Icahn buys 9.3 pct stake in Nuance Communications

The Associated Press

Billionaire investor Carl Icahn has accumulated a 9.3 percent stake in Nuance Communications Inc., whose voice-recognition technology is becoming more pervasive on smartphones and tablet computers.

Icahn's interest in Nuance, disclosed in a Monday regulatory filing, triggered a surge of almost 9 percent in the company's stock price during extended trading. The rally was driven Icahn's history of latching on to companies that he believes have been underpriced by the market.

In some cases, Icahn pressures corporate boards to replace management or take other actions that he believes will drive the stock price higher. In other investments, Icahn adopts a hands-off policy as he waits for a company's stock to rebound.

Icahn apparently doesn't plan to meddle in Nuance's affairs. His stake in the Burlington, Mass. was disclosed in the form used for passive investments.

Nuance's is best known for creating speech-recognition tools that have helped power Siri, the virtual assistant on Apple Inc.'s iPhone. The technology is also being licensed so other gadgets are able to respond to voice commands as people become more reliant on smartphones and tablets to help manage their lives.

Although Nuance's technology is becoming more influential, its stock has been lagging the rest of the market. Before the Icahn-inspired rally in extended trading, the shares had closed Monday at $20.18 — 35 percent below their all-time high of $31.15 reached nearly 14 months ago. The Standard & Poor's 500 index has climbed about 15 percent over the same stretch.

Icahn owns 29.3 million Nuance shares worth about $592 millon at Monday's close.

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