

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

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

July 21, 2005

Date of Report

(Date of earliest event reported)

DURECT CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

000-31615

(Commission File Number)

94-3297098

(I.R.S. Employer
Identification No.)

10240 Bubb Road

Cupertino, CA 95014

(Address of principal executive offices) (Zip code)

(408) 777-1417

(Registrant's telephone number, including area code)

(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 obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.02 Unregistered Sales of Equity Securities.

On July 21, 2005, DURECT Corporation (the "Company") entered into a privately negotiated agreement with a holder of its 6.25% Convertible Subordinated Notes, due June 2008, to exchange up to \$5 million in principal amount of convertible notes for 317.4603 shares of common stock per \$1,000 principal amount as originally defined in the indenture for such notes, plus additional shares to compensate the note holder for early exchange. The issuance of the common stock in this transaction is exempt from the registration requirements of the Securities Act of 1933 under Section 3(a)(9) of the act.

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.

DURECT Corporation

Date: July 22, 2005

By: /s/ James E. Brown

James E. Brown
President and Chief Executive Officer