

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person * <u>CAPETOLA ROBERT J</u> (Last) (First) (Middle) DISCOVERY LABORATORIES INC 350 SOUTH MAIN STREET, SUITE 307 (Street) DOYLESTOWN PA 18901 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>DISCOVERY LABORATORIES INC /DE/</u> [DSCO]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) President and CEO
	3. Date of Earliest Transaction (Month/Day/Year) 01/23/2004	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/23/2004		M		43,010	A	\$4.06	745,143	D	
Common Stock	01/23/2004		F		14,037	D	\$12.44	731,106	D	
Common Stock	01/23/2004		M		92,568	A	\$4.44	823,674	D	
Common Stock	01/23/2004		F		33,038	D	\$12.44	790,636	D	
Common Stock	01/23/2004		M		59,500	A	\$4.44	850,136	D	
Common Stock	01/23/2004		F		21,236	D	\$12.44	828,900	D	
Common Stock	01/23/2004		M		54,240	A	\$4.44	883,140	D	
Common Stock	01/23/2004		F		19,358	D	\$12.44	863,782	D	
Common Stock	01/23/2004		M		22,522	A	\$4.44	886,304	D	
Common Stock	01/23/2004		F		8,038	D	\$12.44	878,266	D	
Common Stock	01/23/2004		M		10,000	A	\$1.89	888,266	D	
Common Stock	01/23/2004		F		1,519	D	\$12.44	886,747	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Non-Qualified Stock Option (right to buy)	\$4.06	01/23/2004		M			43,010	03/05/1998	03/05/2008	Common Stock	43,010	\$0	0	D	
Incentive Stock Option (right to buy)	\$4.44	01/23/2004		M			92,568	06/16/1998	06/16/2008	Common Stock	92,568	\$0	0	D	
Incentive Stock Option (right to buy)	\$4.44	01/23/2004		M			59,500	06/16/1998	06/16/2008	Common Stock	59,500	\$0	0	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Incentive Stock Option (right to buy)	\$4.44	01/23/2004		M			54,240	06/16/1998	06/16/2008	Common Stock	54,240	\$0	0	D	
Incentive Stock Option (right to buy)	\$4.44	01/23/2004		M			22,522	06/16/1998	06/16/2008	Common Stock	22,522	\$0	0	D	
Incentive Stock Option (right to buy)	\$1.89	01/23/2004		M			10,000	11/05/2002	11/05/2012	Common Stock	10,000	\$0	20,000	D	

Explanation of Responses:

Robert J. Capetola

01/27/2004

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.