
**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): September 12, 2005

VICAL INCORPORATED

(Exact name of registrant as specified in charter)

Delaware
*(State or other jurisdiction
of incorporation)*

000-21088
*(Commission
File Number)*

93-0948554
*(I.R.S. Employer
Identification No.)*

**10390 Pacific Center Court
San Diego, California**
(Address of principal executive offices)

92121-4340
(Zip Code)

Registrant's telephone number, including area code: (858) 646-1100

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 (see General Instruction A.2. below):

- 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 1.01 Entry into a Material Definitive Agreement.

On September 12, 2005, Vical Incorporated announced the amendment of an existing agreement with Merck & Co., Inc., and issued a press release with respect to the amendment. A copy of the press release is attached as Exhibit 99.1 to this Current Report.

The information in this Item 1.01, and Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

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.

VICAL INCORPORATED

Date: September 12, 2005

By: /s/ JILL M. CHURCH

Jill M. Church
Vice President, Chief Financial Officer
and Secretary

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press Release issued by Vical Incorporated on September 12, 2005.

Vical Grants Options to Merck for Cancer Vaccines

SAN DIEGO, Sept. 12 /PRNewswire-FirstCall/ -- Vical Incorporated (Nasdaq: VICL) agreed to grant Merck & Co., Inc. (NYSE: MRK) renewable options for rights to use Vical's patented non-viral gene delivery technology for additional cancer targets. In exchange, Vical has obtained non-exclusive, sublicenseable rights to use the technology for vaccines against HIV, giving both companies freedom to operate in the field. Merck also has a fixed-term option to exclusively sublicense from Vical electroporation-enhanced delivery technology for use with HIV vaccines, on terms to be negotiated.

"These options allow Merck to further expand their cancer program using our technology," said Vijay B. Samant, Vical's President and Chief Executive Officer. "Merck's exercise of the option for the additional targets would result in an option exercise payment to Vical, and further development may lead to milestone and royalty payments, along with an opportunity for co-promotion. Earlier this summer, Merck exercised three cancer vaccine options triggering a payment of \$3.0 million."

About Vical

Vical researches and develops biopharmaceutical products based on its patented DNA delivery technologies for the prevention and treatment of serious or life-threatening diseases. Potential applications of the company's DNA delivery technology include DNA vaccines for infectious diseases or cancer, in which the expressed protein is an immunogen; cancer immunotherapeutics, in which the expressed protein is an immune system stimulant; and cardiovascular therapies, in which the expressed protein is an angiogenic growth factor. The company has retained all rights to its internally developed product candidates. In addition, the company collaborates with major pharmaceutical companies and biotechnology companies that give it access to complementary technologies or greater resources. These strategic partnerships provide the company with mutually beneficial opportunities to expand its product pipeline and serve significant unmet medical needs. Additional information on Vical is available at www.vical.com.

This press release contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements include statements about the term and scope of the company's agreement with Merck as well as the company's focus, collaborative partners, and product candidates. Risks and uncertainties include whether Merck will exercise its options for cancer or HIV vaccines, whether Merck will undertake further development that would lead to milestone and royalty payments to Vical, whether Merck or others will be successful in applying Vical's technology in addressing significant unmet medical needs, whether any product candidates will be shown to be safe and effective in clinical trials, the timing, nature and cost of clinical trials, whether Vical or its collaborative partners will seek or gain approval to market any product candidates, whether Vical or its collaborative partners will succeed in marketing any product candidates, and additional risks set forth in the company's filings with the Securities and Exchange Commission. These forward-looking statements represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

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SOURCE Vical Incorporated

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