
**UNITED STATES
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**

Date of Report (Date of earliest event reported): October 8, 2012

VANDA PHARMACEUTICALS INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34186

(Commission
File No.)

03-0491827

(IRS Employer
Identification No.)

**2200 Pennsylvania Avenue NW
Suite 300E**

Washington, DC 20037

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (202) 734-3400

Not Applicable

(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 8.01. Other Events.

On October 8, 2012, Vanda Pharmaceuticals Inc. (the “Company” or “Vanda”) received written notice from Novartis Pharma AG (“Novartis”) that Novartis had determined to cease the development of the long-acting injectable (“depot”) formulation of iloperidone. Under the Company’s Amended and Restated Sublicense Agreement with Novartis, dated as of October 12, 2009, Novartis obtained exclusive commercialization rights to all formulations of iloperidone in the United States and Canada, and assumed the responsibility for the further development of the depot formulation of iloperidone for those countries. Vanda has the right to develop and commercialize all formulations of iloperidone in markets outside the United States and Canada.

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.

VANDA PHARMACEUTICALS INC.

By: /s/ James Kelly

Name: James Kelly

Title: Chief Financial Officer

Dated: October 10, 2012