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Microsoft Yahoo
Microsoft

[The Google and Yahoo Marriage Is Dead](#)

Before it was started

Google has backed down from an online advertising marriage with Yahoo amid antitrust concerns raised over the partnership of the number 1 and 2 search providers worldwide. Back in June 2008, Yahoo opted for an alliance with Google, defying cries over a monopoly on the online advertising space from Microsoft and other rivals. Yahoo's measure was first and foremost a tactic designed to keep it out of the grasp of Microsoft, which had made an unsolicited bid to acquire the Internet giant in February 2008.

[David Drummond](#), senior vice president, Google Corporate Development, and chief legal officer, revealed that the Mountain-View search giant continued to believe that the agreement with Yahoo would have been beneficial for all parties involved, even as it was walking away from it. "Why? Because it would have allowed Yahoo! (and its existing publisher partners) to show more relevant ads for queries that currently generate few or no advertisements. Better ads are more useful for users, more efficient for advertisers, and more valuable for publishers," Drummond explained.

Back in June, when the Google and Yahoo partnership was announced, the duo agreed to postpone implementation as long as it took for antitrust regulators to give the agreement a green light. After these four months, Google is walking away from Yahoo, abandoning the online advertising alliance altogether rather than face legal issues.

"However, after four months of review, including discussions of various possible changes to the agreement, it's clear that government regulators and some advertisers continue to have concerns about the agreement. Pressing ahead risked not only a protracted legal battle but also damage to relationships with valued partners. That wouldn't have been in the long-term interests of Google or our users, so we have decided to end the agreement," Drummond added.

At the debut of the year Microsoft was willing to pay over \$30 per share for Yahoo, namely approximately \$45 billion. But Yahoo refused the deal and chose to go with Google instead. That [unsolicited Microsoft offering](#) must look pretty sweet to Yahoo shareholders right now, as the shares of the Internet giant have dropped to just over \$10.

"We're of course disappointed that this deal won't be moving ahead. But we're not going to let the prospect of a lengthy legal battle distract us from our core mission. That would be like trying to drive down the road of innovation with the parking brake on. Google's continued success depends on staying focused on what we do best: creating useful products for our users and partners," Drummond concluded.