

IDERA PHARMACEUTICALS, INC.
Form SC 13G
February 16, 2016

SCHEDULE 13G

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

Idera Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share
(Title of Class of Securities)

45168K306
(CUSIP Number)

December 31, 2015

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

***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 (the "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).

Page 1 of 10 Pages

CUSIP No. 45168K306

NAMES OF REPORTING PERSONS

1

Baker Bros. Advisors LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) "

2

(b) "

3 SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

SOLE VOTING POWER

5

7,117,277 (1)

NUMBER OF SHARES BENEFICIALLY 6 OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	-0-
	7 SOLE DISPOSITIVE POWER

7,117,277 (1)

SHARED DISPOSITIVE POWER

8

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

7,117,277 (1)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES "

10(See Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11

6.0% (2)

TYPE OF REPORTING PERSON (See Instructions)

12IA, PN

(1) Includes 134,170 shares of Common Stock underlying options.

(2) Based on 118,350,364 shares of common stock outstanding as of October 15, 2015 as reported in the Issuer's Form 10-Q filed with the SEC on November 6, 2015.

CUSIP No. 45168K306

NAMES OF REPORTING PERSONS

1

Baker Bros. Advisors (GP) LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) "

2

(b) "

3SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Delaware

SOLE VOTING POWER

5

7,117,277(1)

NUMBER OF SHARES BENEFICIALLY 6 OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	-0-
	7SOLE DISPOSITIVE POWER

7,117,277(1)

SHARED DISPOSITIVE POWER

8

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

7,117,277(1)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES "

10(See Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11

6.0% (2)

TYPE OF REPORTING PERSON (See Instructions)

12HC, OO

(1) Includes 134,170 shares of Common Stock underlying options.

(2) Based on 118,350,364 shares of common stock outstanding as of October 15, 2015 as reported in the Issuer's Form 10-Q filed with the SEC on November 6, 2015.

CUSIP No. 45168K306

NAMES OF REPORTING PERSONS

1
Felix J. Baker

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a)

2 (b)

3 SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

4
United States

SOLE VOTING POWER

5
7,117,277(1)

NUMBER OF SHARES BENEFICIALLY 6 OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	-0-
	7 SOLE DISPOSITIVE POWER

7,117,277(1)

SHARED DISPOSITIVE POWER

8

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

7,117,277(1)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES "

10(See Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11

6.0% (2)

TYPE OF REPORTING PERSON (See Instructions)

12IN, HC

(1) Includes 134,170 shares of Common Stock underlying options.

(2) Based on 118,350,364 shares of common stock outstanding as of October 15, 2015 as reported in the Issuer's Form 10-Q filed with the SEC on November 6, 2015.

CUSIP No. 45168K306

NAMES OF REPORTING PERSONS

1

Julian C. Baker

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) "

2

(b) "

3 SEC USE ONLY

CITIZENSHIP OR PLACE OF ORGANIZATION

4

United States

SOLE VOTING POWER

5

7,117,277(1)

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH SHARED VOTING POWER
6
-0-
7 SOLE DISPOSITIVE POWER

7,117,277(1)

SHARED DISPOSITIVE POWER

8

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

7,117,277(1)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES "

10(See Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11

6.0% (2)

TYPE OF REPORTING PERSON (See Instructions)

12IN, HC

(1) Includes 134,170 shares of Common Stock underlying options.

(2) Based on 118,350,364 shares of common stock outstanding as of October 15, 2015 as reported in the Issuer's Form 10-Q filed with the SEC on November 6, 2015.

**Item
1(a) Name of Issuer:**

Idera Pharmaceuticals, Inc. (the “Issuer”)

**Item
1(b) Address of Issuer’s Principal Executive Offices:**

167 Sidney Street

Cambridge, MA 02139

**Item
2(a) Name of Person Filing:**

This Schedule 13G is being filed jointly by Baker Bros. Advisors LP (the “Adviser”), Baker Bros. Advisors (GP) LLC (the “Adviser GP”), Felix J. Baker and Julian C. Baker (collectively, the “Reporting Persons”).

**Item
2(b) Address of Principal Business Office or, if None, Residence:**

The business address of each of the Reporting Persons is:

c/o Baker Bros. Advisors LP

667 Madison Avenue, 21st Floor

New York, NY 10065

(212) 339-5690

**Item
2(c) Citizenship:**

The Adviser is a limited partnership organized under the laws of the State of Delaware. The Adviser GP is a limited liability company organized under the laws of the State of Delaware. The citizenship of each of Julian C. Baker and Felix J. Baker is the United States of America.

**Item
2(d) Title of Class of Securities:**

Common Stock, par value \$0.001 per share (“Common Stock”)

**Item
2(e) CUSIP Number:**

45168K306

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or (c), check whether the person filing is a:

(a) " Broker or dealer registered under Section 15 of the Exchange Act.

Page 6 of 10 Pages

- (b) Bank as defined in section 3(a)(6) of the Exchange Act.
- (c) Insurance company as defined in section 3(a)(19) of the Exchange Act.
- (d) Investment company registered under section 8 of the Investment Company Act of 1940.
- (e) An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940.
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Items 5 through 9 and 11 of each of the cover pages to this Schedule 13G are incorporated herein reference. Set forth below is the aggregate number of shares of Common Stock of the Issuer directly held by each of 667, L.P., Baker Brothers Life Sciences, L.P. and 14159, L.P. (collectively the "Funds"), which may be deemed to be indirectly beneficially owned by the Reporting Persons, as well as shares of Common Stock that may be acquired upon exercise of the warrants ("2018 Warrants") at an exercise price of \$0.47 per share, ("May 2020 Warrants") at an exercise price of \$0.01 per share, ("September 2020 Warrants") at an exercise price of \$0.01 per share and other warrants ("2021 Warrants", and together with the 2018 Warrants, May 2020 Warrants, September 2020 Warrants, the "Warrants") at an exercise price of \$0.01 per share, by the Funds, subject to the limitation on exercise described below. The information set forth below is based upon 118,350,364 shares of Common Stock outstanding as of October 15, 2015, as reported on the Issuer's Form 10-Q filed with the SEC on November 6, 2015. Such percentage figures are calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

Name	Number of Shares of Common Stock we own or have to right to acquire within 60 days	Percent of Class Outstanding	
667, L.P.	606,472	0.5	%
Baker Brothers Life Sciences, L.P.	6,304,832	5.3	%
14159, L.P.	35,105	0.1	%
Total	6,946,409	5.9	%

The Warrants are only exercisable to the extent that after giving effect to such exercise the holders thereof and their affiliates would beneficially own, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), no more than 4.999% of the outstanding shares of Common Stock of the Issuer. As a result of this restriction, the number of shares that may be issued upon exercise of the Warrants by the above holders may change depending upon changes in the outstanding shares of Common Stock.

Pursuant to the amended and restated management agreements among the Adviser, the Funds and their respective general partners, the Adviser has complete and unlimited discretion and authority with respect to the Funds' investments and voting power over investments.

The Adviser GP, Felix J. Baker and Julian C. Baker as principals of the Adviser GP, and the Adviser may be deemed to be beneficial owners of securities of the Issuer directly held by the Funds, and may be deemed to have the power to vote or direct the vote of and the power to dispose or direct the disposition of such securities.

Julian C. Baker, a principal and Dr. Kelvin Neu, an employee of the Adviser, are Directors of the Issuer. In connection with their service on the Board of Directors of the Issuer (the "Board"), Julian C. Baker and Dr. Neu each hold options to purchase 67,085 shares of Common Stock ("Stock Options"). Julian C. Baker and Dr. Neu directly hold 16,665 shares and 20,033 shares of Common Stock, respectively, received for their service on the Board. Julian C. Baker and Dr. Neu serve on the Board as a representatives of the Funds. The policy of the Funds and the Adviser does not permit principals and employees of the Adviser to receive compensation for serving as Directors of the Issuer. Therefore, Julian C. Baker and Dr. Neu have no pecuniary interest in any Stock Options or shares of Common Stock held directly. The Funds are instead entitled to the pecuniary interest in any Stock Options and shares of Common Stock received as director compensation.

The Reporting Persons disclaim beneficial ownership of the securities held by each of the Funds, and this Schedule 13G shall not be deemed an admission that the Reporting Persons are the beneficial owners of such securities for

purposes of Section 13(d) or for any other purpose.

Page 8 of 10 Pages

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following ". N/A

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

N/A

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

The information in Item 4 is incorporated herein by reference.

Item 8. Identification and Classification of Members of the Group.

N/A

Item 9. Notice of Dissolution of Group.

N/A

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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.

February 16, 2016

**BAKER BROS.
ADVISORS LP**

By: Baker Bros. Advisors
(GP) LLC, its general
partner

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

**BAKER BROS.
ADVISORS (GP) LLC**

By: /s/ Scott L. Lessing
Name: Scott L. Lessing
Title: President

/s/ Julian C. Baker
Julian C. Baker

/s/ Felix J. Baker
Felix J. Baker

Page 10 of 10 Pages