

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 7, 2007

Celsion Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-14242
(Commission File Number)

52-1256615
(IRS Employer
Identification No.)

10220-L Old Columbia Road, Columbia, Maryland
(Address of principal executive office)

21046-2364
(Zip Code)

Registrant's telephone number, including area code: (410) 290-5390

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.135-4(c))

Potential persons who are to 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.

Item 1.01 Entry into a Material Definitive Agreement.

On February 7, 2007, Celsion Corporation (the “Company”) issued a press release disclosing that it had entered into a Settlement and License Agreement with American Medical Systems, Inc. and AMS Research Corporation (together, “AMS”) that settles the patent dispute alleging that the Company’s Prolieve Thermodilatation® system infringed certain of AMS’ patents.

Under the terms of the Settlement and License Agreement, the Company will pay to AMS an up-front payment and royalty payments based on sales of its Prolieve product to acquire a license to AMS’ patents for the use of microwave energy to treat Benign Prostatic Hyperplasia (BPH) and prostatitis. The Settlement and License Agreement concludes the litigation that was pending between the two parties.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by the Company on February 7, 2007

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 hereunto duly authorized.

CELSION CORPORATION

Date: February 9, 2007

By: /s/ Anthony P. Deasey

Anthony P. Deasey
Executive Vice President, Chief Financial Officer and
Chief Operating Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by the Company on February 7, 2007

For Further Information Contact:

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CELSION AND AMS SETTLE PATENT DISPUTE

Columbia, MD – February 8, 2007: CELSION CORPORATION (AMEX: CLN) today announced that it had entered into an agreement with AMS (NASDAQ:AMMD) that settles the patent dispute alleging that Celsion's Prolieve Thermodilatation® system infringes certain of AMS' patents.

Under the settlement terms Celsion will pay an undisclosed fee and a royalty based on sales of its Prolieve product to acquire a product license to AMS' patents for the use of microwave energy to treat Benign Prostatic Hyperplasia (BPH) and prostatitis. The agreement will end litigation between the two parties.

Mr. Michael Tardugno, Celsion's President and Chief Executive Officer said, "I am pleased that we have been able to arrive at an acceptable settlement with AMS. While Celsion continues to believe that there was no merit to the claims of infringement and that we would have prevailed in a trial, protracted litigation, with its cost and uncertainty was not in the best interests of our Shareholders or our Company. With this issue now settled we can focus full attention on our promising ThermoDox clinical development program, where we plan to enter Phase III late this year."

About Celsion: Celsion is dedicated to the development and commercialization of oncology drugs including tumor-targeting treatments using focused heat energy in combination with heat activated drug delivery systems.

Celsion has research, license or commercialization agreements with leading institutions such as the National Institutes of Health, Duke University Medical Center, Massachusetts Institute of Technology, Harbor UCLA Medical Center, Montefiore Medical Center and Memorial Sloan- Kettering Cancer Center in New York City, Roswell Park Cancer Institute in Buffalo, New York, and Duke University.

Celsion has also developed a microwave based system, the Prolieve Thermodilatation® system, for the treatment of benign prostatic hyperplasia which is marketed in the United States under an exclusive distribution agreement with Boston Scientific Corporation.

For more information on Celsion, visit our website: <http://www.celsion.com>