



## Microsoft settles with Google over executive hire

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Story last modified Thu Dec 22 16:20:00 PST 2005

**Microsoft has settled its lawsuit with rival Google over the hiring of Kai-Fu Lee, an expert in speech recognition technology and the man who founded Microsoft's China research lab in the late 1990s.**

"The parties have entered into a private agreement that resolves all issues to their mutual satisfaction," Microsoft said in a prepared statement released Thursday afternoon. "The terms of the agreement are confidential and all parties have agreed to make no other statements to the media regarding it."

Google announced in July its plans to hire Lee to head up its China research lab. Microsoft [immediately filed suit](#) in Washington against Lee and Google, arguing that Lee was violating a one-year noncompete agreement that was part of his Microsoft contract.

The tug-of-war over Lee was seen as Microsoft's latest attempt to thwart Google's growing influence. The two have increasingly crossed swords in areas such as search, and Mountain View, Calif.-based Google [won an important round this week](#) when AOL chose it over Microsoft as a partner. Google and Microsoft were pursuing AOL to help them expand advertising, instant messaging and video offerings.

In its suit, Microsoft had sought monetary damages as well as an injunction upholding the noncompete clause and other provisions of Lee's contract, including terms barring him from sharing Microsoft trade secrets. Google filed its own case in California, asking a judge to strike the noncompete clause. That matter had been moved to federal court. The case was schedule to go to trial on Jan. 9.

Google released a statement from Lee, who is now president of engineering, product and public affairs for Google China, which said that he was "pleased with the terms of the settlement."

Court filings in the case show that Microsoft had paid Lee more than \$3 million since August 2000 and more than \$1 million last year alone. Lee originally joined Microsoft in Asia in 1998 and founded its China research lab. He left and was rehired by Microsoft to work at its Redmond campus.

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