HP sets sights on rivals with webOS software

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(AP) -- Hewlett-Packard Co. will soon include its webOS system for smartphones on all its PCs, upcoming tablet computers and higher-end printers, putting it in competition with operating software from Apple, Google and Microsoft.

HP's intentions, laid out at a prominent technology conference Wednesday, represented a particular challenge to longtime partner Microsoft Corp., whose Windows operating system runs on all of the 65 million PCs that HP shipped last year.

CEO Leo Apotheker said the company should have put webOS further into the marketplace sooner. HP acquired webOS when it bought struggling cellphone maker Palm Inc. last year.

At first, webOS will sit on top of Windows in personal computers, Apotheker said. He said webOS could run on its own and that it will be licensed to other hardware makers over time. But he said Windows will continue to have a presence for years to come. "I don't believe that Windows will fade into irrelevance," he said.

Apotheker's statements came at the D: All Things Digital conference, an annual event hosted by News Corp.'s Dow Jones & Co., which also owns The Wall Street Journal. It has become a well-attended forum for executives to talk about strategy on the southern California coastline.

Nokia Corp. CEO Stephen Elop also waded into the operating system battle - further explaining the cellphone maker's decision in February to

ditch its Symbian software in favor of Microsoft's Windows Phone. He said it was to help Windows compete in the format war with Apple Inc.'s iOS and Google Inc.'s Android and help Nokia stand out from competitors.

Such operating systems could one day make transitions between mobile devices, PCs and other connected gadgets seamless.

"It's no longer a battle of devices. It is a war of ecosystems," Elop said.

Microsoft also showed off its upcoming operating system, for now called "Windows 8," which will work on both tablets and PCs.

Steven Sinofsky, president of Microsoft's Windows division, said the system would work equally well on tablets as PCs since mobile devices have gotten powerful enough to use a full computer operating system.

"It's important not to throw the baby out with the bath water," he said.

The battle over such all-encompassing platforms threatened to overshadow other speakers' news.

Micro-blog service Twitter's CEO, Dick Costolo, announced a new photo uploading service and more relevant searches that would show photos and videos without having to click through to links. Netflix Inc. CEO Reed Hastings elaborated on the online video company's ambitious content-buying and expansion plans. Group discount company Groupon Inc. CEO Andrew Mason kept mum on the possibility of an initial public offering of shares.

HP's interest in spreading webOS lies in making sure phones and PCs work well together like Apple's Macs and iPhones. HP also wants to make sure it has a foothold in the fast-changing mobile software market,

a market that is being fought over fiercely as the computer industry adjusts to the mobile Internet frenzy.

Apotheker said HP aimed to make webOS the No. 3 mobile platform after Apple's iOS, which runs iPads and iPhones, and Google's Android. He said that many people would become attracted by webOS' unique ability to connect with Web-based services.

"Once we are the third alternative, I think the race is wide open," Apotheker said. "This is a marathon, not a sprint."

HP plans to install webOS on more than 100 million devices a year - all of HP's personal computers, printers that sell for more than $100 and the TouchPad, a tablet computer HP plans to launch this summer.

The move further into software should also help HP improve its profit margins, he said.

Apotheker has helped shape HP strategy since becoming CEO in November.

"You'll see a completely different HP emerging over the next three to four years," Apotheker said.

Twitter's Costolo said the explosive micro-blogging site will now allow users to upload photos easily with their tweets, a function intended to "remove the friction from adding photos into Twitter." Searches will now show photos and videos and rank results depending on the number of times the message has been "re-tweeted" and replied to. The authority of the tweeter and whether users follow the tweeter will also affect the results.

Deal-a-day coupon company Groupon and online travel company

Expedia Inc. said Wednesday they will launch a new travel website together to offer discounts on hotels, airline tickets, car rentals, cruises and vacation activities.

Netflix's Hastings said the subscription video company would continue paying more to Hollywood studios for movies and TV shows to show on its Internet streaming service, adding that paying more than $200 million a year for shows from the Starz pay TV channel "wouldn't be shocking" when their current deal expires in 2012.

As the company continues to add subscribers and expands globally, it can maintain its profit margins even as the price tag for content goes up, he said.

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