

European Union Bets on AI Gigafactories

Bloc aims to be key player in the race with U.S. and China over the technology

By MAURO ORRU

The European Union said it would focus on building artificial-intelligence data and computing infrastructure and making it easier for companies to comply with regulation in a bid to catch up with the U.S. and China in the AI race. The European Commission, the EU's executive arm, said it wanted to develop a network of so-called AI gigafactories to help companies train the most complex models. Those facili-

ties will be equipped with roughly 100,000 of the latest AI chips, around four times more than the number installed in AI factories being set up currently. The announcement underscores efforts from the bloc to position itself as a key player in the AI race against the U.S. and China. The EU has been lagging behind since OpenAI's 2022 release of ChatGPT ushered in a spending boom. This year, Washington announced Stargate, an AI venture that aims to build data centers in the U.S. for OpenAI. OpenAI, SoftBank Group, Oracle and MGX are the initial equity funders in Stargate, while Arm, Microsoft and Nvidia are technology partners. The com-



Henna Virkkunen.

panies are committing \$100 billion initially, but plan to invest up to \$500 billion over the next four years.

Beijing has made strides in the technology. Chinese company DeepSeek developed AI models it said nearly matched American rivals despite using inferior chips, raising questions about the need to spend huge sums on advanced gear provided by Nvidia and other tech companies. "The global race for AI is far from over," Henna Virkkunen, EU executive vice president for tech sovereignty, security and democracy, said. "This action plan outlines key areas where efforts need to intensify to make Europe a leading AI continent." The EU in February pledged to mobilize 200 billion euros, equivalent to \$219.17 billion, in AI investments. More than 20

investors earmarked €150 billion for AI-related opportunities in Europe over the next five years, while the bloc is setting up a new €20 billion fund for up to five AI gigafactories. Member states will work with companies in public-private partnerships to roll out the infrastructure given the elevated costs, a senior EU official said. The bloc posted a call for expressions of interest to attract investors. EU lawmakers plan to put forward a Cloud and AI Development Act to stimulate private investment in infrastructure as the bloc seeks to at least triple its data-center capacity in the next five to seven years. Companies need large volumes of data on top of power-

hungry infrastructure to train and roll out AI models. The commission said it would seek to create data labs bringing together troves of data for companies to scale up AI, an effort that will require compliance with the bloc's strict privacy and data-protection laws. EU lawmakers last year approved the world's most comprehensive legislation yet on AI. The rules ban certain uses of the technology, roll out new transparency guidelines, and require risk assessments for AI systems that are deemed high risk. EU officials said the commission would set up an AI Act Service Desk to make it easier for companies to raise doubts, seek guidance and comply with the AI Act.

Google Tries to Appease Regulator on Auto Services

By EDITH HANCOCK

Alphabet's Google will change how it offers its Maps and Automotive Services features to car manufacturers in Europe, Germany's antitrust watchdog said as it wields a relatively new digital competition legal tool against the tech giant. The company said it would license the services contained in its Google Automotive Services business—which includes Google Maps, Google Play and Google Assistant—as separate stand-alone versions to let carmakers with in-vehicle infotainment platforms curate services from rival providers instead of choosing a package from Google, according to the Bundeskartellamt. The regulator added that Google offered to remove contractual terms that incentivizes customers to use its services over competing products

such as ensuring that Google's products are set as default on those platforms. Additionally, Google said it would remove provisions that prevent people using both Google's map services and services from competing providers. "I am pleased that we were able to reach an agreement with Google which will lead to direct improvements in the economic sectors affected," Andreas Mundt, head of the Bundeskartellamt, said in a statement on Wednesday. "Google's commitments have the potential to effect far-reaching changes in the market. Without the current restrictions, customers will have more choice and new opportunities will open up for Google's competitors," he said. Mundt said the changes will open up new opportunities for developers of rival map and auto features. "For

example, they can cooperate with vehicle manufacturers to develop new in-vehicle infotainment solutions," he said. In a separate statement, Google said its platforms and services have always offered other companies choice and that its terms are industry standard. "We'll continue supporting our customers with innovative, helpful products for end users," German representative Ralf Bremer said. The company is settling two cases with the German regulator that were opened under the country's own digital antitrust rules that came into effect in 2021. That law classes companies such as Google as entities of significance due to their dominance in certain parts of the digital economy and obliges them to change how they operate to level the playing field online.



Brett Adcock's Figure AI had no revenue last year and just a few dozen robots in production.

Pre-IPO Firm Has Bold Claims

Continued from page B1 picking up and grasping parts during nonproduction hours in our body shop," the spokesman said. The following week, the BMW spokesman said that he had received an update from colleagues at the plant and that there were now more than three robots on-site. He said they were being used in nonproduction and live-production situations. Figure has been seeking to raise \$1.5 billion in the latest funding round at a \$39.5 billion valuation, the documents show. At that level, Figure would be more valuable than established manufacturers such Ford as well as buzzy Silicon Valley startups such as Anduril, a defense-tech firm. One of the funding round's biggest investors, Align Ventures, has spent weeks marketing the round and looking for smaller investors to buy in at the startup's higher valuation, according to a term sheet and other documents. The smaller investors would pool their money into a special-purpose fund, reducing the amount that Align has to put up for the latest round. Align didn't respond to requests for comment.

The founder

In many ways, a bet on Figure AI is a bet on its founder. Adcock has launched a series of companies since he graduated with a business degree from the University of Florida in 2008. He sold Vettery, an online hiring platform he co-founded, in 2018. Then he moved to California and co-founded Archer Aviation, a maker of electric-powered air taxis. Archer went public in 2021 in a special-purpose acquisition company, or SPAC, deal. That company also is developing futuristic technology and has yet to generate meaningful revenue. Adcock left the company in April 2022. That was the same year that Adcock launched Figure AI. In the early days, Adcock took online AI courses and had books about robots scattered about his desk, former employees said. He hired robotics experts, raised \$70 million in venture capital and unveiled its first humanoid robot in 2023. In February 2024, Figure raised \$675 million in funding at a \$2.6 billion valuation. The company

said it received investments from Microsoft, OpenAI, Nvidia and billionaire Jeff Bezos' private investment firm, among others. The investors declined to comment or didn't respond. Bezos visited the company's facility around that time and Figure was in talks with Amazon.com on a partnership, former employees said. Employees worked on a demonstration where the robot could lift heavy objects. A few months later, Adcock told staff at an all-hands meeting that Figure and Amazon had decided not to move forward. Amazon declined to comment.

'Breakthrough'

More recently, Adcock announced Feb. 4 that his company had ended its collaboration with OpenAI, saying Figure had made a "major breakthrough on fully end-to-end robot AI, built entirely in-house." OpenAI had invested in Figure through its startup fund and at the same time struck a collaboration agreement with the company. Much of Figure's current pitch to investors—and Adcock's social-media postings—are about Figure's work at BMW's car factory in South Carolina. Figure announced the partnership in early 2024 and shipped robots to the factory last year. When the Figure robots arrived at the BMW factory, the production line was shut for routine maintenance, said former Figure employees. The robots did pick up and move pieces of sheet metal, but they weren't working with humans or at the speed required for long periods, these people said. In recent months, unsolicited emails from investors claiming to have access to Figure's funding round have been popping up in inboxes

across Silicon Valley. They all offered a chance to grab a stake in a pre-IPO AI robotics startup. People investing as little as \$100,000 could participate, one of the offers stated. One email pitched an investment through Parkway Venture Capital, one of Figure's main backers. It said there was an effort to raise more than \$80 million for a special-purpose vehicle that would get to own Figure shares in the \$39.5 billion funding round. With Figure robots "on the production line at customer #1 (BMW)" and given the valuation being placed on Tesla's rival Optimus humanoid prototype, "this valuation is not as crazy as it seems at face value," according to the email. Parkway's role in the solicitation couldn't be determined, and the firm didn't respond to requests for comment. One investor received a notice in January that he could acquire Figure shares from a former employee at a steep discount. He reached out to Adcock, who responded that the proposed sale was fraudulent and that he could invest in a future fundraising round, according to messages reviewed by The Wall Street Journal. Soon after, a representative from Figure messaged the investor and asked how much he wanted to pitch into the Series C round. The investor asked for financial information that could help him make that decision. The company provided access to a data room that contained videos of Adcock talking up the company. An investor presentation showcased images of robots doing various activities—including working on car assembly and pouring a glass of milk. What the presentation didn't include was audited financials or projections. The investor passed.

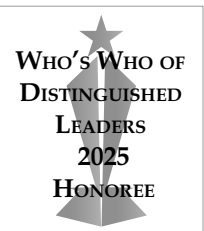
Watch a Video: Why We Don't Have A Made-in-America iPhone



Trump's tariffs aim to bring manufacturing back to the U.S.—including iPhones. Scan this code for a video with Joanna Stern on how tough it would be to build iPhones here, and how tariffs could affect prices.

Who's Who of Distinguished Leaders: 2025 Honorees

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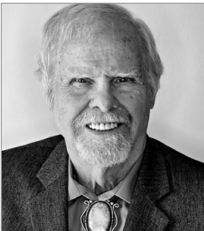
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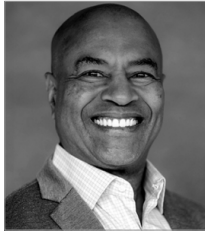
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Sr. Utilities Business Analyst
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Albertsons Companies



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