

Technology

Europe's Top Digital-Privacy Watchdog Zeros In on U.S. Tech Giants

By MARK SCOTT

Photo



Isabelle Falque-Pierrotin, empowered by Europe's highest court, will be at the heart of efforts to police how digital data is transferred outside of the European Union. Credit Dmitry Kostyukov for The New York Times

PARIS — The latest standoff between Europe and American tech companies runs through a quiet street just north of the Louvre Museum, past chic cafes and part of the French national library, to the ornate office of Isabelle Falque-Pierrotin.

From here, Ms. Falque-Pierrotin has emerged as one of the most important watchdogs for how companies like [Facebook](#) and [Google](#) handle the billions of digital bits of personal data — like names, dates and contacts — routinely collected on Europeans. Since 2011, she has been France's top privacy regulator, and for the last two years, she has led a group of European data-protection officials. In those

posts, Ms. Falque-Pierrotin has regularly agitated companies to better safeguard people's data.

Her role will come into even sharper focus in the coming weeks. Ms. Falque-Pierrotin, empowered by Europe's highest court, will be at the heart of efforts to police how digital data is transferred outside of the [European Union](#), a central aspect of many European and American businesses. That role will be amplified even further if, as is now widely expected, American and European negotiators fail to reach a new data-transferring deal by Feb. 1.

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How Europe Is Going After Google, Amazon and Other U.S. Tech Giants

The biggest American tech companies face intensifying scrutiny by European regulators, with — pressure that could potentially curb their sizable profits in the region and affect how they operate around the world.



One thing is clear, she says: The practices of American businesses, and tech companies in particular, are squarely in her sights.

“American companies do not have an immediate right to collect data on our citizens,” Ms. Falque-Pierrotin, 56, a blunt-speaking career civil servant, said recently in an interview, her voice increasingly animated. “If they are on our soil, then they need to live with the consequences.”

Greater oversight fell to Europe's national data regulators in October, when the European Court of Justice [annulled a 15-year-old pact](#) known as safe harbor, which had allowed companies to move information freely between the United States and Europe. The judges ruled that Europeans' data was not sufficiently protected when transferred to the United States.

Shortly after, the national regulators, led by Ms. Falque-Pierrotin, demanded that the European Commission, the executive arm of the European Union, and the Commerce Department reach a new deal by Feb. 1. Negotiators have been talking almost daily since October — including discussions in Brussels and Davos, Switzerland, in recent days. Still, both sides remain at loggerheads over how American intelligence agencies monitor Europeans’ digital profiles, according to several officials, who would speak only on the condition of anonymity.

Failure to find a compromise, company executives and officials warn, could disrupt billions of dollars of trade between two of the world’s largest economies. Nearly all major multinational companies, including manufacturers like General Electric and drug makers like Pfizer, routinely move customer and employee data between regions.

The biggest impact, though, will be felt by United States technology giants like Facebook and Google, which depend on reams of personal data from people’s social media posts, search queries and online purchases to fuel digital advertising businesses. Those efforts often lead to tensions in Europe, where privacy is considered as sacrosanct as freedom of speech.

Deal or no deal, Ms. Falque-Pierrotin is in a position to play a major role. If negotiators agree to a new pact, she and Europe’s other privacy watchdogs will help decide whether the new agreement meets the region’s tough standards. If no deal is reached, she could impose further restrictions on how data is transferred across the Atlantic when European regulators gather on Feb. 2.

“The French aren’t afraid to pick fights with companies,” said Max Schrems, an Austrian law student who [brought the original case](#) that upended the previous trans-Atlantic data-sharing agreement.

Ms. Falque-Pierrotin follows a long tradition of French officials promoting strict privacy rights. In 2014, her peers elected her to lead an [increasingly powerful group](#) of European privacy regulators — a position that she is the forerunner to retain when new elections take place next month.

After receiving degrees from some of France’s top business and civil service schools, Ms. Falque-Pierrotin has spent three decades leapfrogging among government agencies and state-sponsored nonprofits. In the late 1990s, though, she began focusing more on privacy and the digital economy. She joined France’s data-protection authority in 2004 and quickly rose within its ranks.

In person, Ms. Falque-Pierrotin comes across as soft-spoken and formal. But her advocates and targets alike say she can be tenacious, though fair-minded. In recent years, she has gained a reputation for taking on some of the world’s largest tech companies, including Google.

The search giant will again take center stage in the coming weeks when France’s data-protection watchdog is expected to fine the company for failing to comply with [its interpretation](#) of Europe’s “[right to be forgotten](#)” [privacy ruling](#), according to two people with direct knowledge of the matter, who would speak only on the condition of anonymity. While such a move is a headache for a company like Google, the agency’s one-off maximum financial penalty of €150,000, or about \$160,000, is essentially a mere rounding error.

Photo



Max Schrems, an Austrian law student, brought the original case that upended the previous trans-Atlantic data-sharing agreement. Credit Leonhard Foeger/Reuters

In a recent interview — held in her office, decorated in part by a colorful wall mural depicting digital connectivity — Ms. Falque-Pierrotin said Europeans [should have the right](#) to ask Google to remove links about themselves from any search query worldwide. She declined to comment, though, about potential fines. A Google spokesman also declined to comment on the fines. Google [has argued](#) that the legal decision should apply only to European domains like [Google.fr](#) in France, and not to its global websites like [Google.com](#).

Even with the confrontation with Google, French privacy experts say Ms. Falque-Pierrotin has regularly contacted local and international companies. She has often taken a less combative approach than other national watchdogs, they say, particularly those in Germany, where officials have often been quick to blame American companies for flouting local rules.

Ahmed Baladi, a lawyer at Allen & Overy who represented Google in a previous French data-protection case, said Ms. Falque-Pierrotin aggressively led her agency, known as the Commission Nationale de l'Informatique et des Libertés, or CNIL. “But her strategy also has focused on communication, not just enforcement,” he added.

That nuanced approach may prove handy as last-minute discussions about a new trans-Atlantic data-transfer agreement flounder.

National authorities may start legal proceedings — and potentially issue fines — against companies

they think run afoul of Europe's tough data-protection rules if a new deal is not reached.

Ms. Falque-Pierrotin, for instance, has already received complaints against several unnamed companies, though she is waiting until February before deciding whether to begin investigations into how certain companies move data from France to the United States.

Vera Jourova, Europe's justice commissioner in charge of the European negotiating team, still thinks a new data-sharing agreement can be reached, but warns that "a deal will only be made if there's an equitable approach in the United States" to safeguard Europeans' privacy rights.

Bruce Andrews, the deputy secretary of the Commerce Department, dismissed Europe's concerns, saying that the United States had already offered the European Commission a number of guarantees on how its citizens' data would be treated.

"We've agreed to make major changes," he said. "The U.S. takes individuals' privacy very seriously."

In December, Ms. Falque-Pierrotin sent letters to several American agencies, including the Commerce Department and the Federal Trade Commission, asking for meetings to discuss the current impasse. She received only a short response. American officials say they have met with many European regulators, including the Dutch privacy chief, who previously led Europe's pan-regional data-protection group.

Not responding fully to Ms. Falque-Pierrotin's entreaties may prove costly. Already, the French regulator and other European agencies have sent letters to international companies reminding them that the current mechanisms for transferring data are on shaky legal ground.

A number of digital-rights advocates, including Mr. Schrems, are also preparing new privacy cases if a data-transfer deal is not reached by Feb. 1.

That will most likely cause more problems for American tech giants, pushing Ms. Falque-Pierrotin and her European counterparts to consider new investigations — and, eventually, fines. But her position on protecting personal data continues to appear unwavering.

"Does the U.S. provide sufficient privacy guarantees?" she said. "Until now, the answer is no."

How Larry Page's Obsessions Became Google's Business

By [CONOR DOUGHERTY](#)

Photo



Credit Minh Uong/The New York Times

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Three years ago, Charles Chase, an engineer who manages Lockheed Martin’s nuclear fusion program, was sitting on a white leather couch at Google’s Solve for X conference when a man he had never met knelt down to talk to him.

They spent 20 minutes discussing how much time, money and technology separated humanity from a sustainable fusion reaction — that is, how to produce clean energy by mimicking the sun’s power — before Mr. Chase thought to ask the man his name.

“I’m Larry Page,” the man said. He realized he had been talking to [Google’s billionaire co-founder and chief executive](#).

“He didn’t have any sort of pretension like he shouldn’t be talking to me or ‘Don’t you know who you’re talking to?’” Mr. Chase said. “We just talked.”

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Larry Page is not a typical chief executive, and in many of the most visible ways, he is not a C.E.O. at all. Corporate leaders tend to spend a good deal of time talking at investor conferences or introducing new products on auditorium stages. Mr. Page, who is 42, has not been on an earnings call since 2013, and the best way to find him at Google I/O — an annual gathering where the company unveils new products — is to ignore the main stage and **follow the scrum of fans and autograph seekers who mob him in the moments he steps outside closed doors.**

Photo



A prototype for a car Google is developing. Credit Google

But just because he has faded from public view does not mean he is a recluse. He is a regular at robotics conferences and intellectual gatherings like TED. Scientists say he is a good bet to attend Google's various academic gatherings, like Solve for X and Sci Foo Camp, where he can be found having casual conversations about technology or giving advice to entrepreneurs.

Mr. Page is hardly the first Silicon Valley chief with a case of intellectual wanderlust, but unlike most of his peers, he has invested far beyond his company's core business and in many ways has made it a reflection of his personal fascinations.

He intends to push even further with Alphabet, a holding company that separates Google's various cash-rich advertising businesses from the list of speculative projects like self-driving cars that capture the imagination but do not make much money. Alphabet companies and investments span disciplines from biotechnology to energy generation to space travel to artificial intelligence to urban planning.

Investors will get a good look at the scope of those ambitions on Feb. 1, when the company, in its fourth-quarter earnings report, will disclose for the first time the costs and income of the collection of projects outside of Google's core business.

As chief executive of Alphabet, Mr. Page is tasked with figuring how to spin Google's billions in advertising profits into new companies and industries. When he announced the reorganization last summer, he said that he and Sergey Brin, Google's other founder, would do this by finding new people and technologies to invest in, while at the same time slimming down Google — **now called Google Inc., a subsidiary of Alphabet — so their leaders would have more autonomy.**

Photo



Sundar Pichai, chief of Google Inc. Credit Justin Sullivan/Getty Images
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“In general, our model is to have a strong C.E.O. who runs each business, with Sergey and me in service to them as needed,” Mr. Page wrote in a letter to investors. He said that he and Mr. Brin would be responsible for picking those chief executives, monitoring their progress and determining their pay.

Google’s day-to-day management was left to Sundar Pichai, the company’s new chief executive. His job will not be about preventing cancer or launching rocket ships, but to keep Google’s advertising machine humming, to keep innovating in emerging areas like machine learning and virtual reality — all while steering the company through a thicket of regulatory troubles that could drag on for years.

Mr. Page’s new role is part talent scout and part technology visionary. He still has to find the chief executives of many of the other Alphabet businesses.

And he has said on several occasions that he spends a good deal of time researching new technologies, focusing on what kind of financial or logistic hurdles stand in the way of them being invented or carried out.

His presence at technology events, while just a sliver of his time, is indicative of a giant idea-scouting mission that has in some sense been going on for years but is now Mr. Page’s main job.

Photo



Sergey Brin, co-founder of Google, wearing Google Glass. Credit Carlo Allegri/Reuters

In the investor letter, he put it this way: “Sergey and I are seriously in the business of starting new things.”

An Interest in Cool Things

Mr. Page has always had a wide range of interests. As an undergraduate at the University of Michigan, he worked on solar cars, music synthesizers and once proposed that the school build a tram through campus. He arrived at Stanford’s computer science doctorate program in 1995, and had a list of initial research ideas, including self-driving cars and using the web’s many hyperlinks to improve Internet search. His thesis adviser, Terry Winograd, steered him toward search.

“Even before he came to Stanford he was interested in cool technical things that could be done,” Mr. Winograd said. “What makes something interesting for him is a big technical challenge. It’s not so much where it’s headed but what the ride is like.”

Inside Google, Mr. Page is known for asking a lot of questions about how people do their jobs and challenging their assumptions about why things are as they are. In an interview at the Fortune Global Forum last year, Mr. Page said he enjoyed talking to people who ran the company’s data centers.

Photo



LinkNYC Wi-Fi consoles, a product of Sidewalk Labs, a company owned by Google. Credit Cole Wilson for The New York Times

“I ask them, like, ‘How does the transformer work?’ ‘How does the power come in?’ ‘What do we pay for that?’” he said. “And I’m thinking about it kind of both as an entrepreneur and as a business person. And I’m thinking ‘What are those opportunities?’”

Another question he likes to ask: “Why can’t this be bigger?”

Mr. Page declined multiple requests for comment, and many of the people who spoke about him requested anonymity because they were not supposed to talk about internal company matters.

Many former Google employees who have worked directly with Mr. Page said his managerial modus operandi was to take new technologies or product ideas and generalize them to as many areas as possible. Why can’t Google Now, Google’s predictive search tool, be used to predict everything about a person’s life? Why create a portal to shop for insurance when you can create a portal to shop for every product in the world?

But corporate success means corporate sprawl, and recently Google has seen a number of engineers and others leave for younger rivals like Facebook and start-ups like Uber. Mr. Page has made personal appeals to some of them, and, at least in a few recent cases, has said he is worried that the company has become a difficult place for entrepreneurs, according to people who have met with him.

What Is Separated Under Alphabet?

- Google: search, advertising, maps, YouTube and Android.
- Calico, an anti-aging biotech company
- Sidewalk, a company focused on smart cities
- Nest, a maker of Internet-connected devices for the home
- Fiber, high-speed Internet service in a number of American cities
- Investment arms, such as Google Ventures and Google Capital
- Incubator projects, such as Google X, which is developing self-driving cars and delivery drones

Part of Mr. Page’s pitch included emphasizing how dedicated he was to “moonshots” like interplanetary travel, or offering employees time and money to pursue new projects of their own. By breaking Google into Alphabet, Mr. Page is hoping to make it a more welcoming home for employees to build new businesses, as well as for potential acquisition targets.

It will also rid his office of the kind of dull-but-necessary annoyances of running a major corporation. Several recently departed Google staff members said that as chief executive of Google, Mr. Page had found himself in the middle of various turf wars, like how to integrate Google Plus, the company’s struggling social media effort, with other products like YouTube, or where to put Google Now, which resided in the Android team but was moved to the search group.

Such disputes are a big reason Mr. Page had been shedding managerial duties and delegating the bulk of his product oversight to Mr. Pichai, these people said. In a 2014 memo to the company announcing Mr. Pichai’s promotion to product chief, Mr. Page said the move would allow him to “focus on the bigger picture” at Google and have more time to get the company’s next generation of big bets off the ground.

People who have worked with Mr. Page say that he tries to guard his calendar, avoiding back-to-back meetings and leaving time to read, research and see new technologies that interest him.

Given that he is worth in the neighborhood of \$40 billion and created the world's most famous website, Mr. Page has the tendency to attract a crowd when he attends technology events. At last year's Darpa Robotics Challenge, he was trailed closely by a handler who at times acted as a buffer between Mr. Page and would-be cellphone photographers. That commotion could annoy anyone, but it is particularly troubling for Mr. Page, who, because of damaged vocal cords, speaks just above a whisper and sometimes uses a microphone in small meetings.

Photo



A Project Loon balloon. Credit Google

At home in Palo Alto, Mr. Page tries to have the most normal life possible, driving his children to school or taking his family to local street fairs, according to people who know him or have seen him at such events.

And at Google, even events that are decidedly not normal aspire to a kind of casualness. Take the Camp, an exclusive and secretive event that Google holds at a resort in Sicily and where **invitees have included Elon Musk, the chief executive of Tesla Motors and SpaceX, Lloyd C. Blankfein, the chief executive of Goldman Sachs,** and Tory Burch, the fashion designer.

One attendee, who asked to remain anonymous because guests were not supposed to discuss the gathering, recalls being surprised by how much time Mr. Page spent with his children.

In public remarks, Mr. Page has said how important his father, Carl V. Page, a computer science professor at Michigan State University who died in 1996, was to his choice of career.

“My dad was really interested in technology,” Mr. Page said at Google I/O in 2013, the last time he took the stage at the event. “He actually drove me and my family all the way across the country to go to a robotics conference. And then we got there and he thought it was so important that his young son go to the conference, one of the few times I’ve seen him really argue with someone to get in someone underage successfully into the conference, and that was me.”

Photo



A Nest thermostat.

People who work with Mr. Page or have spoken with him at conferences say he tries his best to blend in, and, for the most part, the smaller groups of handpicked attendees at Google’s academic and science gatherings, tend to treat him like a peer.

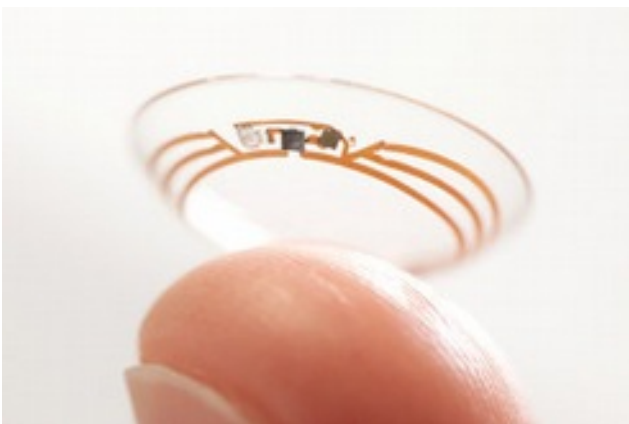
The scope of his curiosity was apparent at Sci Foo Camp, an annual invitation-only conference that is sponsored by Google, O’Reilly Media and Digital Science.

The largely unstructured “unconference” begins when each of its attendees — an eclectic batch of astronomers, psychologists, physicists and others — write something that interests them on a small card and then paste it to a communal wall. Those notes become the basis for breakout talks on topics like scientific ethics or artificial intelligence.

The last conference was held during a weekend in June on Google’s Mountain View, Calif., campus, and Mr. Page was there for most of it. He did not host or give a speech, but mingled and went to talks, just like everyone else. That impressed investors and computer scientists who did not expect to see so much of him, but researchers who had come from outside Silicon Valley barely noticed.

“I have a vague memory that some founder type person was walking through the crowd,” said Josh Peek, an assistant astronomer at the Space Telescope Science Institute in Baltimore.

Photo



A contact lens with a wireless chip. Credit Google

Another benefit of these gatherings for the reserved Mr. Page is that they are mostly closed to the news

media.

A Forward Thinker

When Mr. Page does talk in public, he tends to focus on optimistic pronouncements about the future and Google's desire to help humanity. Asked about current issues, like how mobile apps are challenging the web or how ad blockers are affecting Google's business, he tends to dismiss it with something like, "People have been talking about that for a long time."

Lately, he has talked more about his belief that for-profit companies can be a force for social good and change. During a 2014 interview with Charlie Rose, **Mr. Page said that instead of a nonprofit or philanthropic organization, he would rather leave his money to an entrepreneur like Mr. Musk.**

Larry Page: Where's Google going next? Video by TED

Of course, for every statement Mr. Page makes about Alphabet's technocorporate benevolence, you can find many competitors and privacy advocates holding their noses in disgust. Technology companies like Yelp have accused the company of acting like a brutal monopolist that is using the dominance of its search engine to steer consumers toward Google services, even if that means giving the customers inferior information.

Financially speaking, Mr. Page is leaving his chief executive job at Google at a time when things could not be better. The [company's revenue continues to grow](#) about 20 percent a year, an impressive figure for any business, but particularly so for one that is on pace to **generate approximately \$60 billion this year.**

In fact, the company's main business issue seems to be that it is doing too well. [Google is facing antitrust charges in Europe](#), along with investigations in Europe and the United States. Those issues are now mostly Mr. Pichai's to worry about, as Mr. Page is out looking for the next big thing.

It is hard to imagine how even the most ambitious person could hope to revolutionize so many industries. And Mr. Page, no matter how smart, cannot possibly be an expert in every area Alphabet wants to touch.

His method is not overly technical. Instead, he tends to focus on how to make a sizable business out of whatever problem this or that technology might solve. Leslie Dewan, a nuclear engineer who founded a company that is trying to generate cheap electricity from nuclear waste, also had a brief conversation with Mr. Page at the Solve For X conference.

She said he questioned her on things like modular manufacturing and how to find the right employees.

"He doesn't have a nuclear background, but he knew the right questions to ask," said Dr. Dewan, chief executive of Transatomic Power. "'Have you thought about approaching the manufacturing in this way?' 'Have you thought about the vertical integration of the company in this way?' 'Have you thought about training the work force this way?'" They weren't nuclear physics questions, but they were extremely thoughtful ways to think about how we could structure the business."

Dr. Dewan said Mr. Page even gave her an idea for a new market opportunity that she had not thought of. Asked to be more specific, she refused. The idea was too good to share.

Doris Burke contributed reporting from New York.

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