

Microsoft CEO hits out at 'dominant' Google in US trial

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Microsoft CEO Satya Nadella says his company could never compete against Google's search engine largely due to its arrangements with Apple.

Microsoft CEO Satya Nadella told a US court on Monday that Google's dominance of the search engine market made it very hard for rivals to

emerge, hitting out sharply at the business practices of his company's archrival.

Nadella spoke to a courtroom in Washington DC, where lawyers from the US Department of Justice are attempting to persuade a [federal judge](#) that Google has illegally paid billions to Apple and others to preserve its monopoly.

Microsoft's Bing has been trying since 2009 to build [market share](#) against Google, but Nadella said it could never compete against the search engine behemoth, largely due to its arrangements with Apple.

"You can call it popular, but to me it's dominant," Nadella told a Google lawyer during tense cross examination.

The three-month trial is the biggest US [antitrust case](#) against a big tech company since the same department took on Microsoft more than two decades ago over the dominance of its Windows operating system.

Nadella broadly backed the government's contention that Google's intake of data from being the world's preeminent search engine created a network effect that only made Google a more powerful tool to advertisers and users.

"It becomes even harder to break through when you don't have (market) share," Nadella said.

'Defaults matter'

Nadella said distribution was key to a successful search engine and that his company was prepared to pay Apple dearly to give Bing the default status on the iPhone.

"Defaults are the only thing that matters" and arguments by Google that users will easily switch to another app were "bogus," Nadella said.

"It would be a game changer (for Bing) to be a default on Safari," he added.

Apple instead stuck with Google and receives billions of dollars every year from the search engine giant with a generous revenue sharing deal, earlier testimony has revealed.

With his approaches rebuffed by Apple, Nadella said that Bing has remained a very small player.

The company has continued to invest in Bing, Nadella said, awaiting a possible "paradigm shift" or some sort of government intervention to restructure the business.

The CEO also testified that despite some early "exuberance," he no longer believed the emergence of ChatGPT would reshape Google's dominance of the search business.

Microsoft earlier this year moved aggressively to integrate the AI technology into its Bing search engine, creating some expectation that Google's singular position was under threat.

Nadella said he was now worried that Google would be able to use its dominance in [search](#) to strongarm content providers that are key to training generative AI models.

"I worry a lot in spite of my enthusiasm that this [vicious cycle](#) can become even more vicious," Nadella said.

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