

H.P. to Put Microsoft's Live Search in PCs

NYT June 3, 2008 SEATTLE (Reuters) — Microsoft has struck a deal with Hewlett-Packard, the world's largest personal computer maker, to place a toolbar on new PCs that leads to its Live Search engine, the companies said on Monday.

The deal is Microsoft's latest attempt to chip away at the dominance of the search leader, Google.

The agreement, which takes effect next January for new PCs in the United States and Canada, displaces a similar one H.P. has with Yahoo.

Under the agreement, Microsoft's search engine will also be the default service on the Internet Explorer browser, which is loaded on new Hewlett-Packard computers.

Microsoft did not disclose the terms of the agreement.

"This is the most significant distribution deal for Live Search that Microsoft has ever done," said Kevin Johnson, president of Microsoft's platform and services division.

Dell Inc. and Google have an agreement to install Web and desktop search software on Dell's consumer computers. It expires in 2009.

A spokesman for Dell, which is No. 2 to Hewlett-Packard in computer manufacturing, said the company had not decided if it would continue with Google after the current deal expired, but said it was open to alternative partnerships.

Google continues to extend its lead in Web search. The research firm comScore said Google's Web search market share in the United States rose to a record 61.5 percent in April, while Yahoo's share declined to 20.4 percent and Microsoft's slipped to 9.1 percent.

Microsoft, based in Redmond, Wash., has stepped up its efforts to catch Google. Last month, it announced a rewards program to encourage people to use its search engine to shop for items.

In February, it made an offer to buy Yahoo that was rejected by the Web company's board. Microsoft shelved its offer over disagreement on price, but is said to have restarted talks with Yahoo last month to buy its search service.