

Case 1-1

Google, Inc.

After agreeing to censor Internet search results in China, Google, Inc. found its corporate mantra—breezily summarized by its founders as “Don’t Be Evil”—under heavy fire in January 2006. The search engine giant knew bad publicity could be part of any trade-off if it wanted to become a major player in China’s burgeoning economy.

Google had faced little besides fawning publicity from the tech press since its founding in 1998, though hints of the public relations headaches on the horizon for the company first surfaced at the close of 2005, when data and privacy concerns intersected with the U.S. Department of Justice. Google had refused to provide user information in a case the government was building against child pornographers, and as it watched its stock price fall, it had already begun wrestling with how to reconcile that decision with its stance on “Evil.”

Public appetite for the company’s products seemed only to have intensified since Google’s successful—albeit unorthodox—initial public offering in 2004, but the company still feared that the January 25, 2006, launch of its new portal in China, Google.cn, would direct criticism back on the company. To operate the backend of its search engine, Google agreed that the portal would automatically filter results containing content considered objectionable by the Chinese government.

Knowing full well that it could become the poster child for the controversy surrounding market entry into the still-reforming China, Google’s top executives also had to grapple with the reality that the company might truly be at odds with the golden image of its own making. Whereas once Google was able to tout its free-wheeling, creative culture, whispers in the press suggested that Google might be the next Microsoft Corp.—just another soulless,

inflexible, corporate behemoth. A December 2005 cover story in *BusinessWeek* magazine blared “Googling for Gold”¹ and suggested that the company’s true interests were more pragmatic than pie-in-the-sky ideals, and a February 2006 headline of *Time* magazine asked, “Can We Trust Google with Our Secrets?”²

The situation escalated when U.S. Representative Tom Lantos, a Holocaust survivor and human rights advocate, began to speak out publicly against Google’s entry into China, comparing its actions to those of U.S. companies that collaborated with Nazis prior to World War II.³ Already struggling to stay in front of the story, and sending out mixed messages when it came to its stances on privacy and open access to information, Google knew it needed to do something to clear its name—or risk becoming just another dot-com company.

TWO KIDS IN A SANDBOX

Google’s well-documented roots began at Stanford University, where cofounders Sergey Brin and Larry Page met as doctoral computer science candidates in the mid-1990s. A shared love of technology made it only a matter of time before the two overcame their initial dislike of one another and began collaborating on projects outside the classroom.

Over the next few years, the duo worked tirelessly on a way to scan and index the information scattered across the Internet. Other search engines had attempted to do the same

¹ Roben Farzad and Ben Elgin, “Googling for Gold,” *BusinessWeek*, December 5, 2005, pp. 60–66.

² Adi Ignatius, “In Search of the Real Google,” *Time*, February 20, 2006, pp. 36–49.

³ “Q&A: Congressman Tom Lantos,” *Red Herring*, February 17, 2006, <http://www.redherring.com/PrintArticle.aspx?a=15779§or=Q&And A>.