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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

Targeted Genetics Corporation

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

87612M108

(CUSIP Number)

Raymond G. Arner
Acting General Counsel
Biogen Idec Inc.
14 Cambridge Center
Cambridge, Massachusetts 02142
(617) 679-2000 (phone)

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

September 1, 2005

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. Name of Reporting Person: Biogen Idec Inc. I.R.S. Identification Nos. of above persons (entities only): 33-0112644

2. Check the Appropriate Box if a Member of a Group (See Instructions):

- (a)
 - (b)
-

3. SEC Use Only:

4. Source of Funds (See Instructions):
Not Applicable

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization:
Delaware

7. Sole Voting Power:

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
11,704,095 shares

9. Sole Dispositive Power:

10. Shared Dispositive Power:
11,704,095 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
11,704,095 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11):
13.7%

14. Type of Reporting Person (See Instructions):
CO

1. Name of Reporting Person: Biogen Idec MA Inc. I.R.S. Identification Nos. of above persons (entities only): 04-3002117

2. Check the Appropriate Box if a Member of a Group (See Instructions):

- (a)
 - (b)
-

3. SEC Use Only:

4. Source of Funds (See Instructions): WC, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization: Massachusetts

7. Sole Voting Power:

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power:
11,704,095 shares

9. Sole Dispositive Power:

10. Shared Dispositive Power:
11,704,095 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
11,704,095 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11):
13.7%

14. Type of Reporting Person (See Instructions):
CO

SCHEDULE 13D

Item 1. Security and Issuer

This Amendment No. 1 to Schedule 13D amends the Schedule 13D filed on July 12, 2005, relating to the common shares, \$.01 par value (the "Common Stock"), of Targeted Genetics Corporation, a Washington corporation (the "Issuer"). The Issuer has its principal executive offices at 1100 Olive Way, Suite 100, Seattle, Washington.

Except as otherwise described herein, the information contained in the Schedule 13D, as previously filed, remains in effect, and all capitalized terms shall have the meaning previously ascribed to them. Information given in response to each item in this Schedule 13D shall be deemed incorporated by reference in all other items.

Item 4. Purpose of Transaction

The response to Item 4 is hereby amended and restated as follows:

Biogen MA concurrently entered into the Merger Agreement, the Funding Agreement and certain other agreements, and acquired shares of the Issuer under the Merger Agreement and the Funding Agreement, for the purpose of continuing its gene therapy research and development program.

The Merger Agreement provided for the merger of Merger Sub with and into Genovo, with Genovo continuing as the surviving entity and a wholly-owned subsidiary of the Issuer. The Merger was completed on September 19, 2000. Pursuant to the Merger Agreement, the Issuer issued to Biogen MA 3,060,754 shares of the Issuer's Common Stock in satisfaction of the liquidation preferences on the preferred stock of Genovo held by Biogen MA and 851,873 shares of the Issuer's Common Stock in exchange for the return by Biogen MA to Genovo of certain intellectual property and other rights. On September 30, 2002, Biogen MA received 104,854 shares of Common Stock as additional merger consideration related to the exercise of the Genovo stock option held by the Genzyme Corporation. Under the terms of an associated Escrow Agreement, dated August 8, 2000, among the Issuer, Genovo, Genovo stockholders (represented by Biogen MA) and Mellon Investor Services, LLC as escrow agent, (the "Escrow Agreement"), 1,095,849 shares of the Issuer's Common Stock issued to Genovo stockholders in the Merger, including 704,865 shares of the Issuer's Common Stock issued to Biogen MA, were held in escrow to secure the obligations of the Genovo stockholders under the Merger Agreement, including the indemnification obligations related to representations made under the Merger Agreement and obligations related to a clinical trial and the amendment of two license agreements. The escrow agent released 494,046 of the escrowed shares of the Issuer's Common Stock to Biogen MA, and on November 6, 2002 Biogen MA forfeited 210,819 shares of the escrowed Issuer's Common Stock to the Issuer in connection with certain claims by the Issuer under the Merger Agreement.

Under the Merger Agreement, the Issuer agreed to take all necessary action to appoint Joseph M. Davie (or a substitute Biogen MA nominee) to the Issuer's board of directors upon the completion of the Merger, and to nominate Dr. Davie (or a substitute Biogen MA nominee) for election to the Issuer's board of directors for two terms subsequent to his initial nomination. In

addition, Biogen MA had the right to substitute a nominee at any time, provided that the substitute was an executive officer of Biogen MA.

Pursuant to the Funding Agreement, and conditioned upon the completion of the Merger, Biogen MA agreed that, during a period of three years from the date of the Funding Agreement, at the option of the Issuer and on certain terms and conditions, Biogen MA would purchase shares of the Issuer's unregistered Common Stock having an aggregate market value of up to \$10 million. As a result of the Issuer's first exercise of this put option, on September 25, 2002 Biogen MA purchased 5,804,673 shares of Common Stock at \$0.69 per share, for an aggregate purchase price of approximately \$4.0 million, using its working capital funds. As a result of the Issuer's second exercise of the put option, on August 15, 2003 Biogen MA purchased 2,515,843 shares of Common Stock at \$1.91 per share, for an aggregate purchase price of approximately \$4.8 million, using its working capital funds. The price per share paid by Biogen MA was calculated in accordance with the Funding Agreement as the average daily closing price of the Common Stock, as quoted on the NASDAQ National Market, for the period of 10 trading days ending five trading days after the date of the Issuer's exercise of the put option. Pursuant to an Amendment to the Funding Agreement dated July 14, 2003, the Issuer's ability to exercise its put option expired September 15, 2003. Biogen MA has not acquired any shares of the Issuer since the Issuer last exercised its put option. Under the Funding Agreement, Biogen MA lent to the Issuer \$10,000,000 and, under the Merger Agreement, Biogen MA converted \$650,000 of debt payable by Genovo to Biogen MA into a \$650,000 promissory note payable by the Issuer.

Concurrently with entering into the Merger Agreement, Biogen MA, the Issuer and Genovo also entered into a Development and Marketing Agreement (the "Development Agreement"), whereby Biogen MA and the Issuer agreed to collaborate on the development and commercialization of gene therapy products following the Issuer's acquisition of Genovo. The Issuer and Biogen MA agreed to develop four new gene therapy products over a three year period beginning in September 2000, and the Issuer agreed to provide development assistance with respect to a Biogen MA gene therapy product in return for the payment by Biogen MA of an \$8 million up-front fee. The Development Agreement and the collaboration of Biogen MA and the Issuer provided for by such agreement expired in September 2003.

On September 1, 2005, Biogen MA and the Issuer entered into Amendment No. 2 to the Funding Agreement (the "Funding Amendment"), together with two Amended and Restated Promissory Notes, to restructure the repayment of the Issuer's outstanding debt to Biogen MA. Under these amendments, on September 1, 2005, the Issuer repaid \$2.5 million of its outstanding indebtedness to Biogen MA and agreed to repay the \$8.15 million balance of its outstanding indebtedness to Biogen MA over the next four years. The Issuer also agreed to apply one-third of certain up-front or milestone payments it receives from collaborations to the earlier repayment of its indebtedness to Biogen MA. In addition, on and subject to specified terms and conditions, the Issuer granted Biogen MA a right to co-sell shares of Common Stock of the Issuer held by Biogen MA in certain equity financings of the Issuer approved by the Issuer's board of directors before November 30, 2005. In connection with the foregoing, Biogen MA agreed to certain lock-up provisions. Biogen MA agreed not to sell, other than pursuant to such financing, any shares of Common Stock owed by it during the period from September 1, 2005 until the earlier of November 30, 2005 and the consummation of such financing by the Issuer, and Biogen MA agreed to enter into a customary form of lock-up agreement for a period of 90 days if the Issuer consummates a financing before November 30, 2005. Under the terms of the Funding Agreement, the period of any such lock-up agreement may be extended in specified circumstances. After expiration of these lock-up agreements, Biogen MA may, from time-to-time, sell shares of its Common Stock of the Issuer pursuant to Rule 144 or in other transactions.

The foregoing descriptions of the transactions contemplated by the Merger Agreement (Exhibit B of this Statement), the Funding Agreement (Exhibit C of this Statement), the Development Agreement (Exhibit D of this Statement), the Amendment No. 1 to the Funding Agreement (Exhibit E of this Statement), Funding Amendment (Exhibit F of this Statement) and the two Amended and Restated Promissory Notes (Exhibit G and H of this Statement, respectively) are qualified in their entirety by reference to the respective agreements, which agreements are specifically incorporated herein by reference to this Item 4.

Except as described in this Item 4, none of the Reporting Persons, nor to the best knowledge of such persons, any other person named in Exhibit A to this Statement has formulated any plans or proposals which relates to or would result in any matter required to be disclosed in response to paragraphs (a) through (j) of Item 4 of Schedule D.

Item 5. Interest in Securities of the Issuer

The response to Item 5 is hereby amended and restated as follows:

(a) Biogen Idec has indirect beneficial ownership of 11,704,095 shares of common stock in the aggregate, which constitutes 13.7% of the outstanding shares of the Issuer's Common Stock. This percentage was calculated based on disclosure in the Issuer's Quarterly Report on Form 10-Q filed July 28, 2005, that as of June 30, 2005, there were 85,628,244 shares of Common Stock outstanding.

Biogen MA has direct beneficial ownership of 11,704,095 shares of Common Stock.

Other than as provided in this Item 5, neither of the Reporting Persons, nor, to the knowledge of the Reporting Persons, any person listed on Exhibit A hereto, owns or has any rights to acquire, directly or indirectly, any Common Stock.

(b) The Reporting Persons have shared voting power and shared dispositive power with respect to 11,704,095 shares of Common Stock. The Reporting Persons do not have the sole power to vote or to direct to vote or to dispose or to direct the disposition of any shares of Common Stock beneficially owned by them.

(c) The Reporting Persons have effected the transactions listed below during the period since the filing of Schedule 13D on July 12, 2005 and ending on the date hereof.

On each of the following dates, Biogen MA sold Common Stock in open market transactions in the amount and at the average price per share described below:

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
7/13/05	6,300	0.80
7/13/05	10,800	0.81
7/13/05	7,900	0.82
7/14/05	8,000	0.79
7/14/05	500	0.79

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
7/14/05	1,000	0.79
7/14/05	15,268	0.80
7/14/05	232	0.81
7/15/05	33,550	0.80
7/15/05	3,000	0.80
7/15/05	1,750	0.80
7/15/05	4,000	0.80
7/15/05	1,800	0.81
7/15/05	100	0.82
7/18/05	2,500	0.80
7/18/05	2,932	0.81
7/19/05	3,700	0.80
7/19/05	200	0.80
7/19/05	6,100	0.81
7/19/05	2,000	0.82
7/20/05	2,500	0.80
7/20/05	2,500	0.81
7/21/05	3,650	0.79
7/21/05	1,350	0.79
7/21/05	5,098	0.80
7/22/05	20,487	0.79
7/22/05	2,000	0.79
7/22/05	1,513	0.79
7/22/05	1,000	0.80
7/25/05	8,500	0.79
7/26/05	2,500	0.81
7/26/05	12,500	0.82
7/26/05	10,640	0.83
7/26/05	11,200	0.85
7/26/05	25,660	0.86

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
7/26/05	2,500	0.87
7/27/05	14,800	0.81
7/27/05	100	0.81
7/27/05	6,600	0.82
7/28/05	15,000	0.80
7/29/05	8,000	0.80
8/1/05	9,300	0.77
8/1/05	2,200	0.77
8/1/05	600	0.77
8/1/05	3,400	0.77
8/1/05	7,300	0.78
8/1/05	2,200	0.80
8/2/05	6,900	0.77
8/2/05	1,000	0.77
8/2/05	2,400	0.77
8/2/05	3,000	0.77
8/2/05	1,100	0.78
8/2/05	2,800	0.79
8/3/05	4,300	0.76
8/3/05	4,600	0.77
8/3/05	100	0.78
8/4/05	7,500	0.76
8/4/05	2,500	0.77
8/4/05	2,500	0.78
8/5/05	16,400	0.76
8/5/05	1,000	0.76
8/5/05	100	0.76
8/5/05	5,000	0.77
8/5/05	2,500	0.78
8/8/05	8,443	0.76

<u>Date</u>	<u>Number of Shares</u>	<u>Price Per Share</u>
8/8/05	2,310	0.76
8/8/05	2,500	0.77
8/9/05	2,000	0.75
8/9/05	3,000	0.75
8/9/05	7,200	0.76
8/10/05	23,700	0.73
8/10/05	1,300	0.74
8/12/05	9,500	0.70
8/15/05	700	0.70
8/15/05	2,500	0.71
8/15/05	1,500	0.72

Other than the foregoing transactions, neither the Reporting Persons nor, to the best knowledge of each Reporting Person, any of the persons named in Exhibit A hereto, has effected a transaction in the Company's securities during the period since the filing of Schedule 13D on July 12, 2005 and ending on the date hereof.

(d) Except as set forth in this Item 5, no other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the Common Stock of the Issuer that may be deemed to be beneficially owned by the Reporting Persons.

(e) Not applicable

Item 7. Material to Be Filed As Exhibits

- Exhibit A: Directors and Executive Officers of Biogen Idec Inc. and Biogen Idec MA Inc. (1)
- Exhibit B: Agreement and Plan of Merger, dated August 8, 2000, among Targeted Genetics Corp., Genovo, Inc., TGC Acquisition Corp. and Biogen Inc. (2)
- Exhibit C: Funding Agreement, dated August 8, 2000, between Targeted Genetics Corp. and Biogen Inc. (3)
- Exhibit D: Development and Marketing Agreement, dated August 8, 2000, among Targeted Genetics Corp., Genovo, Inc. and Biogen Inc.(3)
- Exhibit E: Amendment No. 1 to Funding Agreement, dated July 14, 2003, between Targeted Genetics Corp. and Biogen Idec MA Inc. (4)

- Exhibit F: Amendment No. 2 to Funding Agreement, dated September 1, 2005, between Targeted Genetics Corp. and Biogen Idec MA Inc. (5)
- Exhibit G: Amended and Restated Promissory Note of Targeted Genetics dated September 1, 2005 (issued to Biogen Idec in principal amount of \$10,000,000) (5)
- Exhibit H: Amended and Restated Promissory Note of Targeted Genetics dated September 1, 2005 (issued to Biogen Idec in principal amount of \$650,000) (5)
- Exhibit I: Filing Agreement (6)

-
- (1) Incorporated by reference to the Issuer's Schedule 13D filed July 12, 2005 (Commission File No. 000-23930).
- (2) Incorporated by reference to the Issuer's Current Report on Form 8-K filed August 23, 2000 (Commission File No. 000-23930)
- (3) Incorporated by reference to the Issuer's Current Report on Form 8-K filed September 13, 2000 (Commission File No. 000-23930)
- (4) Incorporated by reference to the Issuer's Current Report on Form 8-K filed July 22, 2003 (Commission File No. 000-23930)
- (5) Incorporated by reference to the Issuer's Current Report on Form 8-K filed September 1, 2005 (Commission File No. 000-23930)
- (6) Filed herewith

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 7, 2005

BIOGEN IDEC INC.

/s/ Raymond G. Arner

Name: Raymond G. Arner

Title: Acting General Counsel

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: September 7, 2005

BIOGEN IDEC MA INC.

/s/ Michael Phelps

Name: Michael Phelps

Title: Treasurer

FILING AGREEMENT

The undersigned, the Reporting Persons named in this Schedule 13D, hereby agree that this Schedule 13D is filed on a combined basis on behalf of each of them and that each Reporting Person is individually responsible for the timely filing of any amendments to this Schedule 13D. Each Reporting Person further agrees that it is responsible for the completeness and accuracy of the information concerning such Reporting Persons, respectively, contained in this Schedule 13D and that it is not responsible for the completeness or accuracy of the information concerning the other Reporting Persons.

IN WITNESS WHEREOF, the undersigned have executed this Joint Filing Agreement as of the 7th day of September, 2005.

BIOGEN IDEC INC.

/s/ Raymond G. Arner

Name: Raymond G. Arner

Title: Acting General Counsel

BIOGEN IDEC MA INC.

/s/ Michael Phelps

Name: Michael Phelps

Title: Treasurer