterparts of any of the foregoing.

1.13 **"Licensed Product"** means either a Licensed Enzyme Product or a Licensed Small Molecule Inhibitor Product.

1.14 **"Licensed Small Molecule Inhibitor Product"** means any pharmaceutical product incorporating a small molecule inhibitor which is used to treat CNS disorders, diseases or injuries that is covered by a Valid Claim in the Licensed Patents.

1.15 **"Licensed Territory"** means the world.

1.16 **"Net Sales"** means the actual amounts invoiced by Acorda and/or its Affiliates for the Sale of Licensed Products to a Third Party purchaser without deduction of any commission paid to a Third Party purchaser but less the following deductions to the extent that such amounts are actually allowed or incurred with respect to such Sales: (a) freight, packaging and insurance costs incurred in transporting the Licensed Product to such customers; (b) quantity, cash and other trade discounts or rebates actually allowed and taken, including without limitation, discounts or rebates granted to managed health care organizations, or as mandated by any governmental agency or branch thereof in the Licensed Territory; (c) customs, duty, sales and other similar taxes; (d) governmental charges incurred in connection with the exportation or importation of such Licensed Products; (e) amounts repaid or credited by reason of rejections, return of goods, recalls or retroactive price reductions and (f) amounts written off in accordance with GAAP as uncollectable debts from the purchasers, not to exceed 4% of Net Sales in any particular royalty period, and provided, however that if such amounts so written off are later collected by Acorda and/or its Affiliates, then such amounts shall be deemed "Net Sales" and Acorda shall pay Institutions the applicable royalty on Net Sales in accordance with Sections 3.2 and 3.3. In any event, Acorda will use reasonable efforts to collect debts from its purchasers of Licensed Products. Sales of Licensed Products or granting of sublicenses by Acorda and its Affiliates to Third Parties shall be on an "arm's length basis" and on a bona fide basis for the purpose of maximizing revenue.

1.17 **"Patent Application"** means the international patent application entitled "Materials and Methods for the Treatment of CNS Damage," disclosing inventions by the Inventors, filed on the 4 th March 2003 having serial number PCT/GB2003/000901.

1.18 **"Payment Period"** means a semi-annual period ending 30 th June or 31 st December of each calendar year.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

1.19 "Phase I Clinical Trial" means a Clinical Trial on sufficient numbers of normal volunteers and subjects that is designed to establish that a pharmaceutical product is safe for its intended use, and to support its continued testing in Phase II Clinical Trials.

1.20 "Phase II Clinical Trial" means a Clinical Trial on sufficient numbers of subjects that is designed to establish the safety and biological activity of a pharmaceutical product for its intended use, and to define warnings, precautions, and adverse reactions that are associated with such pharmaceutical product in the dosage range to be prescribed.

1.21 "Phase III Clinical Trial" means a Clinical Trial on sufficient numbers of subjects that is designed to establish that a pharmaceutical product is safe and efficacious for its intended use, and to define warnings, precautions, and adverse reactions that are associated with such pharmaceutical product in the dosage range to be prescribed, and to support Regulatory Approval of such pharmaceutical product or label expansion of such pharmaceutical product.

1.22 "Regulatory Approval" means the approvals, registrations or authorizations of the Food and Drug Administration (FDA), or the equivalent regulatory agency in a foreign country or jurisdiction necessary for the manufacture, distribution, marketing and sale of a pharmaceutical or diagnostic product in the United States, or such foreign country or jurisdiction, as applicable.

1.23 "Sale" or **"Sold"** means the sale or other commercial disposition of a Licensed Product by Acorda, its Affiliates or sublicensees. In case of doubt, Sales of Licensed Products shall be deemed consummated no later than invoicing of payment to a Third Party for the applicable transaction involving such Licensed Product.

1.24 "Sublicense Royalties" means any royalty payments (which for clarity excludes any upfront payments, milestone payments, or any equity investments made in Acorda at fair market value (and provided further that if any equity investment is made at a premium to fair market value, the amount of such premium would be deemed Sublicense Royalties)) received by Acorda and/or its Affiliates from a Third Party sublicensee based on the Sublicense of Acorda's and/or its Affiliates rights in the Licensed Patents.

1.25 "Third Party" means any entity or individual other than Acorda, Cambridge, CUTS or KCL, or an Affiliate.

1.26 "Valid Claim" means (a) a claim of any issued, unexpired patent included among the Licensed Patents, which patent claim has not been (i) held unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, which decision is not further appealable, or (ii) rendered unenforceable through reexamination, reissue, disclaimer or otherwise, or (iii) lost through an interference proceeding, or (iv) abandoned; or (b) a pending claim of an international patent application filed under the Patent Cooperation Treaty (the **"PCT"**) included within the Licensed Patents, which claim (i) has been pending under examination for less than seven (7) years from date of filing of such claim, and (ii) has been asserted in good faith, and (iii) has not been abandoned or finally rejected without the possibility of appeal or re-filing.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

ARTICLE 2

GRANT OF LICENSE

2.1 Licenses to Acorda.

(a) Subject to Section 2.2(a), Institutions hereby grant to Acorda and its Affiliates an exclusive (even as to the Institutions), royalty-bearing license, including (subject to the provisions of Section 2.3) the right to grant sublicenses, under the Licensed Patents to use and practice the inventions and information claimed or disclosed therein that relate to enzymatic methods of treating CNS disorder, disease or injury, and to research, develop, make, have made, use, sell, offer for sale, have sold, import, export, lease and otherwise exploit Licensed Enzyme Products for all purposes in the Licensed Territory during the term of this Agreement.

(b) Subject to Section 2.2(b), Institutions hereby grant to Acorda and its Affiliates a non-exclusive, royalty-bearing license, including (subject to the provisions of Sections 2.3 and 2.4) the right to grant sublicenses, under the Licensed Patents to use and practice the inventions and information claimed or disclosed therein that relate to small molecule inhibitors for use in treating CNS disorder, disease or injury, and to research, develop, make, have made, use, sell, offer for sale, have sold, import, export, lease and otherwise exploit Licensed Small Molecule Inhibitor Products for all purposes in the Licensed Territory during the term of this Agreement.

2.2 Retained Rights.

(a) The license granted in Section 2.l(a) above is subject to a right retained by the Institutions for their selves (and also grants to Cambridge and any wholly owned subsidiary of Cambridge and/or KCL) to use and practice the portions of the Licensed Patents relating to enzymatic methods of treating CNS disorders, diseases or injuries for non-commercial, academic research and educational purposes only. Such retained right shall be transferable to other academic institutions in the event that the Inventors become employed by such institutions, provided, however, that such other institutions' right to use and practice such Licensed Patents shall be subject to the same limitations as those on the Institutions' right to use and practice hereunder.

(b) The license granted in Section 2.1(b) above is subject to a right retained by the Institutions for their selves (and also grants to Cambridge and any wholly owned subsidiary of Cambridge and/or KCL) to use and practice the portions of the Licensed Patents relating to small molecule inhibitors for use in treating CNS disorders, diseases or injuries for all commercial and/or non-commercial purposes. Such retained right shall be transferable to other academic institutions in the event that the Inventors become employed by such institutions, provided, however, that such other institutions' right to use and practice such Licensed Patents shall be subject to the same limitations as those on the Institutions' right to use and practice hereunder.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

2.3 Sublicenses. Acorda and its Affiliates shall have the right to grant sublicenses to Third Parties under any or all of their license rights in the Licensed Patents granted in Section 2.1, provided that:

(a) the pricing of all Licensed Products that may be sold by Acorda or its Affiliate to any such sublicensee shall be determined on an "arm's length basis" and on a bona fide basis for the purpose of maximizing the revenue;

(b) each such sublicense shall include obligations on the sublicensee that are consistent with the obligations made on Acorda and its Affiliates and agents and sub-contractors under this Agreement (e.g., each such sublicense will include an obligation on the sublicensee to indemnify Acorda and its Affiliates for any losses resulting from claims brought by a third party arising in connection with any personal injury and property damage caused by the manufacture, testing, design, use, Sale or labeling of any Licensed Products by such sublicensee);

(c) each such sublicense shall be memorialized in a written agreement with the sublicensee, a copy of which agreement shall be delivered to each of the Institutions within sixty (60) days of said sublicense becoming effective;

(d) each such sublicense shall terminate automatically on the termination of this Agreement for any reason whatsoever and in such circumstances the Institutions shall grant the sublicensee a direct license to the same extent wherein the financial terms shall be substantially equivalent to those of the sublicense, with all payments due under such direct license being payable directly to the Institutions;

(e) each such sublicense shall provide that Acorda may terminate the sublicense if the sublicensee commences legal proceedings to challenge the validity of any of the Licensed Patents; and

(f) Acorda and its Affiliates shall use best endeavors to enforce all payment obligations contained in each such sublicense.

2.4 Acorda and its Affiliates (or its sublicensee, as applicable) may grant only one (1) sublicense under the Licensed Patents relating to small molecule inhibitors for use in treating CNS disorders, diseases or injuries in any given jurisdiction. For clarity, the one (1) sublicense in a given jurisdiction may be a sublicense granted by another sublicensee hereunder.

2.5 No Implied License. The licenses and rights granted in this Agreement shall not be construed to confer any rights upon Acorda and its Affiliates by implication, estoppel, or otherwise as to any technology not specifically identified in this Agreement as Licensed Patents.

ARTICLE 3

COMPENSATION

3.1 Upfront Payment. Within ten (10) days of the Effective Date, Acorda shall pay Institutions an upfront license fee in the amount of forty-five thousand Dollars ($45,000).

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

3.2 Royalties on Licensed Enzyme Products. Subject to Sections 3.2(a) and 3.4, Acorda shall pay the Institutions royalties in the amount of two and one-half percent (2.5%) of the aggregate Net Sales of Licensed Enzyme Products made by Acorda and/or its Affiliates in countries in the Licensed Territory where such sales are covered by a Valid Claim in an issued patent in the Licensed Patents.

(a) Royalty Rate Adjustment. If licenses to dominant Third Party patents (that is, patents that claim the Licensed Enzyme Product or its manufacture or use) are required for Acorda or its Affiliates to research, develop, make, have made, use, sell, offer for sale, have sold, import, export, lease and otherwise exploit Licensed Enzyme Products in the Licensed Territory, Acorda may deduct, from the royalty amount payable by Acorda to Institutions, up to [***] of the royalty amounts owed the Third Party under such licenses, provided that in no event shall Institutions receive less than [***] of the aggregate Net Sales of Licensed Enzyme Products Sold by Acorda and/or its Affiliates in the Licensed Territory.

(b) Royalties on Sublicenses. Subject to Section 3.5, if Acorda and/or its Affiliates grants a sublicense under any or all of its rights in the Licensed Patents to a Third Party to research, develop, make, have made, use, sell, offer for sale, have sold, import, export, lease and otherwise exploit Licensed Enzyme Products, then Acorda will pay Institutions a percentage of all Sublicense Royalties received by Acorda and/or its Affiliates from such Third Party sublicensee based on such sublicense, according to the following schedule:

(i) If Acorda and/or its Affiliates grants such sublicense prior to filing an IND for any Licensed Enzyme Product, [***] of Sublicense Royalties;

(ii) If Acorda and/or its Affiliates grants such sublicense after filing an IND for any Licensed Enzyme Product but prior to commencing a Phase II Clinical Trial for any Licensed Enzyme Product, [***] of Sublicense Royalties;

(iii) If Acorda and/or its Affiliates grants such sublicense after commencing a Phase II Clinical Trial for any Licensed Enzyme Product but prior to commencing a Phase III Clinical Trial for any Licensed Enzyme Product, [***] of Sublicense Royalties;

(iv) If Acorda and/or its Affiliates grants such sublicense after commencing a Phase III Clinical Trial for any Licensed Enzyme Product but prior to Regulatory Approval of any Licensed Enzyme Product, [***] of Sublicense Royalties; and

(v) If Acorda and/or its Affiliates grants such sublicense after Regulatory Approval of any Licensed Enzyme Product, [***] of Sublicense Royalties.

For purposes of this Section 3.2(b) and Section 3.3(a), "commencing" a Clinical Trial shall mean administration of the first dose of a Licensed Product to a subject.

3.3 Royalties on Licensed Small Molecule Inhibitor Products. Subject to Section 3.4, Acorda shall pay Institutions royalties in the amount of one-half percent (0.5%) of the

aggregate Net Sales of Licensed Small Molecule Products by Acorda and/or its Affiliates in countries in the Licensed Territory where such sales are covered by a Valid Claim in an issued patent in the Licensed Patents.

(a) Royalties on Sublicenses. Subject to Section 3.5, if Acorda and/or its Affiliates grants a sublicense under any or all of their rights in the Licensed Patents to a Third Party to research, develop, make, have made, use, sell, offer for sale, have sold, import, export, lease and otherwise exploit Licensed Small Molecule Inhibitor Products, then Acorda will pay Institutions a percentage of all Sublicense Royalties received by Acorda and/or its Affiliates from such Third Party sublicensee based on such sublicense, according to the following schedule:

(i) If Acorda and/or its Affiliates grants such sublicense prior to filing an IND for any Licensed Small Molecule Inhibitor Product, [***] of Sublicense Royalties;

(ii) If Acorda and/or its Affiliates grants such sublicense after filing an IND for any Licensed Small Molecule Inhibitor Product but prior to commencing a Phase II Clinical Trial for any Licensed Small Molecule Inhibitor Product, [***] of Sublicense Royalties;

(iii) If Acorda and/or its Affiliates grants such sublicense after commencing a Phase II Clinical Trial for any Licensed Small Molecule Inhibitor Product but prior to commencing Phase III Clinical Trials for any Licensed Small Molecule Inhibitor Product, [***] of Sublicense Royalties;

(iv) If Acorda and/or its Affiliates grants such sublicense after commencing Phase III Clinical Trials for any Licensed Small Molecule Inhibitor Product but prior to Regulatory Approval of any Licensed Small Molecule Inhibitor Product, [***] of Sublicense Royalties; and

(v) If Acorda and/or its Affiliates grants such sublicense after Regulatory Approval of any Licensed Small Molecule Inhibitor Product, [***] of Sublicense Royalties.

3.4 Royalties on Combination Licensed Products. In the event a Licensed Product is sold in the form of a combination product containing one or more Active Ingredients in addition to the Licensed Product Active Ingredient (hereinafter **"Combination Licensed Product"**) in countries in the Licensed Territory where such sales are covered by a Valid Claim in an issued patent in the Licensed Patents, then Net Sales for such Combination Licensed Product, for purposes of calculating Earned Royalties due hereunder on Net Sales of Licensed Enzyme Products and Licensed Small Molecule Inhibitor Products (as applicable) by Acorda, will be adjusted by multiplying actual Net Sales of such Combination Licensed Product by the applicable fraction, which will be negotiated in good faith by the Parties with the intention of agreeing upon a fair and equitable formula that reasonably reflects the relative value contributed by the Licensed Product to the total value of the combination in the Combination Licensed Product, as compared to the other Active Ingredients therein. Each Party shall share with the

other Parties any information in its possession that is relevant for determining such relative value.

3.5 Sublicense Limitation . Acorda and/or its Affiliates agree to use good faith efforts to avoid an economic arrangement in the deals with their sublicensees that provide for [***]. For the avoidance of doubt any sublicenses executed by Acorda and/or its Affiliates relating to the Licensed Patents may be compared against similar stage and economic sector deals at a similar point in time and involving similar technology to determine if [***]. In addition, Acorda and/or its Affiliates shall not enter into cross-license arrangements with any Third Party sublicensee under the Licensed Patents whereby [***]. For clarity, cross-licenses received by Acorda and/or its Affiliates in the typical course of partnering transactions where each partner to the transaction grants the other partner a cross-license to enable each other to conduct collaborative in-house research and development [***]. For further clarity, grants of covenants not to sue under patent rights shall be deemed to be licenses or sublicenses, as appropriate, under this Section.

3.6 Milestone Payments . Acorda shall pay Institutions milestone payments in the amounts specified below no later than thirty (30) days after the occurrence of each milestone as described below. Acorda shall pay the specified milestone payment upon the achievement of the corresponding milestone event by Acorda, its Affiliate or sublicensee.

Event	**Milestone Payment**
Upon the issuance of the first U.S. patent included in the Licensed Patents which claims the use of chondroitinase to treat CNS damage in humans.	[***]
Upon the first IND filing to conduct a Phase I Clinical Trial for a Licensed Product.	[***]
Upon successful completion of the first U.S. Phase I Clinical Trial for a Licensed Product.	[***]
Upon successful completion of the first U.S. Phase II Clinical Trial for a Licensed Product.	[***]
Upon the approval of the first U.S. New Drug Application for a Licensed Product.	[***]
Upon receiving Regulatory Approval anywhere in the Licensed Territory for other indications of a Licensed Product, excluding any spinal cord injury indications (the **"Indication Milestone"**).	[***]

For clarity, in no event shall any milestone payment, except for the Indication Milestone, be paid more than once to Institutions pursuant to this Section 3.6. As used herein, "successful completion" of a Clinical Trial means that the complete, analyzed data and results from such Clinical Trial have met or exceeded the endpoints of the trial and support proceeding on to the next phase of Clinical Trials on the applicable Licensed Product.

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ARTICLE 4

REPORTS, PAYMENTS AND ACCOUNTING

4.1 Royalties Reports and Records. During the term of this Agreement, Acorda shall furnish, or cause to be furnished to the Institutions, written reports for each of Acorda and its Affiliates showing, for each fiscal quarter during the applicable Payment Period, the applicable information as follows:

(a) the gross sales of all Licensed Products Sold by Acorda and its Affiliates in the Licensed Territory during the reporting period, together with the calculations of Net Sales in accordance with Section 1.16;

(b) the Earned Royalties payable in Dollars, together with the calculations thereof, which shall have accrued hereunder in respect to such Net Sales;

(c) the Sublicense Royalties received by Acorda and the portion of such Sublicense Royalties payable to the Institutions in accordance with Sections 3.2 (b) and 3.3(a), as applicable;

(d) the exchange rates, if any, in determining the amount of Dollars payable to the Institutions; and

(e) the occurrence of any event triggering a milestone payment obligation in accordance with Section 3.6.

Such reports shall be substantially in the form of the template as given in Schedule 1 Part A and shall be due to Institutions within thirty (30) days after the close of the second Acorda fiscal quarter in the applicable Payment Period. Each such report shall: (a) contain a statement in substantially the form "I hereby represent and warrant that this report is true and correct to the best of my knowledge and belief" and; (b) be signed by an officer of Acorda. Acorda shall keep accurate records in sufficient detail to enable Earned Royalties, Sublicense Royalties and other payments payable hereunder to be determined, such records to include without limitation the amounts and source of any deductions made pursuant to Section 3.2(a). Acorda shall be responsible for all Earned Royalties, Sublicense Royalties and other payments that are due

Institutions from Acorda's Affiliates and have not been paid by such Affiliates. If a report required pursuant to this Section 4.1 is not submitted to the Institutions by the applicable due date, Institutions may give Acorda notice of such failure, and if Acorda does not provide such report within thirty (30) days of such notice, then Acorda shall pay to the Institutions the amount of one thousand dollars ($1,000) for each calendar month after such notice that such report remains undelivered.

4.2 Payee Designation. All payments made pursuant to Article 3 of this Agreement to be made to Institutions by Acorda (and/or its Affiliates) under this Agreement shall be paid by telegraphic transfer to the account of Cambridge University Technical Services Ltd at Barclays Bank of Bene't Street, Business Centre, PO Box No 2, Cambridge CB2 3PZ, sort code 20-17-19 account number 90532215. The Parties agree that payments made by Acorda and/or its Affiliates and received by CUTS shall satisfy Acorda's payment obligations to the Institutions hereunder.

4.3 Payment Terms. All payments made pursuant to Article 3 of this Agreement shall be made in accordance with Schedule 1 Part B. Each report pursuant to Section 4.1 shall be accompanied by payment to CUTS of the Earned Royalties, Sublicense Royalties or other payments due hereunder (as applicable) shown by said report to be due to the Institutions.

4.4 Non-Payment Terms. All payments made pursuant to Article 3 of this Agreement shall be made within thirty (30) days after the close of the second Acorda fiscal quarter in the applicable Payment Period, failing which the Institutions may charge interest on any outstanding amount on a daily basis at 3% above Barclays Bank plc base lending rate then in force. All payments due pursuant to Article 3 of this Agreement shall be made without deduction of income tax or other taxes charges or duties. Payments due between the end of the final Payment Period and termination or expiry of this Agreement shall be paid within thirty (30) days of said termination or expiry.

4.5 Right to Audit. Upon prior written notice to Acorda and not more than once in each Acorda fiscal year, the Institutions shall have the right to engage an independent, nationally-certified auditing firm selected by the Institutions and acceptable to Acorda, which acceptance shall not be unreasonably withheld, to have access during normal business hours of Acorda and on reasonable advance notice, to the applicable books and records of Acorda, as may be reasonably necessary to verify the accuracy of the royalty reports required to be furnished by Acorda pursuant to Section 4.1 of this Agreement. If such audit shows any underpayment of Earned Royalties or Sublicense Royalties by Acorda, then, within thirty (30) days after Acorda's receipt of such report, Acorda shall remit or shall cause its Affiliates to remit to the Institutions:

(a) the amount of such underpayment; and

(b) if such underpayment exceeds five percent (5%) of the total Earned Royalties and/or Sublicense Royalties owed for the fiscal year then being reviewed, the reasonably necessary fees and expenses of such auditing firm performing the audit. Otherwise, such fees and expenses shall be borne solely by Institutions. Any overpayment of Earned Royalties and/or Sublicense Royalties shall be fully creditable against future Earned Royalties and/or Sublicense Royalties payable in any subsequent Payment Period.

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4.6 Confidentiality of Records. All information provided by Acorda, or subject to review under this Article 4, shall be deemed Acorda's Confidential Information (as defined in Section 9.1). The independent, nationally-certified auditing firm shall not disclose to the Institutions or to any Third Party any such Confidential Information, except for any information showing a discrepancy in amount owed to the Institutions, and the Institutions shall not use or disclose any such Confidential Information for any purpose other than determining and enforcing its rights under this Agreement.

4.7 Currency Restrictions. Except as otherwise provided hereinafter in this Section 4.7, all Earned Royalties and Sublicense Royalties shall be paid in Dollars. If, at any time, legal or other restrictions imposed by a government or governmental agency or established by a court of competent jurisdiction in a particular country, prevent the prompt remittance and conversion into Dollars of part of or all Earned Royalties and/or Sublicense Royalties with respect to Sales of Licensed Products in such country, Acorda and/or its Affiliates shall have the right and option to make such payments by depositing the amount thereof in local currency to the Institutions' account in a bank or depository in such country.

ARTICLE 5

DEVELOPMENT RESPONSIBILITIES; DILIGENCE

5.1 Institutions' Responsibilities: During the term of this Agreement, each of CUTS and KCL (or their designates) shall:

(a) transfer to Acorda all relevant and material information and data (except grant applications) in its possession and generated by the Inventors directly relating to the inventions claimed in the Licensed Patents, except to the extent such transfer is prevented by confidentiality obligations or other limitations pursuant to agreements or understandings between each of CUTS and KCL, respectively, and a Third Party, and Acorda shall have the right to use such information and data for the protection and exploitation of the Licensed Patents, including but not limited to the development and commercialization of products covered by the Licensed Patents, in accordance with its rights under the Agreement; and

(b) have the right to review and comment on the design and implementation of any Clinical Trial to be performed by Acorda and/or its Affiliates relating to any Licensed Enzyme Product or Licensed Small Molecule Inhibitor Product, provided that Institutions shall be bound by typical confidentiality restrictions with respect to any information disclosed by Acorda relating thereto.

5.2 Acorda Responsibilities. During the term of this Agreement, Acorda and/or its Affiliates shall:

(a) subject to 12.7, give credit to the Institutions (or their designees) for co-authorship of any publications by Acorda and/or its Affiliates relating to the Licensed Patents and acknowledge the efforts of each of Cambridge, CUTS and KCL in creating the Licensed Patents; and

(b) be solely responsible for their own expenses incurred in connection with their research and development efforts relating to the Licensed Patents.

5.3 General Diligence Obligations.

(a) Licensed Patents. Acorda shall use commercially reasonable efforts to conduct further research relating to Licensed Patents from time to time to evaluate their scientific and commercial utility.

(b) Licensed Products. Acorda shall, either through its own efforts and/or those of its Affiliates, use commercially reasonable efforts to develop and commercialize, and/or sublicense for development and commercialization, Licensed Enzyme Products and Licensed Small Molecule Inhibitor Products (subject to the limitation on sublicensing in Section 2.4 with respect to Small Molecule Inhibitor Products) as it deems appropriate, in the exercise of its business judgment.

(c) Share of Information. Acorda and/or its Affiliates shall share with the Institutions and Cambridge information developed through the research efforts of Acorda and/or its Affiliates relating to the Licensed Patents, except to the extent disclosure is prevented by confidentiality obligations of an agreement between Acorda and/or its Affiliates and a Third Party.

5.4 Specific Diligence Obligations.

(a) Acorda shall, either through its own efforts and/or those of its Affiliates or sublicensees, use commercially reasonable efforts to develop and commercialize Licensed Products by performing the following actions (each, a **"Diligence Milestone"**):

(i) within [***] years of the Effective Date, file an IND for a Licensed Product;

(ii) within [***] years of the Effective Date, initiate a Phase I Clinical Trial for a Licensed Product; and

(iii) within [***] years of the Effective Date, file a New Drug Application with the FDA in the U.S. for a Licensed Product.

Acorda shall provide written notice to the Institutions within thirty (30) days after it achieves a Diligence Milestone, such notice specifying the Diligence Milestone achieved.

(b) Acorda shall send to the Institutions within thirty (30) days of each calendar anniversary of the Effective Date an updated written development plan covering as a minimum the twelve (12) calendar months preceding the calendar anniversary and the twelve (12) calendar months following it. The report shall be in the form of Schedule 1 Part C and shall show:

(i) the projected and actual dates of first commericial sale;

(ii) milestone progression (dates for projected and achieved milestones); and

(iii) all past, current and projected activities taken or to be taken by Acorda and/or its Affiliates and their sublicensees to bring Licensed Products to market and maximize the sale of Licensed Products in the Licensed Territory.

The Institution's receipt or approval of any such plan shall not be taken to waive or qualify Acorda's obligations under this Section 5.4

(c) If Acorda does not in a timely manner meet a Diligence Milestone set forth in Section 5.4(a), but Acorda provides to Institutions written evidence that it has used commercially reasonable efforts to meet such Diligence Milestone, then Institutions and Acorda shall negotiate in good faith for sixty (60) days after the applicable Diligence Milestone due date and agree upon a reasonable extension for such Diligence Milestone; provided that the period of such extension shall be between one (1) year and three (3) years. Additional extensions to the same Diligence Milestone (and correlatively, extensions to subsequent Diligence Milestones, as applicable) may be negotiated by the Parties in accordance with this Section 5.4(c), if necessary, based upon the progress that has been made by Acorda to meet the unmet Diligence Milestone.

(d) If Acorda does not in a timely manner meet a particular Diligence Milestone, and either (i) Acorda has not used commercially reasonable efforts to meet the applicable Diligence Milestone and Institutions provide the basis of such determination to Acorda in a written statement, or (ii) the Parties cannot, despite using good faith efforts, agree on a reasonable extension for the applicable Diligence Milestone in accordance with Section 5.4(c), then Institutions may, upon written notice to Acorda, terminate the exclusivity of the licenses granted to Acorda under this Agreement, which licenses shall thereafter be non-exclusive.

5.5 Non-Diligence . If Acorda ceases conducting, either itself or through its Affiliates or sublicensees, the development and/or commercialization of any and all Licensed Products, then Institutions may terminate this Agreement and the licenses granted to Acorda under this Agreement in accordance with the following provisions: the Institutions shall provide Acorda with written notice specifying in detail the basis for Institutions' belief that it has the right to terminate under this Section 5.5, and Acorda shall have sixty (60) days in which to demonstrate, to Institutions' reasonable satisfaction, that it (or its Affiliate or sublicensee), is conducting development and/or commercialization of at least one (1) Licensed Product. During such sixty (60) day period, the Parties shall discuss in good faith whether such demonstration shows Acorda's continued development and/or commercialization of at least one (1) Licensed Product; provided, however, that periods of inactivity in development that is typical for similar products in similar stages of development shall not be deemed Acorda's cessation of development. If the Parties fail to agree on whether Acorda has ceased conducting development and/or commercialization of at least one (1) Licensed Product during such period, then the Parties shall promptly agree upon and engage an independent, qualified individual (the **"Expert")** to make such determination. The Expert shall (a) have at least eight (8) years of significant experience in the biotechnology industry relating to strategic development of pharmaceutical products, (b) not be directly or indirectly affiliated with either Party or with either Party's Affiliates or sublicensees, and (c) not have any direct or indirect interest of any kind in the resolution of whether Acorda is continuing development and/or commercialization of Licensed Products. If the Expert determines that Acorda has ceased conducting development and/or commercialization of any and all Licensed Products, then Institutions may thereafter terminate this Agreement upon written notice and, if applicable, the provisions of Section 10.5 shall apply. In such event, costs for engaging such Expert shall be borne by Acorda. If the Expert determines that Acorda is continuing development and/or commercialization of Licensed Products, then the Parties shall continue their respective activities under this Agreement and costs for engaging such Expert shall be borne by Institutions. For clarity, conduct of de minimus development work which is not reasonably supportable as part of a good faith development effort shall not, of itself, prevent a finding that Acorda (or its Affiliate or sublicensee) has ceased development of Licensed Products.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

ARTICLE 6

PATENTS AND PATENT COSTS

6.1 Prosecution and Maintenance of Licensed Patents. The Institutions and Acorda shall work collaboratively to effect and conduct the ongoing patent prosecution and maintenance activities relating to the Licensed Patents. CUTS shall be primarily responsible for overseeing such ongoing patent prosecution and shall pursue such patent prosecution to further Acorda's reasonable commercial interest in the Licensed Patents. CUTS shall provide Acorda with copies of all material documents relating to the filing, prosecution and maintenance of Licensed Patents, including filings and correspondence with patent authorities, in a timely manner, so as to give Acorda an opportunity to comment thereon. Acorda may provide comments to the Institutions regarding such patent prosecution (including but not limited to guidance in the drafting of claims for the Patent Application and other Licensed Patents) and the Institutions will pay due and reasonable consideration to such comments regarding claims relating directly to Licensed Enzyme Products. Acorda agrees to keep any documentation received under this Section 6.1 confidential in accordance with Article 9 herein.

6.2 Patent Costs.

(a) Enzyme Method Patent Costs. Acorda shall pay for all reasonable costs for prosecution and maintenance of patent filings of the Licensed Patents, to the extent of claims therein relating to enzymatic methods of treating CNS disorders, diseases or injuries (**"Enzyme Method Patent Costs"**), incurred by CUTS after the Effective Date of this Agreement.

(b) Small Molecule Inhibitor Method Patent Costs. Acorda shall pay a percentage, calculated in accordance with Section 6.2(b)(i), of all reasonable costs for prosecution and maintenance of patent filings of the Licensed Patents, to the extent of claims therein relating to small molecule inhibitors for use in treating CNS disorders, diseases or injuries (**"Small Molecule Inhibitor Method Patent Costs"**), incurred by CUTS after the Effective Date of this Agreement.

(i) Allocation and Reimbursement of Small Molecule Inhibitor Method Patent Costs. Acorda shall pay the percentage of Small Molecule Inhibitor Method Patents Costs calculated on the basis of the total number of non-exclusive licenses granted by

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CUTS and/or KCL under the claims in the Licensed Patents relating to small molecule inhibitors for the treatment of CNS disorders, diseases or injuries in accordance with the following formula:

$$\text{Acorda's \%} = \frac{1}{\text{total number of non-exclusive licenses granted by CUTS and/or KCL}} \times 100$$

By way of example, if Acorda holds one (1) of two (2) non-exclusive licenses under such claims, Acorda will pay fifty percent (50%) of all Small Molecule Inhibitor Method Patent Costs.

CUTS shall promptly notify Acorda in writing of any grant of a non-exclusive license under the claims in the Licensed Patents relating to small molecule inhibitors for the treatment of CNS disorders, diseases or injuries.

(c) Calculation of Patent Costs. The Parties acknowledge and agree that it may be difficult to determine patent costs relating to either the use of enzymes, or small molecule inhibitors, for the treatment of CNS disorders, diseases or injuries, given that both methods are included in a single patent application. If any Party disagrees with the allocation of patent costs calculated in accordance with Sections 6.2(a) and 6.2(b), then Institutions and Acorda shall use their good faith efforts to negotiate and determine a reasonable allocation of any patent costs such that Enzyme Method Patent Costs will reasonably reflect prosecution and maintenance costs relating to such enzyme method and the Small Molecule Inhibitor Patent Costs will reasonably reflect prosecution and maintenance costs relating to such small molecule inhibitor method. For the avoidance of doubt, as of the Effective Date, the Small Molecule Inhibitor Patent Costs and the Enzyme Method Patent Costs each constitute fifty percent (50%) of the total patent costs for the Licensed Patents since they are combined in one patent application, provided, however, that such percentage may change during the term of this Agreement if, for example, the Patent Application is separated into multiple patent applications.

6.3 Acorda's Payment Terms. CUTS shall seek Acorda written approval prior to commitment of Enzyme Method Patent Costs and Small Molecule Inhibitor Method Patent Costs where practical and Acorda shall give or withhold approval within ten (10) calendar days. Where impractical to seek Acorda approval in the time available, CUTS shall have discretion to assume Acorda approval and commit but limit any such commitment of Enzyme Method Patent Costs and Small Molecule Inhibitor Method Patent Costs to five thousand dollars ($5,000).

6.4 Non-Payment Terms. In the event that payment is not received by CUTS within thirty (30) days of receipt by Acorda of an invoice for Enzyme Method Patent Costs and/or Small Molecule Inhibitor Method Patent Costs pursuant to Article 6 of this Agreement, the Institutions may charge interest on any outstanding amount on a daily basis at 3% above Barclays Bank plc base lending rate then in force. All payments due pursuant to Article 6 of this Agreement shall be made without deduction of income tax or other taxes charges or duties. Payments due between the end of the final Payment Period and termination or expiry of this Agreement shall be paid within thirty (30) days of said termination or expiry.

6.5 Acorda's Payment Obligation. Acorda's obligation, pursuant to Section 6.2, to pay for domestic and foreign patent filing, prosecution, and maintenance costs for Licensed Patents shall continue for so long as this Agreement remains in effect. However, Acorda may terminate such obligation with respect to any given patent and/or patent application in the Licensed Patents in any particular country and/or jurisdiction upon thirty (30) days written notice to Institutions. If Acorda terminates its payment obligation as to a particular patent or patent application, then:

(a) Acorda will be responsible for the payment of (i) all outstanding Enzyme Method Patent Costs and Small Molecule Inhibitor Method Patent Costs in the country and/or jurisdiction at the time written notice is given; and (ii) any Enzyme Method Patent Costs and Small Molecule Inhibitor Method Patent Costs in the country and/or jurisdiction necessarily and reasonably incurred during the thirty (30) days following the date such written notice is given; and

(b) all license rights of Acorda and/or its Affiliates and their sublicensees under such patent and/or patent application in such country and/or jurisdiction shall terminate and all rights under such patent and/or patent application in such country and/or jurisdiction shall revert exclusively to the Institutions without encumbrance, and Institutions shall retain the right to commercialise the Patent Application at their sole discretion.

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ARTICLE 7

INFRINGEMENT

7.1 Enforcement of Licensed Patents Relating to Enzymes. If either Acorda and/or its Affiliates or the Institutions become aware of a product made, used or sold in the Licensed Territory, which it believes infringes a Valid Claim relating to any pharmaceutical product containing or directly activating an enzyme, including but not limited to chondroitinase, to treat CNS disorders, diseases or injuries (the **"Enzyme Method"**), the Party obtaining such knowledge shall promptly advise the other Parties of all relevant facts and circumstances pertaining to the potential infringement. Acorda shall have the first right, but not the obligation, to enforce any patent rights within the Licensed Patents against such infringement, at its own expense. The Institutions shall agree to be joined with Acorda in any such legal action subject to being indemnified and secured in a reasonable manner as to any costs, damages, expenses or other liability and shall have the right to be separately represented by their own counsel at their own expense. Before starting legal action in accordance with this Section 7.1 or agreeing to any settlement, Acorda shall consult the Institutions and consider their views about the advisability of the action or settlement, its effect on the public interest and how the action should be conducted.

(a) Recovery. Any damages or costs recovered in connection with any action filed by Acorda under this Section 7.1 which exceed Acorda's out-of-pocket costs and expenses of litigation, shall be deemed to be Net Sales of Licensed Enzyme Products in the fiscal quarter received by Acorda. Earned Royalties on such Net Sales shall be payable by Acorda to Institutions in accordance with the terms of this Agreement.

(b) Backup Enforcement Right of Institutions. If Acorda does not, within one hundred twenty (120) days after receiving notice from Institutions of a potential infringement, or providing Institutions with notice of such infringement, either (i) effect the

termination of such infringement, or (ii) institute an action to prevent continuation thereof and, thereafter prosecute such action diligently, or if Acorda notifies Institutions that it does not plan to terminate the infringement or institute such action, then Institutions shall have the right but not the obligation to do so at their own expense; provided however, that Institutions shall first consult with Acorda and give due consideration to Acorda's reasons for not instituting actions to terminate or otherwise prevent continuation of such infringement. If Institutions decide to pursue such infringement, Acorda shall cooperate with Institutions in such effort, at Institutions' expense, including being joined as a party to such action if necessary. Institutions shall be entitled to retain all damages or costs awarded to Institutions in such action.

7.2 Enforcement of Licensed Patents Relating to Small Molecule Inhibitors. If either Acorda and/or its Affiliates or Institutions become aware of a product made, used or sold in the Licensed Territory, which it believes infringes a Valid Claim relating to small molecule inhibitors for use in treating CNS disorders, diseases or injuries (the **"Small Molecule Inhibitor Method"**), the Party obtaining such knowledge shall promptly advise the other Parties of all relevant facts and circumstances pertaining to the potential infringement. Institutions shall have the first right, but not the obligation, to enforce any patent rights within the Licensed Patents against such infringement, at its own expense. Acorda shall agree to be joined with the Institutions in any such legal action subject to being indemnified and secured in a reasonable manner as to any costs, damages, expenses or other liability and shall have the right to be separately represented by their own counsel at their own expense. Before starting legal action in accordance with this Section 7.2 or agreeing to any settlement, the Institutions shall consult Acorda and consider their views about the advisability of the action or settlement, its effect on the public interest and how the action should be conducted.

(a) Recovery. Any damages or costs recovered in connection with any action filed by Institutions under this Section 7.2 which exceed Institutions' out-of-pocket costs and expenses of litigation, shall be divided equally among Institutions, Acorda and any Third Party(ies) holding a non-exclusive license under Institutions' rights in Licensed Patents relating to small molecule inhibitors for use in treating CNS disorders, diseases or injuries during the term of such infringement.

(b) Backup Enforcement Right of Acorda. If Institutions do not, within one hundred eighty (180) days after receiving notice from Acorda of a potential infringement, or providing Acorda with notice of such infringement, either (i) effect the termination of such infringement, or (ii) institute an action to prevent continuation thereof and, thereafter prosecute such action diligently, or if Institutions notify Acorda that it does not plan to terminate the infringement or institute such action, then Acorda shall have the right but not the obligation to do so at its own expense; provided however, that Acorda shall first consult with Institutions and give due consideration to Institutions' reasons for not instituting actions to terminate or otherwise prevent continuation of such infringement. If Acorda decides to pursue such infringement, Institutions shall cooperate with Acorda in such effort, at Acorda's expense, including being joined as a party to such action if necessary. Acorda shall be entitled to retain all damages or costs awarded to Acorda in such action.

7.3 Enforcement of Licensed Patents Generally. If either Acorda or Institutions become aware of a product made, used or sold in the Licensed Territory, which it believes

infringes a Valid Claim that does not relate specifically to either the Enzyme Method or the Small Molecule Inhibitor Method, the Party obtaining such knowledge shall promptly advise the other Parties of all relevant facts and circumstances pertaining to the potential infringement. Acorda shall have the first right, but not the obligation, to enforce any patent rights within the Licensed Patents against such infringement, at its own expense. The Institutions shall agree to be joined with Acorda in any such legal action subject to being indemnified and secured in a reasonable manner as to any costs, damages, expenses or other liability and shall have the right to be separately represented by their own counsel at their own expense. Before starting legal action in accordance with this Section 7.3 or agreeing to any settlement, Acorda shall consult the Institutions and consider their views about the advisability of the action or settlement, its effect on the public interest and how the action should be conducted.

(a) Recovery. Any damages or costs recovered in connection with any action filed by Acorda under this Section 7.3 which exceed Acorda's out-of-pocket costs and expenses of litigation, shall be deemed to be Net Sales of Licensed Small Molecule Inhibitor Products in the fiscal quarter received by Acorda. Earned Royalties on such Net Sales shall be payable by Acorda to Institutions in accordance with the terms of this Agreement.

(b) Backup Enforcement Right of Institutions. If Acorda does not, within one hundred eighty (180) days after receiving notice from Institutions of a potential infringement, or providing Institutions with notice of such infringement, either (i) effect the termination of such infringement, or (ii) institute an action to prevent continuation thereof and, thereafter, prosecute such action diligently, or if Acorda notifies Institutions that it does not plan to terminate the infringement or institute such action, then Institutions shall have the right but not the obligation to do so at their own expense; provided however, that Institutions shall first consult with Acorda and give due consideration to Acorda's reasons for not instituting actions to terminate or otherwise prevent continuation of such infringement If Institutions decide to pursue such infringement, Acorda shall cooperate with Institutions in such effort, at Institutions' expense. including being joined as a party to such action if necessary. Institutions shall be entitled to retain all damages or costs awarded to Institutions in such action.

7.4 Invalidity or Unenforceability Defenses or Actions.

(a) If a Third Party asserts, as a defense or as a counterclaim in any infringement action under Sections 7.1, 7.2 or 7.3, that any Licensed Patent is invalid or unenforceable, or that an interference should be declared with respect to a Licensed Patent, then the Parties shall promptly meet (which meeting may at any Party's request be by telephone conference or videoconference) to discuss the response to such defense or defense of such counterclaim or action (as applicable) and shall cooperate with one another in such response or defense. The Party or Parties that are the plaintiffs in the underlying suit or action against such Third Party shall have the initial right to respond to such defense or defend against such counterclaim (as applicable), *provided* that such response or defense shall be conducted in collaboration with the other Parties, to the extent that the other Parties' intellectual property rights or rights under this Agreement are the subject of such invalidity or unenforceability defense or counterclaim. The Party plaintiff shall involve such other Party(ies) in all decisions as to such response or defense, and in any event such Party plaintiff shall not settle or otherwise compromise such defense or counterclaim in any way that adversely affects such other Party's

intellectual property rights or rights under this Agreement without such other Party's written consent, not to be unreasonably withheld or delayed.

(b) Similarly, if a Third Party asserts, in a declaratory judgment action or similar action or claim filed by such Third Party that any Licensed Patent is invalid or unenforceable or that an interference should be declared with respect to a Licensed Patent, then the Parties shall promptly meet (which meeting may at any Party's request be by telephone conference or videoconference) to discuss the defense of such action or claim and shall cooperate with one another in such defense. The Party that is the defendant in such claim, suit or action shall have the initial right to defend against same, *provided* that such defense shall be conducted in collaboration with the other Parties and a process under which each Party shall have a reasonable opportunity to participate in such defense shall be established, and in any event Acorda shall at all times be permitted to intervene in such defense, at its expense, and *provided further* that to the extent that any other Party's intellectual property rights or interests under this Agreement are the subject of, or materially impacted by, such invalidity or unenforceability claim, suit or action, the defending Party shall involve such other Party in all decisions as to such defense, and in any event such defending Party shall not settle or otherwise compromise such defense in any way that adversely affects such other Party's intellectual property rights or its rights under this Agreement without such other Party's written consent, not to be unreasonably withheld or delayed.

(c) The Party defending any claim or action under this Section 7.4 shall be responsible for one hundred percent (100%) of the out-of-pocket and reasonable costs and expenses of any such defenses, provided that if Acorda is defending, Acorda may credit such defense costs and expenses against royalties owed to Institutions under Sections 3.2 and 3.3.

7.5 Third Party Litigation. If a Third Party institutes an infringement suit or action against Acorda and/or its Affiliate and/or sublicensee alleging that the manufacture, use or sale of any Licensed Product by Acorda and/or an Affiliate and/or sublicensee, in a country in the Licensed Territory infringes one or more patent or other intellectual property right held by such Third Party (an **"Infringement Suit"**), Acorda (or such Affiliate or sublicensee) shall have the right to defend and settle such Infringement Suit at its sole expense. In such event, the Parties shall meet (which meeting may at any Party's request be by telephone conference or videoconference) and discuss in good faith the best defenses to such Infringement Suit, and Institutions shall, subject to being indemnified against any liability and having the right to be separately represented by their own counsel at their own expense, provide Acorda with reasonable assistance and cooperation in defending such Infringement Suit at Acorda's sole expense. Acorda shall have the right to credit against royalties owed to the Institutions under Sections 3.2 and 3.3 fifty percent (50%) of any costs and expenses of such defense and settlement, but solely to the extent such costs and expenses relate directly to the defense and settlement (if any) of any claims or allegations relating directly to infringement by the Licensed Product. If, however, such Third Party makes a payment to reimburse Acorda (and/or its Affiliate and/or sublicensee) for such costs and expenses of defending such infringement suit or action, then Acorda will pay to Institutions, out of such Third Party payment, a *pro rata* amount (i.e., the ratio of the amount of the Third Party payment compared to the total defense costs and expenses), but not to exceed the total amount that Acorda credited against royalties owed under the previous sentence. Notwithstanding the foregoing, Acorda (or such Affiliate or sublicensee)

shall not settle any such Infringement Suit in a manner that materially adversely impacts the Licensed Patents without Institutions' prior written consent, such consent not to be unreasonably withheld or delayed. For clarity, any costs and expenses of enforcing Licensed Patents, including those costs relating to the assertion of a counterclaim alleging infringement of Licensed Patents by a Third Party in response to an Infringement Suit, shall not be included in the calculation and allocation of costs and expenses under this Section 7.5, but instead shall be included in the calculation and allocation of costs and expenses under Section 7.1, 7.2 or 7.3, as applicable.

ARTICLE 8

INDEMNIFICATION AND LIMITATION OF LIABILITY

8.1 Limitation of Liability. NO PARTY SHALL BE LIABLE TO ANOTHER PARTY, ITS AFFILIATES, CUSTOMERS OR SUBLICENSEES FOR ANY COMPENSATORY, SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT OR THE MANUFACTURE, TESTING, LABELING, USE OR SALE OF LICENSED PRODUCTS. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 8.1 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTIONS 8.2, 8.3 OR 8.4, OR DAMAGES AVAILABLE FOR BREACHES OF CONFIDENTIALITY OBLIGATIONS IN ARTICLE 9.

8.2 Indemnification by Acorda.

(a) Indemnification of CUTS. Acorda and/or its Affiliate shall defend, indemnify and hold harmless CUTS and the University of Cambridge, and their respective directors, students and employees (the **"CUTS Indemnitees"**), from and against any and all losses, liabilities, expenses or damages (including reasonable attorneys' fees) (collectively, the **"Losses"**) resulting from claims made or legal proceedings instituted, made or brought against any CUTS Indemnitee by a Third Party arising or alleged to arise by reason of, or in connection with, any and all personal injury (including death) and property damage caused by the manufacture, testing, design, use, Sale or labeling of any Licensed Products by Acorda or its Affiliates, contractors, agents or sublicensees, except to the extent of any Losses that arise from the negligence or intentional misconduct of any CUTS Indemnitee.

(b) Indemnification of KCL. Acorda shall defend, indemnify and hold harmless KCL and its directors, students and employees (the **"KCL Indemnitees"**), from and against any and all Losses resulting from claims or legal proceedings instituted, made or brought against any KCL Indemnitee by a Third Party arising or alleged to arise by reason of, or in connection with, any and all personal injury (including death) and property damage caused by the manufacture, testing, design, use, Sale or labeling of any Licensed Products by Acorda or its Affiliates, contractors, agents or sublicensees, except to the extent of any Losses that arise from the negligence or intentional misconduct of any KCL Indemnitee.

8.3 Indemnification by CUTS. CUTS shall defend, indemnify and hold harmless Acorda and its Affiliates, directors, officers, agents, contractors, sublicensees and employees (the

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

"Acorda Indemnitees") from and against any and all Losses resulting from claims or legal proceedings instituted, made or brought against any Acorda Indemnitee by a Third Party arising or alleged to arise by reason of, or in connection with, any breach of Section 12.2 by CUTS, except to the extent of any Losses that arise from the gross negligence or intentional misconduct of any Acorda Indemnitee, and in any such event, CUTS liability to the Acorda Indemnitees shall not exceed the total amount of the portion of all payments paid by Acorda to CUTS under this Agreement that CUTS retains and is not subsequently paid by CUTS to KCL; provided however, and CUTS hereby agrees, that such limitation shall not exclude or restrict CUTS liability for any fraud or other intentional misrepresentation, or death and personal injury caused by gross negligence or wilful misconduct of any CUTS Indemnitee.

8.4 Indemnification by KCL. KCL shall defend, indemnify and hold harmless Acorda Indemnitees from and against any and all Losses resulting from claims or legal proceedings instituted, made or brought against any Acorda Indemnitee by a Third Party arising or alleged to arise by reason of, or in connection with, any breach of Section 12.1 by KCL, except to the extent of any Losses that arise from the gross negligence or intentional misconduct of any Acorda Indemnitee, and in any such event, KCL liability to the Acorda Indemnitees shall not exceed the total amount of the portion of all payments paid by Acorda to KCL under this Agreement; provided however, and KCL hereby agrees, that such limitation shall not exclude or restrict KCL liability for any fraud or other intentional misrepresentation, or death and personal injury caused by gross negligence or wilful misconduct of any KCL Indemnitee.

8.5 General Conditions of Indemnification. To be eligible to be indemnified hereunder, the indemnified Party shall provide the indemnifying Party with prompt notice of the claim giving rise to the indemnification obligation pursuant to this Article 8 and the exclusive ability to defend (with the reasonable cooperation of the indemnified Party) or settle any such claim; *provided, however*, that the indemnifying Party shall not enter into any settlement for damages other than monetary damages without the indemnified Party's prior written consent, such consent not to be unreasonably withheld or delayed. The indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim or suit that has been assumed by the indemnifying Party.

8.6 Insurance. Each Party shall maintain reasonable levels of insurance or other adequate forms of protection to satisfy its respective indemnification obligations under this Agreement.

ARTICLE 9

CONFIDENTIALITY

9.1 Nondisclosure of Confidential Information. Except as otherwise provided hereunder, during the term of this Agreement and for a period of five (5) years thereafter, each Party (the **"Receiving Party"**) agrees to retain in strict confidence, use only for the purposes of this Agreement, and not disclose any written information or data supplied by or on behalf of another Party to such Receiving Party under this Agreement and marked as proprietary or confidential (**"Confidential Information"**). Any written information, materials or data disclosed by one Party to another Party pursuant to the Confidential Disclosure Agreement

among the Parties dated July 3, 2002 shall be deemed the disclosing Party's Confidential Information under this Agreement and shall be subject to the provisions of this Article 9.

9.2 Permitted Disclosure. It shall not be a breach of this Article 9 if the Receiving Party is required to disclose another Party's Confidential Information pursuant to an order of the government or a court of competent jurisdiction, provided that the Receiving Party (a) provides such other Party with adequate notice of the required disclosure, (b) cooperates with such other Party's efforts to protect its Confidential Information with respect to such disclosure and (c) takes all reasonable measures requested by such other Party to challenge or to modify the scope of such required disclosure. To the extent that it is reasonably necessary to fulfill its obligations or exercise its rights under this Agreement, or any rights which survive termination or expiration hereof, the Receiving Party may disclose Confidential Information of such other Party to its Affiliates, sublicensees, consultants, outside contractors and clinical investigators provided that such entities or persons are bound by obligations of confidentiality and non-use no less restrictive than the obligations in this Agreement and agree to use the Confidential Information only for such purposes as the Receiving Party is authorized to use the Confidential Information hereunder.

9.3 Exceptions. The obligation of a Party under Section 9.1 not to use or disclose another Party's Confidential Information shall not apply to any part of such Confidential Information that the Receiving Party can establish by competent written proof:

(a) at the time of disclosure is in the public domain or after disclosure comes into the public domain other than by unauthorized acts of the Receiving Party obligated not to disclose such Confidential Information and/or its Affiliates and/or sublicensees in contravention of this Agreement;

(b) is disclosed to the Receiving Party, its Affiliates or sublicensees by a Third Party having the right to disclose it;

(c) can be shown by written proof to already have been in the possession of the Receiving Party, its Affiliates or sublicensees prior to disclosure under this Agreement; or

(d) results from the research and development by the Receiving Party, its Affiliates or sublicensees, independent of disclosures from the disclosing Party of this Agreement, provided that the persons developing such information have not had exposure to the Confidential Information received from the disclosing Party.

9.4 Confidential Nature of Terms of Agreement. Except as expressly provided herein, each Party agrees not to disclose any terms of this Agreement to any Third Party without the consent of the other Parties; provided, however, that disclosures may be made as required by securities or other applicable laws, or to actual or prospective investors, sublicensees, corporate or merger partners or acquirers, or to a Party's accountants, attorneys, and other professional advisors, and, in the case of the Institutions, to The Wellcome Trust and in the case of KCL to IP2IPO Limited, provided that such individuals or entities expressly agree to keep the terms of the Agreement confidential.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

ARTICLE 10

TERM AND TERMINATION

10.1 Term. Unless sooner terminated as otherwise provided in this Agreement, the term of this Agreement shall commence on the Effective Date hereof and shall continue in full force and effect until the expiration of the last to expire Valid Claim and on such date this Agreement and the licenses granted hereunder shall automatically become non-exclusive, worldwide, fully paid-up, irrevocable licenses upon such expiry.

10.2 Termination by Acorda. Acorda may terminate this Agreement at any time upon ninety (90) days prior written notice to each of CUTS and KCL.

10.3 Termination by Institutions. The Institutions may terminate this Agreement forthwith by giving written notice to Acorda if Acorda and/or its Affiliates and/or agents and/or sub-contractors and/or sublicensees commence(s) legal proceedings to challenge the validity or ownership of any of the Licensed Patents.

10.4 Termination by any Party

(a) Material Breach. CUTS and KCL may terminate this Agreement if Acorda materially breaches its material obligations under this Agreement (e.g., material failure to pay CUTS and KCL pursuant to the terms of this Agreement) and Acorda fails to cure the breach within sixty (60) days after receipt of written notice from the non-breaching Party, such notice specifying in detail the nature of the alleged breach. Acorda may terminate this Agreement if one or both of the other Parties materially breaches its material obligations under this Agreement and such breaching Party(ies) fails to cure the breach within sixty (60) days after receipt of written notice from Acorda, such notice specifying in detail the nature of the alleged breach

(b) Cease of Business. Without prejudice to any other right or remedy, any Party may terminate this Agreement at any time by notice in writing to the other Parties, if any Party ceases to carry on business, is declared by a court of competent jurisdiction to be bankrupt, or an order made or a resolution passed for the winding up of any Party or upon the appointment of a liquidator of that Party.

10.5 Consequences of Termination. No termination of this Agreement shall relieve Acorda of the liability for payment of any Earned Royalties due for Licensed Products sold prior to the effective date of such termination or for Sublicense Royalties paid or payable prior to the effective date of such termination. Notwithstanding anything herein to the contrary, upon any termination or expiration of this Agreement, Acorda shall have the right to use or sell Licensed Products on hand on the date of such termination or expiration and to complete Licensed Products in the process of manufacture at the time of such termination or expiration and use or sell the same, provided that Acorda shall submit the applicable royalty reports described in Section 4.1, along with Earned Royalty and/or Sublicense Royalty payments in accordance with Sections 3.2, 3.3 and 3.4 for Sale of such Licensed Products. For clarity, upon termination of

this Agreement under Section 10.2 or 10.3, Institutions are free to enter into a commercial license or similar agreement with any Third Party with respect to such Licensed Patents, or otherwise exploit such Licensed Patents. Further, upon the Institutions written request, the Parties shall negotiate in good faith the terms of an agreement between them on reasonable commercial terms to enable the Institutions to arrange for further exploitation of the Licensed Products as they exist at the date of termination, including to provide the Institutions with all improvements, information and results created or developed by Acorda and/or its Affiliates and/or their agents.

ARTICLE 11

ASSIGNMENT

No Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Parties, except Acorda may make such an assignment without Institutions' written consent to an Affiliate or to a successor to all, or substantially all, of the business of Acorda, whether in a merger, sale of stock, sale of assets or other transaction, provided, however, that Acorda may not assign or transfer this Agreement or any rights or obligations hereunder without Institutions' written consent to such a successor entity where a significant portion of such entity's commercial business activity constitutes: (a) the manufacture and/or sale of military arms or weapons, or (b) the manufacture and/or sale of tobacco containing products. Any permitted successor or assignee of rights and/or obligations hereunder shall, in a writing to the other Parties, expressly assume performance of such rights and/or obligations. Any assignment or attempted assignment by any Party in violation of the terms of this Article 11 shall be null and void and of no legal effect.

ARTICLE 12

MISCELLANEOUS

12.1 KCL confirms to Acorda that with respect to the Patent Application and/or the Licensed Patents:

(a) as far as KCL is aware, having neither commissioned nor performed any searches or investigations into the existence of any third party rights, KCL owns its interests in the Patent Application free and clear of all licenses and encumbrances and the like of any nature whatsoever;

(b) KCL is not currently involved in any litigation, and is unaware of any pending litigation proceedings, relating to Institutions' ownership of the Patent Application;

(c) this Agreement is a legal and valid obligation of, binding upon, and enforceable against KCL in accordance with the terms of this Agreement;

(d) the execution, delivery and performance of this Agreement does not as of the Effective Date conflict with, constitute a breach of, or violate any arrangement, understanding or agreement to which KCL is a party or by which KCL is bound;

(e) KCL has not granted to a Third Party any right or interest in any of the Licensed Patents that is inconsistent with the rights granted to Acorda herein and shall not grant a Third Party any such right during the term of this Agreement;

(f) KCL has the right to enter into this Agreement, grant the rights granted herein and perform the obligations set forth in this Agreement; and

(g) KCL is the legal owner of its right, title and interest in the inventions developed by its respective Inventors giving rise to the Licensed Patents.

12.2 CUTS confirms to Acorda that with respect to the Patent Application and/or the Licensed Patents:

(a) as far as CUTS is aware, having performed no searches or investigations into the existence of any third party rights, CUTS owns its interests in the Patent Application free and clear of all licenses and encumbrances and the like of any nature whatsoever;

(b) CUTS is not currently involved in any litigation, and is unaware of any pending litigation proceedings, relating to Institutions' ownership of the Patent Application;

(c) this Agreement is a legal and valid obligation of, binding upon, and enforceable against CUTS in accordance with the terms of this Agreement;

(d) the execution, delivery and performance of this Agreement does not as of the Effective Date conflict with, constitute a breach of, or violate any arrangement, understanding or agreement to which CUTS is a party or by which CUTS is bound;

(e) CUTS has not granted to a Third Party any right or interest in any of the Licensed Patents that is inconsistent with the rights granted to Acorda herein and shall not grant a Third Party any such right during the term of this Agreement;

(f) CUTS has the right to enter into this Agreement, grant the rights granted herein and perform the obligations set forth in this Agreement; and

(g) CUTS is the legal owner of its right, title and interest in inventions developed by Professor James Fawcett giving rise to the Licensed Patents.

12.3 Acorda confirms to Institutions that:

(a) this Agreement is a legal and valid obligation of, binding upon, and enforceable against Acorda in accordance with the terms of this Agreement;

(b) Acorda has the right to enter into this Agreement and perform the obligations set forth in this Agreement;

(c) the execution, delivery and performance of this Agreement does not conflict with, constitute a breach of, or violate any arrangement, understanding or agreement to which Acorda is a party or by which Acorda is bound; and

(d) Acorda shall be responsible for the performance by its Affiliates in accordance with the terms of this Agreement.

12.4 Disclaimer of Warranties. CUTS AND KCL MAKE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE USE, SALE, OR OTHER DISPOSITION BY ACORDA AND/OR ITS AFFILIATES AND/OR ITS SUBLICENSEES OF LICENSED PRODUCT(S).

12.5 Independent Contractor. Acorda's relationship to Institutions shall be that of a licensee only. None of the Parties shall be considered to be an employee or agent of another, nor shall this Agreement constitute, create or in any way be interpreted as a joint venture, partnership or formal business organization of any kind. In that respect, no Party shall have the authority to execute any agreement on behalf of another Party, nor shall any Party have any authority to negotiate any agreement, except as such other Party may expressly direct in writing.

12.6 Patent Marking. Acorda agrees to mark the appropriate patent number or numbers on all Licensed Products made or Sold in the Licensed Territory in accordance with all applicable governmental laws, rules and regulations, and to require its sublicensees to do the same.

12.7 Use of Names. Acorda shall obtain the prior written approval of KCL or CUTS (as applicable), such approval not to be unreasonably withheld, prior to making use of the name, trademarks, logos or symbols of KCL, the University of Cambridge, CUTS (an authorized designee of the University of Cambridge for purposes of this Agreement), or their respective employees, students and faculty members for any commercial purpose, except as required to comply with law, regulation or court order. Institutions shall obtain the prior written approval of Acorda, such approval not to be unreasonably withheld, prior to making use of the name, trademarks, logos or symbols of Acorda for any commercial purpose, except as required to comply with law, regulation or court order.

12.8 Governing Law. This Agreement and all amendments, modifications, alterations, or supplements hereto, and the rights of the Parties hereunder, shall be construed under and governed by the laws of England and shall be subject to the exclusive jurisdiction of the English courts to which the Parties hereby submit, except that a Party may seek interim injunction in any court of competent jurisdiction.

12.9 Entire Agreement. This Agreement, the Sponsored Research Agreement and the Material Transfer Agreements of even date constitutes the entire, final and exclusive agreement among the Parties hereto, and supercedes and terminates all prior agreements and understandings between the Parties, with respect to the subject matter hereof and thereof, whether written or oral, including the Confidential Disclosure Agreement among the Parties dated July 3, 2002. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party.

12.10 Survival. Articles 1, 8, 9, and 12, and Sections 4.5, 4.6, 5.2 and 10.5 shall survive termination of this Agreement for any reason.

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

12.11 Severability. All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable national laws and are intended to be limited to the extent necessary so that they will not render this Agreement illegal, invalid or unenforceable. If any provision or portion of any provision of this Agreement, not essential to the commercial purpose of this Agreement, shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the Parties that the remaining provisions or portions thereof shall constitute their agreement with respect to the subject matter hereof, and all such remaining provisions, or portions thereof, shall remain in full force and effect. To the extent legally permissible, the Parties shall use good faith efforts to agree to replace any illegal, invalid or unenforceable provision of this Agreement with a valid provision that shall implement as much as permitted the commercial intent of the illegal, invalid, or unenforceable provision. If any provision essential to the commercial purpose of this Agreement is held to be illegal, invalid or unenforceable and cannot be replaced by a valid provision which will implement the commercial intent of this Agreement, the Party(ies) who is the beneficiary of such illegal, invalid or unenforceable provision has the right to terminate this Agreement upon written notice, effective upon receipt, to the other Parties.

12.12 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given and received for all purposes (a) upon personal delivery to the appropriate address, (b) five (5) days after the date of mailing when sent first class certified or registered mail, postage prepaid, (c) three (3) business days after sending by internationally recognized express delivery service, or (d) one (1) business day after facsimile transmission to the appropriate number(s) below, with transmission confirmed by the recipient. Unless otherwise specified in writing in accordance with this Section 12.12, the mailing addresses and facsimile numbers of the Parties shall be as set forth below.

For Acorda:	Acorda Therapeutics, Inc. 15 Skyline Drive Hawthorne, New York 10532 USA Attention: Harold Safferstein, Vice President, Business Development Fax (914) 347-4560 Number:
For CUTS:	Cambridge University Technical Services Limited c/o Research Services Division University of Cambridge 16 Mill Lane Cambridge CB2 1SB, UK Attention: Director Fax Number: +44 (0)12 2333 2988
For KCL:	King’s College London KCL Enterprises Ltd James Clerk Maxwell Building 57 Waterloo Road London, SEI 8WA, UK

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

Attention: Director of Technology Transfer
Fax Number: +44 (0)20 7848 3320

12.13 Force Majeure. Any delays in, or failure of performance of any Party to this Agreement, shall not constitute a default hereunder, or give rise to any claim for damages, if and to the extent caused by occurrences beyond the control of the Party affected; including, but not limited to, acts of God, acts of terrorism, strikes or other concerted acts of workmen, civil disturbances, fires, floods, earthquakes, explosions, riots, war, rebellion, sabotage, acts of governmental authority or failure of governmental authority to issue licenses or approvals which may be required. The Party suffering such occurrence shall immediately notify the other Parties as soon as practicable and any time for performance hereunder shall be extended by the actual time of delay caused by the occurrence, provided that the Party affected by such occurrence uses reasonable efforts to overcome or avoid such delay.

12.14 Farther Assurances. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

12.15 Headings. The headings appearing in this Agreement have been inserted for convenience of reference only and shall not affect the construction, meaning or interpretation of this Agreement or any of its terms and conditions.

12.16 No Waiver. The failure by any Party, at any time, or for any period of time, to enforce any of the provisions of this Agreement, shall not be construed as a waiver of such provisions or as a waiver of any Party's rights thereafter to enforce each and every such provision of this Agreement.

12.17 Construction. This Agreement has been prepared jointly by all Parties and shall not be strictly construed against any Party.

12.18 Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one (1) and the same instrument.

[*Signature Page Follows*]

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IN WITNESS WHEREOF , Acorda, CUTS and KCL have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives below.

ACORDA THERAPEUTICS, INC.

By: /s/ Hank Safferstein
Print Name: Hank Safferstein
Title: V.P. Business Dev.

CAMBRIDGE UNIVERSITY TECHNICAL SERVICES LIMITED

By: /s/ R. C. Jennings
Print Name: DR. R. C. Jennings
Title: DIRECTOR

KING'S COLLEGE LONDON

By: /s/ SUSAN SMITH
Print Name: SUSAN SMITH
Title: DIRECTOR OF TECHNOLOGY TRANSFER

EXHIBIT 10.59

Execution Copy

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ELAN PHARMA INTERNATIONAL LIMITED
AND
ACORDA THERAPEUTICS, INC.

DEVELOPMENT AND SUPPLEMENTAL AGREEMENT TO
AMENDED AND RESTATED LICENSE AGREEMENT
DATED 26 SEPTEMBER 2003 AS AMENDED AND SUPPLY AGREEMENT
DATED 26 SEPTEMBER 2003

Fampridine QD formulation

INDEX

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This Development and Supplemental Agreement (“ **Agreement** ”) is dated 14 th day of January 2011 (the " **Effective Date** ")

PARTIES:

(1) **ELAN PHARMA INTERNATIONAL LIMITED** , with an address at Monksland, Athlone, Co. Westmeath, Ireland (“ **Elan** ”) and

(2) **ACORDA THERAPEUTICS, INC. ,** a Delaware corporation with an office at 15 Skyline Drive, Hawthorne, NY 10532, USA (“ **Acorda** ”)

BACKGROUND:

(A) Elan Corporation, plc. and Acorda are parties to (i) an Amended and Restated License Agreement dated 26 September 2003 pursuant to which, inter alia, Elan Corporation plc. granted certain licenses under its intellectual property in respect of mono- and di-aminopyridines (as amended by Amendment No. 1 defined below, the “ **License Agreement** ”) and (ii) a Supply Agreement dated 26 September 2003 pursuant to which Elan Corporation agreed to supply Product to Acorda (as amended by Amendment No. 1 defined below, the “ **Supply Agreement** ”).

(B) Elan is the successor in interest of Elan Corporation, plc.'s rights and obligations under the above described agreements.

(C) By an Amendment No. 1 Agreement to the License Agreement and Supply Agreement and Consent to Sublicense dated 30 June 2009 (“ **Amendment No. 1** ”), Elan and Acorda made certain amendments to the said agreements. The License Agreement, Supply Agreement, and Amendment No. 1 are referred to herein as the “ **License and Supply Agreement .** ”

(D) The Parties wish to pursue the development of one or more new formulations of the Compound and/or Alternate Compounds for existing and/or new indications and the commercialization of one of these additional formulations. The formulations will use Elan technologies upon the terms and conditions of the License and Supply Agreement and the terms and conditions set out below and/or third party technologies upon the terms and conditions set out below and specifically stated as applicable to a formulation developed using third party technologies. The Parties also wish to further to provide for certain clarifications in respect of the application of provisions of the License and Supply Agreement to formulations using Elan technologies.

TERMS:

The Parties agree as follows:

1. **Definitions and Interpretation**

1.1 Definitions:

In this Agreement the following expressions shall have the following meanings:

" **Agreement** " means this agreement, including its recitals, with the attached Schedules.

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" **Compound Know-How and First Product Know-How** "	means the Elan Know-How that is or will be disclosed to Acorda in relation to the Compound or to the First Product under the License or Supply Agreement. For clarity and avoidance of doubt this term shall not include any knowledge, information, trade secrets, data or expertise which is generated or created by Elan in any Further Development Plan activities.
" **Compound and First Product Know-How License** "	has the meaning set forth in Clause 4.7 .
" **Development Product** "	means the Product developed by Acorda and Elan pursuant to this Agreement, the Further Development Plan and one or more Work Plans, which Product incorporates the Development Technology. "Development Product" does not include the "First Product" but is a "Product" under the License Agreement.
" **Development Product Supply Agreement** "	has the meaning set forth in Clause 9 .
" **Development Technology** "	means the technology which is developed by Elan and/or Acorda pursuant to this Agreement.
" **First Product** "	means that specific formulation (twice daily) of the Product that is marketed as of the Effective Date in the United States under the trademark "Ampyra®".
" **Further Development Plan** "	means the development plan for the Development Product, which as of the Effective Date is set out in Schedule 1 , as it may be amended by Elan and Acorda from time to time and set out in any amendment to the Further Development Plan that may be generated in accordance with Clause 3.2 of this Agreement.
" **Non-Elan Developer** "	means any individual or entity other than Elan (including Acorda).
" **Non-Elan Development Product** "	means a formulation of Compound or an Alternate Compound developed or to be developed by a Non-Elan Developer to meet the Selection Criteria. For clarity, "Non-Elan Development Product" shall not be regarded as a "Product" for the purposes of the License and Supply Agreement or this Agreement.
" **Non-Elan Development Product Supply Agreement** "	has the meaning set forth in Clause 10.4.1

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" **Non-Elan Party Election** "	has the same meaning as that set forth in Clause 10.2.
" **Selection Criteria** "	means the target criteria for the Development Product and for each Non-Elan Development Product, as specified to Non-Elan Developers and as may be amended from time to time, which as of the Effective Date are set forth in Schedule 3 .
" **Work Plan** "	means each written plan for development of Product agreed upon by Acorda and Elan, which Work Plan sets forth the goals of the work, allocates the responsibilities of the parties for conducting the work, timelines, and any other terms and conditions agreed upon between the parties. All Work Plans shall be consecutively numbered and, upon execution by authorized representatives of the parties, shall be incorporated by reference into this Agreement.

1.2 Interpretation : In this Agreement:

1.2.1 capitalised expressions not specifically defined in this Agreement shall have the same meaning as in the License and Supply Agreement, as applicable;

1.2.2 references to clauses are to clauses of this Agreement unless stated otherwise; and

1.2.3 this Agreement shall otherwise be interpreted in the same manner as the License and Supply Agreement.

2. Effect on Existing Agreements

2.1 Except as expressly provided herein, the parties agree and acknowledge that the development, commercialization and commercial supply of the Development Product shall be governed by the License Agreement, the agreements incorporated by reference in the License Agreement, the Development Product Supply Agreement and in each case any amendments thereto (including but not limited to Amendment No 1). For clarity, the Development Plan does not apply to the Development Product or the Non-Elan Development Product.

2.2 For the purposes of clarity, the License Agreement as amended, the agreements incorporated by reference in the License Agreement, Supply Agreement and Amendment No. 1 shall continue to govern the development, commercialization and commercial supply of the First Product. For clarity and avoidance of doubt, the Parties hereby acknowledge that the consent granted by Elan to Acorda in Section 1 of the Amendment No. 1 is not modified by this Agreement.

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2.3 At appropriate times during the Term, Elan and Acorda agree that they will discuss in good faith any clarifications as may be required to any operational provisions in the License and Supply Agreement to support the development, commercialization and commercial supply of any Development Product. Any such clarifications shall be set forth in an amendment to this Agreement (or other written, duly executed Elan/Acorda agreements), executed by authorized representatives of Acorda and Elan. The Parties agree that to the extent this Agreement specifically states that certain provisions of the License Agreement and the Supply Agreement apply to Non-Elan Development Product, any capitalized terms used within the License Agreement and Supply Agreement as so referenced shall have the meaning set forth in the License Agreement or the Supply Agreement, as the case may be, unless this Agreement specifically states otherwise.

3. Development and Project Management (Development Product)

3.1 Without prejudice to Acorda's rights to cease development of the Development Product at any time, throughout the Term and in accordance with the Further Development Plan and the applicable Work Plan(s), Elan and Acorda shall use commercially reasonable efforts to develop Development Product in accordance with the Further Development Plan(s). For the purpose of clarity, Acorda, in its sole discretion, may choose to cease development of the Development Product in the event that Acorda determines that continuing such development is no longer commensurate with the achievement of its own business aims. The decision not to further develop, if made by Acorda, shall not be subject to review by the Committee nor shall it be subject to arbitration under Section 12.14 of the License Agreement.

3.2 The Further Development Plan and the applicable Work Plan(s) set forth the agreed respective responsibilities of Elan and Acorda with respect to the development of the Development Product. Without prejudice to Acorda's right to cease development at any time during the term of the Further Development Plan, Elan and Acorda shall undertake their respective obligations under the Further Development Plan and the applicable Work Plan(s) on a collaborative basis and using commercially reasonable efforts. Changes may be made to the Further Development Plan by mutual, written agreement of the parties through the Committee referenced in Section 10 of the License Agreement, which written agreement shall be set forth in an amendment to the Further Development Plan and/or Work Plan, as applicable.

3.3 Detailed development work shall be agreed and set out by the parties in one or more Work Plans, which shall be in a form broadly similar to the Work Plan format attached hereto as Schedule 2 . Each Work Plan must be mutually agreed by both parties and accepted and signed by a duly authorized representative of both parties. Executed Work Plans shall form a part of this Agreement.

3.4 Within two (2) weeks of the Effective Date of this Agreement, the parties will establish a project team (" **Project Team** "), which shall convene regularly to keep the parties fully informed as to their progress with its respective tasks and obligations under the Further Development Plan and Work Plan(s) . The Project Team shall monitor the progress of such activities.

3.5 Elan and Acorda shall update each other at meetings of the Committee as to the progress of their respective obligations under the Further Development Plan and the Work Plan(s).

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3.6 The parties shall co-operate in good faith through the Project Team and the Committee particularly with respect to unknown problems and contingencies and shall perform their respective obligations in a commercially reasonable, diligent and workmanlike manner and in accordance with all applicable laws, regulations and guidelines.

3.7 Provided that a party uses reasonable endeavours to meet its obligations under this Agreement, it shall have no liability to the other as a result of any failure or delay of the Development Product to achieve any of the goals set out in the Further Development Plan or a Work Plan(s), nor for any failure of a Development Product to obtain NDA Approval or Regulatory Approval.

4. Non-Elan Development Product

4.1 Acorda shall afford Elan a reasonable opportunity to develop a formulation meeting the Selection Criteria, and Elan and Acorda shall reasonably cooperate to enable that opportunity . The parties further agree that the entry into this Agreement and the performance of the Further Development Plan set out in Schedule 1 meet this obligation in respect of Elan being afforded a reasonable opportunity and provided with the Selection Criteria for the Development Product, as they exist as of the Effective Date.

4.2 Subject to Clause 4.3 , in the event that Acorda selects to commercialize the formulation of a Non-Elan Developer, Acorda shall discuss the reasons for its selection with Elan.

4.3 Elan acknowledges and agrees that the final decision on which formulation to develop and commercialize is within Acorda's sole discretion and that such decision is not subject to review or dispute by Elan through the Committee nor is subject to the arbitration provisions set out in Section 12.14 of the License Agreement. Acorda shall promptly disclose any agreed key financial terms of any commercialization agreement with the Non-Elan Developer to Elan, which Elan shall maintain as confidential under the confidentiality provisions of Section 12.1 of the License Agreement.

4.4 Subject to the foregoing and to the other terms and conditions of this Agreement, Acorda shall be entitled, through itself or any sublicensees, to select and commercialize one Non-Elan Development Product meeting the Selection Criteria.

4.5 Acorda shall afford Elan a reasonable opportunity to develop any other formulations containing Compound or Alternate Compound not covered by this Agreement. For the avoidance of any doubt, nothing in this Agreement shall be deemed to constitute (i) Elan's consent to the commercialisation of any other subsequent Non-Elan Development Product nor any Non-Elan Development Product that meets different selection criteria or (ii) a limitation on Acorda's existing development rights under Section 12.15 of the License Agreement.

4.6 Where Acorda elects to commercialize a Non-Elan Development Product, Acorda and Elan shall generally coordinate and manage their business relationship relating to the commercialization of the Non-Elan Development Product through the Committee that is referred to in Article 10 of the License Agreement. The Committee shall also resolve any disputed issues (excluding any issues which may arise over Acorda's formulation selection under Clause 4.3 or ceasing to develop or not developing Development Product under Clause 3.1) that may arise between the Parties per Section 10.3 of the License Agreement

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including submission to arbitration under Article 12.14. Through the Committee, Acorda shall keep Elan reasonably informed of those matters relating to the Non-Elan Development Product which reasonably affect Elan's interests, including the general progress of development, objectives for and commercial performance of the Non-Elan Development Product, clinical and regulatory filings, sales performance and sales forecasts and any actual or threatened litigation or "paragraph IV certifications" pertaining to the Non-Elan Development Product.

4.7 Elan hereby grants to Acorda a non-exclusive, non-transferable (other than to a lawful assignee of the License Agreement) license (the " **Compound Know-How and First Product Know-How License** ") under the Compound Know-How and First Product Know-How to develop, package, use, import, export, make and have made (subject to Clause 10) Non -Elan Development Product in the Territory and, in addition, to promote, distribute, market, offer for sale and sell the one particular Non-Elan Development Product (if any) that Acorda finally selects to commercialize under this Clause 4 in the Territory. The part of Compound Know-How and First Product Know-How License that enables Acorda to promote, distribute, market, offer for sale and sell any finally selected Non-Elan Development Product shall be sub-licensable to Acorda's existing sublicensee without Elan consent and to other sublicensees in accordance with the terms as set out in Section 2.3 of the License Agreement for Product; *provided that* in each case such entitiy is responsible for commercializing Non-Elan Development Product . Acorda and any sublicensee it appoints to commercialize Non-Elan Development Product shall only share Compound Know-How and First Product Know-How with Non-Elan Developers other than itself on a strictly need-to know-basis . This Compound Know-How and First Product Know-How License shall commence as of the Effective Date and shall end upon the expiry of Acorda's obligations to make payments to Elan in respect of the Non-Elan Development Product, and subject to such payments being duly made shall be irrevocable during that period.

4.8 For clarity, the foregoing provisions shall not be construed as conferring any right or license to use any intellectual property arising from Further Development Plan activities developed solely by Elan or jointly with Elan in connection with the development, manufacture or sale of a Non-Elan Development Product, nor as conferring any liability or obligations on Elan with respect to a Non-Elan Development Product other than as expressly set out Clause 4.7 and in the Non-Elan Development Product Supply Agreement and/or other agreement(s) entered into relating to the supply of Non-Elan Development Product by Elan entered into pursuant to Clause 10 (if any).

5. Manufacture and Supply of Pre-Commercial Batches of Development Product

5.1 Elan shall use commercially reasonable efforts to manufacture and supply to Acorda such quantity of the Development Product as it may reasonably require to perform its activities under the Further Development Plan and each applicable Work Plan.

5.2 Per Section 3.4 of the License Agreement, supply of Development Product shall be EXW such facility as may be specified in the applicable Work Plan or as Elan may nominate and Acorda shall reasonably approve [*****] .

5.3 Acorda's requests for Development Product shall clearly specify whether such use is for pre-clinical or clinical supply. Where Acorda requests Development Product for clinical

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supply, Elan shall manufacture it in accordance with phase specific cGMPs in addition to applicable laws and regulations.

5.4 Clauses 13.2 to 13.8 inclusive of the Supply Agreement (liability) shall apply *mutatis mutandis* in respect of the supply of pre-commercial supplies of Development Product.

6. Registration

6.1 Acorda shall be responsible, at its own expense, for conducting such pre-clinical and clinical studies as are required to obtain Regulatory Approval for the Development Product. Elan shall reasonably cooperate with Acorda in obtaining such approvals at Acorda's expense.

6.2 Elan will prepare and utilize a DMF (or similar structure for international filings) at Acorda's expense for the Development Product and Acorda shall have a right of reference to the extent required by any regulatory jurisdiction until such time, if any, as Acorda terminates all development programs related to Non-Elan Development Product. Upon receipt of notice of such termination, Elan will discontinue use of the DMF and promptly provide the relevant CMC information to Acorda in support of Acorda's regulatory filing(s), at Acorda's expense and otherwise in accordance with the provisions of Section 3.8 of the License Agreement.

7. Additional Financial Provisions

7.1 Development Fees for Development Product . Acorda shall pay to Elan fees in respect of Elan's activities under this Agreement at a rate of FTE plus [*****], invoiced and payable monthly. Each invoice shall identify the particular work requested by Acorda and performed by Elan under the Work Plan(s) and Further Development Plan(s), as applicable. Further, the provisions of Sections 5.1.3 (development records) and 5.1.4 (third party development costs) of the License Agreement shall apply *mutatis mutandis; provided, however,* that in reference to third party development costs Elan shall have the right to charge Acorda for the time spent by Elan employees in administering the work conducted by such third parties at [*****] as well as the third party development costs incurred by Elan.

7.2 Non-Elan Development Product Compensation . Notwithstanding any contrary provision of the License Agreement, in consideration of Elan's agreement to permit Acorda to commercialize the Non-Elan Development Product on the terms and conditions herein and in consideration of the grant of the Compound Know-How and First Product Know-How License, Acorda shall pay to Elan:

7.2.1 [*****];

7.2.2 [*****];

7.2.3 [*****]; and

7.2.4 [*****];

in each case as if (a) defined terms [*****] and [*****] referred to the Non-Elan Development Product instead of the Product and as if (b) the references in Section 5.3.1 of the License Agreement and defined terms used therein to "Product" additionally referred to the Non-Elan Development Product.

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7.3 Application of Rush Payments Agreement . For the avoidance of doubt, Acorda shall remain responsible to make payments to Elan under the Rush Payments Agreement in respect of the Development Product or the Non-Elan Development Product, as applicable, on the basis that "NSP" as used therein refers to such products respectively.

7.4 Ancillary .

7.4.1 Section 5.9 of the License Agreement (payments, reports and records) shall apply in respect of the Non-Elan Development Product *mutatis mutandis* .

7.4.2 Payments under Clause 7.2.1 shall be made upon provision of the Statement;

7.4.3 Payments under Clause 7.2.2 shall be made in accordance with the applicable supply agreement entered into pursuant to Clause 10 , if applicable , and otherwise upon provision of the Statement.

7.4.4 In respect of payments under Clause 7.2.4 [*****], Sections 5.3.2 to 5.3.5 (payment terms) of the License Agreement shall apply *mutatis mutandis* .

For clarity and as stated above, the manner and method of payment for Non-Elan Development Product are identical to the equivalent terms set out for Product payments in the License Agreement.

8. Application of License Agreement

In relation to clarifying the precise manner in which the License Agreement applies to the Development Product, in addition to specific citations to sections of the License Agreement herein, Elan and Acorda agree as follows:

8.1 Intellectual Property . At appropriate times during the Term and from time to time, Elan and Acorda shall prepare revised schedules of Elan Patent Rights and Acorda Patent Rights, reflecting such patents and patent applications as are incorporated and/or used in the Development Product.

8.2 License Provisions . For the purpose of clarification, Elan and Acorda agree that:

8.2.1 the reference in the definition of "Elan Patent Rights" to the infringement by the manufacture, use or sale of the Product is to be read as a reference to infringement by the manufacture, use or sale of the First Product or the Development Product ; and

8.2.2 the references in the definition of "Elan Patent Rights" and "Elan Know How" to development "in connection with the Project" is to be read as if it additionally referred to development pursuant to this Agreement.

8.3 Regulatory Expressions . The definitions of "NDA", "NDA Approval", "Regulatory Approval", and terms referring to those defined terms shall be construed as they relate to the First Product or the Development Product, as applicable.

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8.4 Diligence . Subject to Acorda's formulation selection right under Clause 4.3, Section 2.11 (Diligence) of the License Agreement shall apply in respect of the Non-Elan Development Product *mutatis mutandis* . In performing its obligations under Section 2.11 of the License Agreement, Acorda shall be entitled to select a commercially reasonable strategy determining the priority as between the First Product on the one hand and the Development Product or Non-Elan Development Product, as the case may be, on the other.

8.5 Royalties . In the event that (a) the Development Product is being commercially sold and (b) Elan is manufacturing one, but not both, of the First Product and the commercially sold Development Product, the Elan Royalty specified in Section 5.6 of the License Agreement shall be calculated separately for the First Product and the Development Product.

8.6 Committee . Article 10 (Committee) of the License Agreement shall be read as if it additionally referred to the Further Development Plan and its budget as appropriate. For clarity, nothing in this Agreement is intended to expand upon the oversight responsibility of the Committee with respect to Product as set forth in Article 10 of the License Agreement.

9. Development Product Supply Agreement

9.1 Not less than eighteen (18) months prior to the anticipated date of commercial launch of the Development Product, Elan and Acorda shall negotiate in good faith an amendment to the Supply Agreement or a new substantially similar supply agreement in respect of such Development Product (" **Development Product Supply Agreement** "), which Development Product Supply Agreement shall contain the financial terms set out in this Agreement and any other provisions of this Agreement that pertain to the Development Product, together with one or more quality agreements as appropriate. The decision as to whether to amend the existing Supply Agreement or to create a substantially similar supply agreement for Development Product shall be decided by the Committee.

9.2 The price of the Development Product manufactured by Elan under the applicable Development Product Supply Agreement (or under the applicable amendment to the Supply Agreement) shall [*****]. The foregoing shall be in lieu of the price stated in Clauses 9.3 and 9.4 of the Supply Agreement.

9.3 Elan shall enable the use of a mutually agreed independent second source for manufacture of the Development Product upon terms substantially similar set out in Clause 7 of the Supply Agreement, as agreed upon by the Committee and as set out in the Development Product Supply Agreement.

9.4 Except as set out in this Clause 9 , as may be operationally necessary for the manufacture of a Development Product, or as may otherwise be agreed by Elan and Acorda in the Development Product Supply Agreement, the terms of the Development Product Supply Agreement shall be the same as those set out in the Supply Agreement.

10. Non-Elan Development Product Supply Option

10.1 In the event that Acorda, chooses to commercialize a Non-Elan Development Product in accordance with Clause 4.4 of this Agreement, Elan shall have the first option to manufacture or have manufactured by an Affiliate all or a portion of the selected Non-Elan Development Product.

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10.2 Within forty-five (45) days of the decision to proceed to commercialization of a Non-Elan Development Product (a " **Non-Elan Party Election** "), Acorda shall notify Elan in writing, and shall procure that Elan is provided within that period with such information as would normally be made available to a third party manufacturer together with such other information as Elan may reasonably request for the purpose of determining whether it wishes to undertake such manufacture. To this end, Acorda shall procure that the applicable Non-Elan Developer is made available and with Acorda in attendance and shall cooperate fully to answer queries which Elan may have in this regard, subject to the terms of a three-way confidential disclosure agreement to be entered into between Acorda, Elan and the Non-Elan Developer.

10.3 Within ninety (90) days of receipt of all such requested information, Elan shall notify Acorda in writing whether it is willing to and believes that it is able to manufacture such Non-Elan Development Product, and the portion of the Non-Elan Development Product it wishes to manufacture. If Elan does not so notify Acorda within that period, and to the extent of the portion which Elan is not willing to or does not believe that it will be able to manufacture, Acorda shall be entitled (but not obliged) to have such Non-Elan Development Product manufactured elsewhere.

10.4 In the event that Elan agrees to and is able to manufacture such Non-Elan Development Product:

10.4.1 Elan and Acorda shall negotiate in good faith the terms and conditions of, and enter into, a supply agreement consistent with this Clause 10 and otherwise with (a) non-financial terms similar to those contained in the Supply Agreement, to the extent feasible, and (b) the financial terms set out in Clause 7.2.2 (" **Non-Elan Development Product Supply Agreement** "); and

10.4.2 Elan shall and Acorda shall procure that the Non-Elan Developer negotiates in good faith a technology transfer agreement and plan for the purposes of enabling Elan to manufacture the Non-Elan Development Product. Each party shall be responsible for its own costs of all such activities and Acorda shall be responsible for any costs or expenses that may be invoiced by the Non-Elan Developer. Acorda shall be responsible at its own cost for obtaining for Elan all intellectual property rights and licenses required to undertake such manufacture.

10.5 Elan shall maintain the right to protect and control any confidential or proprietary data of Elan as set forth in the License Agreement or any applicable confidentiality or other agreement which may be entered into by Elan.

11. Term and Termination

11.1 This Agreement shall commence on the Effective Date and shall continue in force until the expiry or termination of the License Agreement, howsoever arising, unless terminated earlier as set forth herein. In the event that any of the terms or provisions hereof are incurably breached by either Party, the non-breaching Party may immediately terminate this Agreement by written notice. In the event of any other breach, the non-breaching Party may terminate this Agreement by the giving of written notice to the breaching Party that this Agreement will terminate on the sixtieth (60th) day from notice unless cure is sooner effected. If the breaching Party has proposed a course of action to rectify the

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breach and is acting in good faith to rectify same but has not cured the breach by the sixtieth (60th) day, the said period shall be extended, at the sole discretion of the non-breaching party, by such period as is reasonably necessary to permit the breach to be rectified.

11.2 For the avoidance of doubt, termination of this Agreement pursuant to Clause 11.3 or 11.1 shall not of itself result in termination of the License Agreement or the Supply Agreement.

11.3 Upon Acorda's notice to Elan of a Non-Elan Party Election, Elan's and Acorda's obligations in respect of those Work Plans concerning the Development Product not selected shall automatically terminate, subject to Clause 11.4 below .

11.4 Upon expiry or termination of this Agreement or upon the termination of obligations in respect of specific Work Plans, Elan shall provide Acorda with an timely estimate of any wind down costs and Acorda shall be responsible for:

11.4.1 payment in full for all work conducted by Elan under this Agreement (and authorized under the Further Development Plan and/or, as applicable, the specific Work Plans) up to the effective date of termination and the wind down costs of all terminated WorkPlan and Further Development Plan activities; and

11.4.2 all uncancellable out of pocket costs reasonably incurred or committed prior to the effective date of termination by Elan in contemplation of the applicable Work Plan(s) and/or terminated Further Development Plan.

11.5 Clause 8 shall remain in force until expiry or termination of the License Agreement and Clause 3.7 shall remain in force indefinitely.

11.6 On a country by country basis, in respect of the Development Product, the following provisions shall continue in force until the latest of the following dates (the " **Development Product End Date** "):

(a) ten (10) years starting from the date of First Commercial Sale of the Development Product in that country;

(b) the expiry of the last to expire patent or patent application included in the Elan Patent Rights in that country;

(c) the date on which no Elan Know-How remains capable of enforcement against third parties;

(d) the loss of regulatory exclusivity in respect of the Development Product in that country; and

(e) the existence of Competition in that country –

the said surviving provisions being: (i) Acorda's obligations under Sections 5.3, 5.5, 5.6 and 5.9 of the License Agreement; (ii) Acorda's obligations under the Rush Payments Agreement; (iii) the equivalent provisions in the applicable Development Product Supply Agreements to Clause 9.5 of the Supply Agreement, as if that provision referred to any Development Product purchased up to and including the Development Product End Date

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have been separately filed with the Commission.

otherwise than pursuant to such Development Product Supply Agreement; and (iv) Clauses 4 , 7.2 to 7.4 inclusive, 10 , 13 , 14 and 15 of this Agreement.

11.7 On a country by country basis, in respect of the Non-Elan Development Product selected for commercialisation, the provisions referred to below shall continue in force until the latest of the following dates (the " **Non-Elan Product End Date** "):

(a) ten (1 0) years starting from the date of First Commercial Sale (as said term is defined in the License Agreement but in reference to Non-Elan Development Product rather the Product) of that Non-Elan Development Product in that country;

(b) the expiry of the last to expire patent or patent application covering such Non-Elan Development Product which Acorda or any Affiliate or Designee owns, licenses or controls;

(c) the date on which no knowledge, information, trade secrets, data or expertise covering such Non-Elan Development Product which Acorda or any Affiliate or Designee owns, licenses or controls remains capable of enforcement against third parties;

(d) the loss of regulatory exclusivity in respect of such Non-Elan Development Product in that country; and

(e) the existence of Competition in that country

the said surviving provisions being Clauses 4 , 7.2 to 7.4 inclusive, 10 , 13 , 14 and 15 of this Agreement.

11.8 Acorda and its Affiliates will not directly or indirectly market as a prescription medicine any other sustained release oral dosage form or transdermal form, containing the Compound or any other mono- or di-aminorpyridine active agent, other than Product (including a Development Product), or the one Non-Elan Development Product (if any) selected for commercialisation, during the period in which Acorda has an obligation to make payments to Elan under this Agreement and for one year thereafter. The foregoing shall be in addition to the restrictions contained in Section 2.2 of the License Agreement, but for the purposes of that Section such selected Non-Elan Development Product shall not be considered an "Acorda Competing Product". For the avoidance of doubt this Clause 11.8 shall survive termination of this Agreement.

12. Warranties

Elan and Acorda each represent and warrant to the other that:

12.1 it has the right to enter into this Agreement and perform its obligations under it;

12.2 there are no agreements between that party and any third party that conflict or may conflict with this Agreement; and

12.3 it does not require any consents from any third party to enter into and/or perform its obligations under this Agreement, including in the case of Acorda, from its sub-licensee

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Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality.
Such omitted portions, which are marked with brackets [ ] and an asterisk*,
have been separately filed with the Commission.

13. Confidentiality

The provisions of Section 12.1 of the License Agreement shall apply to information disclosed between the parties for the purposes of this Agreement, including the terms of this Agreement, as if set out in full.

14. Assignment

14.1 Either party may assign this Agreement to any person or entity to whom it could properly assign its rights and obligations under the License Agreement.

14.2 Except as set out above, neither party may assign this Agreement without the prior written consent of the other party

15. General

15.1 Limitation of Liability . UNLESS RESULTING FROM A PARTY'S WILLFUL MISCONDUCT OR FROM A PARTY'S BREACH OF CLAUSE 13 OF THIS AGREEMENT (ARTICLE 12.1 OF THE LICENSE AGREEMENT) OR AS MAY BE EXPRESSLY SET FORTH IN THE DEVELOPMENT SUPPLY AGREEMENT OR THE NON-ELAN DEVELOPMENT PRODUCT SUPPLY AGREEMENT, AS APPLICABLE, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, MULTIPLE OR OTHER INDIRECT DAMAGES, OR FOR LOSS PROFITS, LOSS OF DATA, LOSS OF REVENUE OR LOSS OF USE DAMAGES, ARISING FROM OR RELATING TO THIS AGREEMENT OR THE DEVELOPMENT PRODUCT SUPPLY AGREEMENT OR THE NON-ELAN DEVELOPMENT PRODUCT SUPPLY AGREEMENT, WHETHER BASED UPON WARRANTY, CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES. NOTHING IN THIS CLAUSE 15.1 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER THIS AGREEMENT, THE DEVELOPMENT PRODUCT SUPPLY AGREEMENT OR THE NON-ELAN DEVELOPMENT PRODUCT SUPPLY AGREEMENT.

15.2 Method of Calculation of Payments . The parties acknowledge and agree that the methods for calculating the royalties, fees, supply prices, compensating payments and other payments under this Agreement and under the License Agreement (as interpreted in accordance with this Agreement), Supply Agreement, Development Product Supply Agreement (if any) and Non-Elan Development Product Supply Agreement (if any), are for the convenience of the parties, are freely chosen and not coerced.

15.3 Parties Bound : This Agreement shall be binding upon and run for the benefit of the parties, their successors and permitted assigns.

15.4 Relationship of the Parties : In this Agreement, nothing shall be deemed to constitute a partnership between the parties or make either party an agent for the other, for any purpose whatsoever.

15.5 Entire Agreement : Without prejudice to the License Agreement and Supply Agreement and any other agreements incorporated by reference therein, this Agreement constitutes the entire agreement and understanding between the parties with respect to its subject matter. Except as expressly provided, this Agreement supersedes all prior representations, writings, negotiations or understandings with respect to that subject matter. The parties

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have been separately filed with the Commission.

acknowledge that, in entering into this Agreement, they have not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set forth in this Agreement. Nothing in this clause shall limit or exclude any liability for fraud.

15.6 Severability : If any provision in this Agreement is deemed to be, or becomes invalid, illegal, void or unenforceable under applicable laws, such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable, or if it cannot be so amended without materially altering the intention of the parties, it will be deleted, but the validity, legality and enforceability of the remaining provisions of this Agreement shall not be impaired or affected in any way.

15.7 Further Assurance : Each party shall do and execute, or arrange for the doing and executing of, each necessary act, document and thing reasonably within its power to implement this Agreement .

15.8 Counterparts : This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement .

15.9 Waivers : A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

15.10 Variations . No modification, amendment, or waiver of any provision of this Agreement shall be valid unless in writing and signed by a duly authorised officer or representative of each of the parties hereto.

15.11 Notices:

15.11.1 Elan and Acorda hereby acknowledge that pursuant to Section 12.12.1 of the License Agreement, the following addresses, fax numbers and contact names shall apply in lieu or those originally stated therein:

(a) in the case of Elan (which constitutes notice):

Address: Elan Pharma International Limited
Monksland
Athlone, Co. Westmeath, Ireland

Fax: +(353) 9064 95402
Marked for the attention of: Vice President and General Counsel

with a copy (receipt of which shall not constitute notice) to:

Address: Elan Pharma International Limited
Treasury Building
Grand Canal Street Lower

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Such omitted portions, which are marked with brackets [ ] and an asterisk*,
have been separately filed with the Commission.

Dublin 2, Ireland

Fax: +(353) 1 709 4700
Marked for the attention of: Vice President, Commercial Management

(b) in the case of Acorda (which constitutes notice) :

Address: Acorda Therapeutics, Inc.
15 Skyline Drive
Hawthorne, New York 10532

Fax: (914) 347-4560
Marked for the attention of: Ron Cohen, President and Chief Executive Officer

With a copy (receipt of which shall not constitute notice) to the attention of: General Counsel, at the same address

15.11.2 Subject to those changes, Section 12.12 of the License Agreement shall apply to any notice required under this Agreement as if set out in full.

15.12 Governing Law and Arbitration : This Agreement is construed under and ruled by the laws of the State of New York, excluding its conflict of laws rules. For the purpose of this Agreement, the Parties submit to the jurisdiction of the United States District Court for the State of New York. Section 12.14 of the License Agreement (arbitration) is hereby incorporated as if it were set out at length herein and is applicable to Non-Elan Development Product as provided herein, and reading references in that Clause to Article 10 of the License Agreement (Committee) as interpreted in accordance with this Agreement.

***

Signatures begin on next page

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have been separately filed with the Commission.

EXECUTED by the parties on the date appearing at the top of page 1.

SIGNED

/s/ William F. Daniel
Duly authorised for and on behalf of
ELAN PHARMA INTERNATIONAL LIMITED
William F. Daniel

SIGNED

/s/Ron Cohen
Duly authorised for and on behalf of
ACORDA THERAPEUTICS, INC.
Ron Cohen, M.D.

SCHEDULE 1

[*****]

[*****]

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

SCHEDULE 2
WORK PLAN FORMAT

Compound : **(INSERT DETAILS)**

Scope of Work : **(INSERT DETAILS)**

Elan Activities: **(INSERT DETAILS)**

Acorda Activities: **(INSERT DETAILS)**

Estimated Fee: **(INSERT DETAILS)**

The Estimated Fee for the Elan services contemplated by this Work Plan is _____ U.S. dollars (US $0000.00), including all out-of-pocket expenses. ("Total Estimated Fee"). With respect to any potential cost overruns, the Parties agree that such overruns shall not exceed [*****] of the Total Estimated Fee. Acorda shall not be required to pay and Elan shall have the right to discontinue it services if the cost of performing the services under this workplan exceeds [*****] of the Estimated Fee. Elan shall resume unperformed services if an amendment to this work plan or a new work plan to complete the services is agreed and executed by Acorda and Elan.

Acorda shall reimburse Elan as set out in this Work Plan for labour at Elan's FTE plus [*****] and actual out-of-pocket expenses incurred by Elan in conducting work under this Work Plan.

Elan shall invoice Acorda for such costs no more than once per month. Elan shall provide a reasonably detailed invoice to identify the work performed and costs incurred under the invoice. Invoices shall be paid by Acorda within thirty (30) days of invoicing and Elan shall, without prejudice to other remedies, be entitled to stop work if payment is not made within this time period.

Estimated Timelines: **(INSERT DETAILS)**

Elan estimates that the Elan activities detailed in this Work Plan will be completed approximately ____ weeks/months after this Work Plan has been executed.

Should a conflict arise between the terms and conditions of this Work Plan and the terms and conditions of the Development and Supplemental Agreement, Elan and Acorda agree that the terms and conditions of the Development and Supplemental Agreement shall prevail.

Agreed and Accepted by:

Duly authorised for and on behalf of
Elan Pharma International Ltd.

By:_____

Na me:
Title:
Date:

Duly authorised for and on behalf of
Acorda Therapeutics, Inc.

***By:*_____**

Name:
Title:
Date:

P.O. Number: _____

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SCHEDULE 3
SELECTION CRITERIA

Criteria for Evaluation:
Specific criteria are to be developed based on [*****] .

- The new formulation must be assessed [*****]
- Timing: [*****] .
- Cost: [*****] .

End of Schedule 3

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

EXHIBIT 10.60

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

AMENDMENT #1 TO LICENSE AGREEMENT
("Amendment #1")

Reference is made to the License Agreement (the "Agreement"), with an Effective Date of December 19, 2003, between **Acorda Therapeutics, Inc.** , a Delaware corporation having a place of business at 15 Skyline Drive, Hawthorne, NY 10532 USA, ("Acorda"), **Cambridge Enterprise Limited** ("CE" and formerly known as Cambridge University Technical Services Limited ("CUTS")), a company incorporated in England and Wales (registered number 1069886) whose registered address is at The Old Schools, Trinity Lane, Cambridge CB2 1TN, UK and **Kings College London** , an institution incorporated by Royal Charter, of Strand, London WC2R 2LS, UK ("KCL"). CE and KCL may be collectively referred to herein as the "Institutions", and Acorda, CE and KCL may each also be referred to individually as a "Party" and collectively as the "Parties" for the purpose of this Amendment #1.

WHEREAS, Acorda and the Institutions desire to amend the Agreement to add, update and clarify certain terms and conditions relating to fees, milestones, royalties and diligence;

NOW THEREFORE, Acorda and the Institutions do hereby amend the Agreement as follows:

1. Unless otherwise defined in this Amendment #1, the defined terms below shall have the meaning set forth in the Agreement.

2. The following provision is hereby added to Article 3 of the Agreement:

3.7 [*****].

3. The following provision is hereby added to Article 3 of the Agreement:

3.8 Royalty Term. Earned Royalties and Sublicense Royalties shall be payable by Acorda to the Institutions on a country by country basis as follows:

(a) If no patent term extension is granted on a Licensed Patent, then until the later of:

i. the expiry of the last Licensed Patent in such country; or

ii. [*****] after the first commercial Sale of a Licensed Product in such country.

_____
Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

(b) If a patent term extension is granted on a Licensed Patent, then until the expiry of the last Licensed Patent in such country.

4. Article 5.4(a) of the Agreement is hereby deleted and replaced in its entirety with the following:

5.4 Specific Diligence Obligations

(a) Acorda shall, either through it own efforts and/or those of its Affiliates or sublicensees, use commercially reasonable efforts to develop and commercialize Licensed Products by performing the following actions (each, a " **Diligence Milestone** "):

i. within [*****] of acceptance by the FDA of an IND for a Licensed Product, initiate a Phase I Clinical Study for a Licensed Product;
ii. within [*****] of the successful completion of the final Phase III Clinical Trial, file a New Drug Application with the FDA in the U.S. for a Licensed Product

5. The term "successful completion", as defined in the last sentence Article 3.6, shall be amended as follows:

As used in this Articles 3.6 and 5.4, "successful completion" of a Clinical Trial shall mean the achievement of statistical significance in respect of the primary endpoint(s) of the Clinical Trial, or achievement of statistical significance in respect of the secondary endpoint(s) of the Clinical Trial following which Acorda continues clinical development with a further Clinical Trial of later phase.

6. Except as otherwise expressly modified by this Amendment #1, all terms and conditions contained in the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF , the Parties have caused this Amendment #1 to be duly authorized, executed, and delivered as of the last date set forth below (the "Amendment #1 Effective Date").

CAMBRIDGE ENTERPRISE LIMITED	**ACORDA THERAPEUTICS, INC.**
By : /s/ Dr. R.C. Jennings	
Name: Dr. R.C. Jennings	By: / s/ Ron Cohen
Title: Director	
Date: 9/2/11	Date: 3/4/11

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

KINGS COLLEGE LONDON

By: /s/ Mike Shaw, PhD.
Name: Mike Shaw, Ph.D.
Title: Commercial Director
King's College London Business Ltd.
For and on behalf of King's College London

Date: 21/2/11

Certain portions of this Exhibit have been omitted pursuant to a request for confidentiality. Such omitted portions, which are marked with brackets [ ] and an asterisk*, have been separately filed with the Commission.

Exhibit 31.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Ron Cohen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acorda Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2011

/s/ RON COHEN
Ron Cohen
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, David Lawrence, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acorda Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2011

/s/ DAVID LAWRENCE
David Lawrence
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Acorda Therapeutics, Inc. (the "Company") for the fiscal quarter ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ron Cohen, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ RON COHEN
RON COHEN
Chief Executive Officer
(Principal Executive Officer)
May 9, 2011

[A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Acorda Therapeutics, Inc. and will be retained by Acorda Therapeutics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Acorda Therapeutics, Inc. (the "Company") for the fiscal quarter ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Lawrence, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID LAWRENCE
DAVID LAWRENCE
Chief Financial Officer
(Principal Financial Officer)
May 9, 2011

[A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Acorda Therapeutics, Inc. and will be retained by Acorda Therapeutics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]