BRUSSELS — The European Union’s antitrust chief hit Google with a record $2.7 billion fine Tuesday, saying the powerful web-search leader illegally steered users toward its comparison shopping site and warning that other parts of Google’s business were in the crosshairs.

The fine is the largest the European Union has levied against a company for abusing its dominant position, and marked the latest confrontation over business practices between E.U. regulators and American tech giants. Google could face dizzying additional penalties if it loses an expected appeal and fails to comply.

If the ruling stands, it could reshape the company’s behavior in one of its most lucrative markets. And the way Google presents its search results could shift worldwide.

The landmark E.U. decision also sets up a wider clash — touching on whether government regulators hold power over one of the world’s most dominant companies, and testing the limits of competition-regulating rules in an age of borderless commerce and online interactions.

“Google has abused its market dominance in its search engine by promoting its own shopping comparison service in its search results and demoting its competitors,” E.U. competition chief Margrethe Vestager told reporters in Brussels.

“What Google has done is illegal under E.U. antitrust rules. It has denied other companies the chance to compete on the merits and to innovate. And most importantly, it has denied European consumers the benefits of competition.”

The decision reinforced Vestager’s emerging role as the world’s most aggressive antitrust regulator, following on a $14.6 billion back-tax judgment against Apple last year.

The announcement caps a seven-year investigation into Google’s trade practices. Other related cases against Google are ongoing.
Google — which is considering an appeal — issued a statement minutes after the E.U. announcement, claiming the company’s shopping site helps both consumers and advertisers.

“When you shop online, you want to find the products you’re looking for quickly and easily. And advertisers want to promote those same products,” said Google senior vice president and general counsel Kent Walker in a statement.

“That’s why Google shows shopping ads, connecting our users with thousands of advertisers, large and small, in ways that are useful for both. We respectfully disagree with the conclusions announced today,” he said. “We will review the Commission’s decision in detail as we consider an appeal, and we look forward to continuing to make our case.”

Under European rules, it is up to Google to find a way to comply with the judgment, and Vestager offered no specific guidance about how it must modify its services.

If it does not abide by the ruling within 90 days, however, Google could face penalties of up to five percent of the daily turnover of Alphabet Inc., its corporate parent, which could be backdated years.

“This is really sending a message to Google: change or we’ll come after you,” said Thomas Tindemans, the chairman of the Brussels office of Hill+Knowlton Strategies, a consultancy, who has worked on previous technology antitrust cases.

Europe’s vast unified market gives regulators extra clout as they take on international business titans. With more than 500 million residents, the 28-nation bloc has more consumers than the United States. And its regulations about fair business practices tend to be stricter than Washington’s, meaning U.S. tech companies are often a focus.

The holder of the previous record fine was Intel, the chip manufacturer, which was hit with a $1.2 billion penalty in 2009.

The E.U. antitrust chief, a former deputy prime minister of Denmark, said Google had illegally taken advantage of its juggernaut standing in the world of search engines, pushing users toward its comparison shopping service and advertisers over those of rivals.

The European Commission directed Google to open up its shopping search results to the tech company’s competitors.

“They’re going to have to change their conduct,” said Thomas Vinje, legal counsel to FairSearch, a lobbying group that has helped organize the legal challenge to Google in Europe.

And as President Trump advocates a fierce America-first policy of trade protectionism, the ruling also raised questions about how his administration would respond to the broadside hit against one of the richest companies in the United States.

The answer was not immediately obvious.
Trump has spoken at times of a need for aggressive antitrust regulation, and Google’s close ties to the White House under President Obama have been severed under the new political order. Several U.S. companies, including Yelp and Expedia, were official complainants in the European case against Google, dampening the Europe vs. America dynamic.

The Federal Trade Commission closed a similar investigation against Google in 2013 in exchange for Google’s changing some of its business practices.

“The lion’s share of work on this case has been advanced by U.S. companies who had to go to Europe after a politically captured FTC failed them,” said Luther Lowe, vice president of public policy at Yelp, a review website that is one of the complainants in the Google case.

Antitrust lawyers on both sides of such cases in Europe usually dismiss allegations of anti-U. S. bias in the judgments, saying that U.S. tech companies become a focus because they are dominant in their field, not because they are American.

“The key principle is that antitrust has been and should remain apolitical, for a good reason,” said Anthony Gardner, who worked on European antitrust issues before he became Obama’s ambassador to the European Union in 2014.

“I pledged during my three years as ambassador that I would never make any policy statement lobbying on behalf of any company,” he said, adding that he was not commenting on the facts of the Google case.

In April, Google chief executive Sundar Pichai said shopping inquiries had increased 45 percent in the past year.

“Our investments in innovative ad formats, improved targeting and better measurement are really helping retailers, who see us as an ally in their corner,” Pichai told investors while discussing the first-quarter earnings of parent company Alphabet.

Last month, Facebook agreed to pay $122 million in fines to the European Union over charges that it misled regulators during its 2014 acquisition of WhatsApp. The fine was among the largest the company has had to pay to any government.

European regulators claimed Facebook was not honest about its ability to identify users who had both Facebook and WhatsApp accounts and link those accounts. At the time of the merger review, regulators were particularly concerned that WhatsApp users would have their information shared with Facebook without their consent.

Brian Murphy in Washington contributed to this report.

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