SCANSOFT INC
Form 4
January 18, 2005

FORM 4

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person [*] PHILLIPS MICHAEL S	2. Issuer Name **and** Ticker or Trading Symbol **SCANSOFT INC [SSFT]**	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/18/2005	_____ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) CTO
C/O SCANSOFT, INC., 9 CENTENNIAL DRIVE		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
PEABODY, MA 01960		
(City) (State) (Zip)		

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	01/18/2005		S[(1)]		10,000	D	$ 4.2	1,085,402	D	
Common Stock								8,428	I	by Spouse
Common Stock								34,400	I	by Trust

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

number.

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 Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)		Date Exercisable	Expiration Date	Title	Amount Number Shares
Non-Qualified Stock Option (right to buy)	$ 4.31								08/15/2004[2]	08/15/2013	Common Stock	250,0
Non-Qualified Stock Option (right to buy)	$ 5.67								05/24/2004[3]	02/24/2011	Common Stock	75,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PHILLIPS MICHAEL S C/O SCANSOFT, INC. 9 CENTENNIAL DRIVE PEABODY, MA 01960			CTO	

Signatures

By: /s/ Donna Belanger For: Michael S Phillips	01/18/2005
**Signature of Reporting Person	Date

Explanation of Responses:

*   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).

(1)   These shares were sold pursuant to a 10b5-1 Sales Plan.

(2)   These options vest 25% on first anniversary date and monthly thereafter for a total 4 year vest period.

(3)   These options vest quarterly in equal installments over a three-year period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.