



Re-Amended Defence dated 18 March February 20210 – re-amended with written consent of all parties pursuant to CPR 17.1(2)(a)

IN THE HIGH COURT OF JUSTICE

CLAIM NO. QB-2019-001430

QUEEN'S BENCH DIVISION

MEDIA AND COMMUNICATIONS LIST

BETWEEN:

CRAIG WRIGHT

Claimant

- and -

PETER McCORMACK

Defendant

DRAFT / RE-AMENDED
DEFENCE

1. References in this Re-Amended Defence to paragraph numbers are to the Amended Particulars of Claim unless otherwise stated.

Parties

2. As to paragraph 1:

2.1 It is admitted that the Claimant is "active" within the cryptocurrency "sphere" in the sense that he has an interest in, and has a public profile as someone involved in, that sector. It is admitted that he has experience in information technology security. It is not admitted that the Claimant is a computer scientist. It is admitted and averred that in December 2015 he claimed publicly to have a PhD in computer science from Charles Sturt



University (**CSU**), Bathurst, Australia. However, that was not true, as the university confirmed in a public statement in December 2015 which said that the Claimant had not been awarded a PhD by **CSU**.

- 2.2 It is not admitted that the Claimant "runs" a number of cryptocurrency or blockchain businesses (that term being undefined and no particulars of those businesses having been provided).
 - 2.3 No admissions are made as to whether the Claimant is a businessman "based in" England and Wales (a term which is not defined) or as to any connections he claims to have to this jurisdiction. The Claimant is an Australian citizen and also has close connections to Antigua.
 - 2.4 He resided in Australia until early December 2015 when his home and office in Sydney were raided by the Australian Tax Office as part of an investigation into his tax affairs.
 - 2.5 The Claimant will be put to proof of his connection to this jurisdiction.
 - 2.6 Save as aforesaid, paragraph 1 is denied.
3. The Claimant is supported in these proceedings by Calvin Ayre, a Canadian businessman domiciled in Antigua. Mr Ayre carries on in business in online gambling. In November 2018 the Claimant and Mr Ayre established a new cryptocurrency "hard fork chain" called "Bitcoin SV" (short for "Bitcoin Satoshi Vision"), which had Mr Ayre's financial backing. Bitcoin SV is promoted by nChain Holdings (nChain), a technology company formerly known as nTrust which was founded by the Claimant and in respect of which he is described as "Chief Scientist". On 5 December 2019 it was announced that Mr Ayre had joined the Strategic Advisory Board of nChain and that he was "an nChain shareholder and advisor". Bitcoin SV and nChain were at all material times also closely linked to a company called EITC Holdings (EITC). In 2012 Mr Ayre faced money laundering charges in the United States which resulted in the authorities dropping felony charges in return for his plea to a misdemeanour charge. Mr Ayre has been the public face of the Claimant's threats to bring legal proceedings against the Defendant and others in this jurisdiction (see further below).
 - 3A. According to the terms of an agreement dated 17 February 2016 between the Claimant and EITC which, among other terms, transferred all rights associated



with the Claimant's purported "story" of being Satoshi Nakamoto to EITC ("the EITC Agreement"), EITC was granted the exclusive right to bring and control any proceedings in connection with the same: see paragraph 19 below. It is to be inferred from this agreement, and the level of involvement by Calvin Ayre in and around these proceedings, that these proceedings were initiated and are being controlled and/or funded by EITC and/or Mr Ayre and/or other third parties, and the Claimant is merely a nominal claimant. See further paragraph 20 below.

4. Paragraph 2 is admitted and averred. The Defendant's podcast, on his website www.whatbitcoindid.com, is one of the leading online global publications about the bitcoin and cryptocurrency sector and is listened to by many around the world with an interest in that subject including expert commentators on bitcoin and cryptocurrency.
5. Paragraph 3 is admitted and averred, save that the final sentence is not admitted. In addition to using his Twitter account to tweet about news and other developments in the bitcoin and cryptocurrency sector, at all material times the Defendant used it to participate in online discussions and debates on those subjects. As with the listeners of the Defendant's podcast, the followers of his Twitter account were at all material times located all over the world. It is assumed that the reference to "the Claimant" in the final sentence is intended to be a reference to "the Defendant".

The publications-Tweets complained of

6. As to the publications complained of in paragraphs 4, 6, 8, 10, 12, 14, 16, 19, 21, and 23, 24A, [24C, 24E, 24G and 24I]:
 - 6.1 It is admitted that the Defendant wrote and published the words complained of in the case of each of the [ten] [fifteen fourteen] Tweets referred to in those paragraphs on the dates pleaded (although the times are not admitted).
 - 6.2 The words complained of have been selectively chosen by the Claimant. The Defendant will rely on the whole of each Tweet complained of and the surrounding context – including the preceding and following Tweets by the



Defendant and others – to put each Tweet complained of into its proper context.

- 6.3 It is admitted that the words complained of referred to the Claimant. It is denied that they were defamatory of the Claimant in the sense that they caused or were likely to cause serious harm to his reputation (see paragraphs 18 and 19 below).
- 6.4 The first ten eleven Tweets complained of are no longer online and accessible via the Defendant's Twitter page (as is admitted by the Claimant at paragraph 25.5). They were automatically deleted in or about mid-June and July 2019 by software installed on the Defendant's account. [It is admitted denied that the other Tweets complained of remain online and accessible to the public. They were removed by the Defendant pursuant to an undertaking the Defendant offered the Court by solicitor's letter dated 22 November 2020.]

Meaning

The First Publication

7. It is denied that the words complained of in paragraph 4 bore or were understood to bear the innuendo meaning pleaded in paragraph 5. As to the innuendo particulars in paragraphs 5.1 and 5.2:

Paragraph 5.1

- 7.1 It is admitted and averred that the pseudonymous "Satoshi Nakamoto" is generally believed within the worldwide bitcoin and cryptocurrency community to be the individual or group of persons who originally created the bitcoin cryptocurrency.
- 7.2 However, whether or not it is generally believed or accepted that Satoshi Nakamoto is or may be one individual or a group of individuals is immaterial for the purposes of this claim.
- 7.3 This is for two reasons. First, the Claimant and others on his behalf have made repeated public statements, since at least 2015, that it is the



Claimant himself who is Satoshi Nakamoto, the creator of bitcoin. To this end, in April and May 2016 the Claimant claimed publicly and in private that he would prove that he was Satoshi Nakamoto by carrying out exercises using Satoshi's private cryptographic keys. Those exercises very publicly failed, leading to the widely held and expressed view in the bitcoin and cryptocurrency community that the Claimant's continuing claim to be Satoshi Nakamoto was a sham (as set out in paragraphs 22.20 to 22.29 below). Second, if Satoshi Nakamoto is a group of individuals, the Claimant's claim to be Satoshi is a claim that he is an individual within the group who has control of the private cryptographic keys associated with the critical earliest blocks in the blockchain.

- 7.4 The facts in paragraph 7.3 above were, at the time of the publications complained of, generally known in the worldwide bitcoin and cryptocurrency community, including by all or at least a very large majority of those who read the [ten] Tweets, and/or viewed the video, complained of or any of them, readers of the Defendant's Tweets, and viewers of the video, being persons with a special interest in and knowledge of bitcoin and cryptocurrency.

7.4A The Defendant will contend that, to the readers referred to in paragraph 7.4 above, by way of that innuendo plea, the words complained of meant and were understood to mean that the Claimant's claim to be Satoshi Nakamoto (the pseudonymous person or one of the group of people who created bitcoin) was fraudulent, in that it was a lie, as demonstrated by his own failed promises to provide cryptographic proof of that claim.

Paragraph 5.2

7.5 Accordingly, paragraph 5.2 is denied.

The Second Publication

8. It is denied that the words complained of in paragraph 6 bore or were understood to bear the innuendo meaning pleaded in paragraph 7. As to the innuendo particulars in paragraphs 7.1 to 7.4:



- 8.1 As to paragraph 7.1, paragraphs 7.1 to 7.3 above are repeated.
- 8.2 It is admitted and averred that on and prior to 10 April 2019 Mr Ayre, who is supporting the Claimant in this claim (as to which paragraphs 3 and 3A above are repeated), had made it publicly known that the Claimant was intending to bring libel proceedings against individuals who had stated online that they did not believe the Claimant's claims to be Satoshi Nakamoto and considered his attempts to prove it a scam or fraudulent. Save as aforesaid paragraph 7.2 is denied.
- 8.3 As to paragraph 7.3, it is admitted that the photograph which featured in Mr Ayre's Tweet was of the Claimant, Mr Ayre and their solicitors and counsel engaged in these proceedings. It is admitted that the reference to "troll hunting", alongside the posed photograph of "legal muscle", must have been intended by the Claimant (and Mr Ayre) to convey the impression to readers of it that the Claimant was embarking on legal proceedings against those who had made the said statements about the Claimant. It is not admitted that readers would have understood it to bear that meaning.
- 8.4 The facts in paragraph 8.2 above were at the time of the publications complained of generally known in the worldwide bitcoin and cryptocurrency community, including by all or at least a very large majority of those who read the Second Publication (as well as the other Tweets, [and the video], complained of), readers of the Defendant's Tweets [and viewers of the video] being persons with a special interest in and knowledge of bitcoin and cryptocurrency.
- 8.5 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 7.4 is denied.

The Third Publication

9. It is denied that the words complained of in paragraph 8 bore or were understood to bear the innuendo meaning pleaded in paragraph 9. As to the innuendo particulars in paragraphs 9.1 and 9.2:
 - 9.1 As to paragraph 9.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.



9.2 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 9.2 is denied.

The Fourth Publication

10. It is denied that the words complained of in paragraph 10 bore or were understood to bear the innuendo meaning pleaded in paragraph 11. As to the innuendo particulars in paragraphs 11.1 and 11.2:

10.1 As to paragraph 11.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

10.2 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 11.2 is denied.

The Fifth Publication

11. It is denied that the words complained of in paragraph 12 bore or were understood to bear the innuendo meaning pleaded in paragraph 13. As to the innuendo particulars in paragraphs 13.1 and 13.2:

11.1 As to paragraph 13.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

11.2 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 13.2 is denied.

The Sixth Publication

12. It is denied that the words complained of in paragraph 14 bore or were understood to bear the innuendo meaning pleaded in paragraph 15. As to the innuendo particulars in paragraphs 15.1 and 15.2:

12.1 As to paragraph 15.1, paragraphs 7.1 to 7.3 above are repeated.

12.2 Accordingly, in light of paragraph 7.4 above, paragraph 15.2 is denied.

The Seventh Publication

13. It is denied that the words complained of in paragraph 16 bore or were understood to bear the meaning pleaded in paragraph 17.



14. It is denied that the words complained of in paragraph 16 bore or were understood to bear the innuendo meaning pleaded in paragraph 18. As to the innuendo particulars in paragraphs 18.1 and 18.2:

14.1 As to paragraph 18.1, paragraphs 7.1 to 7.3 above are repeated.

14.2 Accordingly, in light of paragraph 7.4 above, paragraph 18.2 is denied.

The Eighth Publication

15. It is denied that the words complained of in paragraph 19 bore or were understood to bear the innuendo meaning pleaded in paragraph 20. As to the innuendo particulars in paragraphs 20.1 and 20.2:

15.1 As to paragraph 20.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

15.2 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 20.2 is denied.

15.3 Paragraph 20.3 is denied: paragraph 14 above is repeated.

The Ninth Publication

16. It is denied that the words complained of in paragraph 21 bore or were understood to bear the innuendo meaning pleaded in paragraph 22. As to the innuendo particulars in paragraphs 22.1 and 22.2:

16.1 As to paragraph 22.1, paragraphs 7.1 to 7.3 above are repeated.

16.2 Accordingly, in light of paragraph 7.4 above, paragraph 22.2 is denied.

16.3 Paragraph 22.3 is denied: paragraph 14 above is repeated.

The Tenth Publication

17. It is denied that the words complained of in paragraph 23 bore or were understood to bear the innuendo meaning pleaded in paragraph 24. As to the innuendo particulars in paragraphs 24.1 and 24.2:

17.1 As to paragraph 24.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.



17.2 Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 24.2 is denied.

The Eleventh Publication

17A. It is denied that the words complained of in paragraph 24A bore or were understood to bear the innuendo meaning pleaded in paragraph 24B. As to the innuendo particulars in paragraphs 24B.1 to 24B.3:

17A.1. As to paragraph 24B.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

17A.2. Paragraph 24B.2 is admitted.

17A.3. Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 24B.3 is denied.

[NOTE: Paragraphs 17B -to 17I below are dependent on the outcome of the Claimant's Third Amendment Application dated 23 November 2020 succeeding in adding publications 12 to 16 to the claim. Corresponding amendments would also need be made to paragraph 18 below as well as elsewhere in the draft Re-Amended Defence dependant on the outcome of that application].

The Twelfth Publication

17B. The final paragraph of the quotation in paragraph 24C relates to a Tweet posted by another Twitter user ("SeekingSatoshi"), not the Defendant. It is denied the Twelfth Publication remains online and accessible. It was removed by the Defendant pursuant to an undertaking the Defendant offered the Court by letter dated 22 November 2020. It is denied that the words complained of in paragraph 24C which were posted by the Defendant referred to the Claimant and/or bore or were understood to bear the meaning pleaded in paragraph 24D.

The Thirteenth Publication

17C. It is denied the Thirteenth Publication remains online and accessible. It was removed by the Defendant pursuant to an undertaking the Defendant offered the Court by letter dated 22 November 2020. It is denied that the words complained of in paragraph 24E bore or were understood to bear the innuendo meaning pleaded in paragraph 24F. As to the innuendo particulars in paragraphs 24F.1 to 24F.3:



17C.1. As to paragraph 24F.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

17C.2. Paragraph 24F.2 is admitted.

17C.3. Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 24F.3 is denied.

The Fourteenth Publication

17D. It is denied the Fourteenth Publication remains online and accessible. It was removed by the Defendant pursuant to an undertaking the Defendant offered the Court by letter dated 22 November 2020. It is denied that the words complained of in paragraph 24G bore or were understood to bear the innuendo meaning pleaded in paragraph 24H. As to the innuendo particulars in paragraphs 24H.1 and 24H.2:

17D.1. As to paragraph 24H.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

17D.2. Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 24H.2 is denied.

The Fifteenth Publication

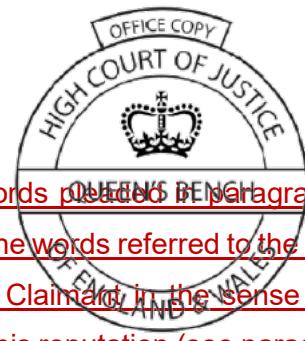
17E. It is denied the Fifteenth Publication remains online and accessible. It was removed by the Defendant pursuant to an undertaking the Defendant offered the Court by letter dated 22 November 2020. It is denied that the words complained of in paragraph 24I bore or were understood to bear the innuendo meaning pleaded in paragraph 24J. As to the innuendo particulars in paragraphs 24J.1 and 24J.2:

17E.1. As to paragraph 24J.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

17E.2. Accordingly, in light of paragraphs 7.4 and 8.4 above, paragraph 24J.2 is denied.

The Sixteenth Publication

17F. Paragraph 24K is admitted.



17G. It is admitted that the Defendant spoke the words pleaded in paragraph 24L – which have been selectively chosen - and that the words referred to the Claimant. It is denied that they were defamatory of the Claimant in the sense that they caused or were likely to cause serious harm to his reputation (see paragraphs 18 and 19 below).

17H. As to paragraph 24M it is admitted that the Defendant knew that the words referred to were to be made available via a live stream video but it is denied that he knew (or intended) that they would be made available in any permanent form. The second sentence is accordingly denied.

17I. It is denied that the words complained of in paragraph 24L bore or were understood to bear the innuendo meaning pleaded in paragraph 24N. The Defendant will rely on the whole of the video complained of and the surrounding context to put it into its proper context. As to the innuendo particulars in paragraphs 24N.1 and 24N.2:

17I.1. As to paragraph 24N.1, paragraphs 7.1 to 7.3 and 8.2 above are repeated.

17I.2. As to paragraph 24N.2 it is denied that there were any “readers” of the Sixteenth Publication. In light of paragraphs 7.4 and 8.4 above, paragraph 24N.2 is denied.]

Serious harm

18. It is denied that the publications complained of or any of them have caused or are likely to cause the Claimant serious harm to his reputation whether as alleged in paragraph 25 or at all. The Defendant reserves the right to apply for summary judgment or trial of a preliminary issue in relation to this issue.

18.1 As to paragraph 25.1, this is an entirely generic plea and is denied save that it is admitted that no retraction or apology has been published. See further paragraph 19 below.

18.2 As to paragraph 25.2, no admissions are made as to the numbers of readers of the publications complained of ~~because the Tweets have been deleted and the Defendant has no record of the number of publishees~~. It is denied that a very substantial number of readers within this jurisdiction



viewed the publications. The largest proportion of the Defendant's Twitter followers (33%) are located in the United States, whereas only 10% are located in the United Kingdom. The Defendant will say that this was also the approximate breakdown at the material times, although not all Twitter followers are active at any given time. In addition the number of the Defendant's Twitter followers and "likes" and retweets associated with a Tweet do not necessarily enable accurate assessment of the number of publishees of the Tweet. This is because (among other things) ordinarily the accounts of many followers are created, controlled and used not by humans but by automated Twitter "bots", which can perform actions such as re-tweeting and liking Tweets without human intervention. As regards the Sixteenth Publication, the online material produced by "Hotep Jesus" is primarily directed at users within the United States and it is properly to be inferred that the overwhelming majority of viewers of the Sixteenth Publication were located in the United States and outside this jurisdiction.

- 18.3 It is admitted that limited republication of the Defendant's words Tweets complained of was reasonably foreseeable, not because of the seriousness of the allegation (which is denied), but because it is in the nature of the ephemeral way in which Twitter works that Tweets are readily retweeted or liked without any or much regard being paid to the content. The As to the figures in paragraphs 25.3.1 to 25.3.3, it is averred that, shortly before the Tweets were automatically deleted on 14 June 2019, they had been retweeted and liked as follows: (a) the Third Publication: 1,216 retweets, 2,827 likes; (b) the Fifth Publication: 831 retweets, 3,513 likes; and (c) the Seventh Publication: 1,901 retweets; 8,670 likes. in relation to alleged republishees are not admitted for the reason given in paragraph 18.2 above in relation to publishees. It is denied that the publications have been published "extraordinarily widely" in this jurisdiction: the last two third and fourth sentences of the preceding paragraph are repeated. It is denied (if it be so alleged) that republication of the Sixteenth Publication was reasonably foreseeable and it is not admitted (if it be so alleged) that any such republication has taken place. Paragraph 18.2 above is repeated.
- 18.4 It is not admitted that the Claimant can rely on the "grapevine effect" as no particulars of this are given.



18.5 As to paragraph 25.5, on 14 June 2019 the Defendant installed automatic Tweet deletion software called TweetDeleter onto his Twitter account. He did this after a friend who tweets on bitcoin-related issues, had told him that he used, and recommended using, an automatic Tweet deletion service. The Defendant then read an article in *Wired* which advocated the use of software for automatic deletion of tweets, particularly by journalists. The Defendant therefore decided to install TweetDeleter, but before doing so he downloaded data from his Twitter account and uploaded it to TweetDeleter. That data, which has been preserved by the Defendant's solicitors, contains information relating to the [First to Tenth] Publications, including the numbers of retweets and likes. After this data was downloaded, the TweetDeleter software deleted the [First to Tenth] Publications on 14 June 2019, and the Eleventh Publication (which was posted on 19 June 2019) in or around July 2019. Contrary to paragraph 25.5, the Eleventh Publication was not "complained of" in the Particulars of Claim (served on 1 May 2019) and was not the subject of any complaint by the Claimant until 11 October 2019 when draft Amended Particulars of Claim were served. Further and in any event, in his letter of claim of 14 April 2019, the Defendant, by his solicitors, SCA Ontier LLP, stated that the Claimant "required" the Defendant to take various steps, including "[y]our undertaking to delete all tweets and other online or other publications in which you alleged that [the Claimant] had fraudulently claimed to be Satoshi Nakamoto". Save as aforesaid paragraph 25.5 is denied.

18.6 As to paragraph 25.6:

18.6.1 Shortly before the [First to Tenth] Publications were automatically deleted on 14 June 2019, the numbers of retweets and likes were as follows: (a) the First Publication: 21 retweets, 559 likes; (b) the Second Publication: 1 retweet, 76 likes; (a) the Fourth Publication: 26 retweets, 174 likes; (a) the Sixth Publication: 100 retweets, 1,041 likes; (a) the Eighth Publication: 9 retweets, 114 likes; (a) the Ninth Publication: 0 retweets, 6 likes; and (a) the Tenth Publication: 0 retweets, 18 likes.

18.6.2 [Paragraph 25.6.9 is not admitted.]



18.6.3 As of 14 October 2019, the numbers of retweets and likes in respect of the Twelfth to Fifteenth Publications were as follows:
(a) the Twelfth Publication: 22 retweets, 191 likes; (a) the Thirteenth Publication: 14 retweets, 126 likes; (a) the Fourteenth Publication: 67 retweets, 887 likes; (a) the Fifteenth Publication: 80 retweets, 830 likes.]

18.6.4 Paragraph 18.2 above is repeated.

18.7 As to paragraph 25.7 it is assumed that the reference to "publishes" is intended to be "publishees". It is admitted that the number of readers of the Tweets would have been more than the numbers of retweets and likes.
Paragraph 18.5 above is repeated. Save as aforesaid paragraph 25.7 is denied.

18.8 As to paragraph 25.8 it is admitted and averred that the readers of the [First to Fifteenth] Publications, and viewers of the Sixteenth Publication, were persons with a special interest in and knowledge of bitcoin and cryptocurrency. All, or the vast majority, of the readers or viewers of those publications would have learnt of the notorious allegation that the Claimant had fraudulently claimed to be Satoshi Nakamoto, which arose out of his failed promises to prove he was Satoshi and which formed an intrinsic part of his reputation, from sources other than the publications complained of, as summarised in paragraphs 7.1 to 7.4 above. For example, the hashtags "#faketoshi" and "#CraigWrightIsAFraud" were extensively and routinely linked to the Claimant on Twitter by numerous users far more prominent than the Defendant. Paragraph 19 below is repeated. The meaning of the allegation that such readers were "influential Twitter users who were often active in the field directly related to the Claimant's field of employment and area of interest, namely the cryptocurrency sphere" is excessively vague and not admitted. [As to the sub-paragraphs to paragraph 25.8:

18.8.1 The words of the replies pleaded in paragraph 25.8.1.1, 25.8.1.3, 25.8.3.1, 25.8.3.2, 25.8.4.1, 25.8.4.2, 25.8.6.1, 25.8.6.2 and 25.8.6.3 are admitted. The Defendant will if necessary refer to the replies at trial for their full content and context.

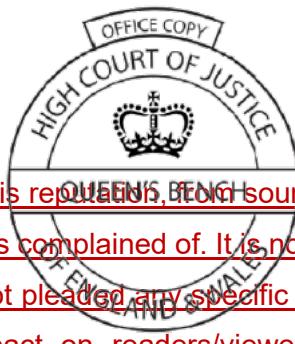


- 18.8.2 It is admitted that the Twitter accounts referred to in paragraph 25.8.2, 25.8.5 and 25.8.7, save for @KRyanBradshaw and @rchguy, retweeted the publications pleaded.
- 18.8.3 No admissions are made as to the number of followers of the Twitter accounts referred to at the material time.
- 18.8.4 Several of the Twitter users referred to posted tweets, prior to the dates of the replies or retweets pleaded, which show that their belief that the Claimant's claim to be Satoshi was fraudulent predated the tweet posted by the Defendant to which they replied or which they retweeted.
- 18.8.5 Paragraph 25.8.8.1 and 25.8.8.2 are not admitted. As to paragraph 25.8.8.3, the words of the tweet referred to are admitted. It is denied that the statement referred to "demonstrate[s]" the "impact of the video on viewers". The Defendant will if necessary refer to the tweet at trial for its full content and context.
- 18.8.6 Save as aforesaid paragraph 25.8 is not admitted.]

18.9 As to paragraph 25.9:

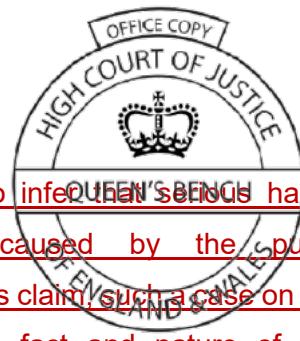
- 18.9.1 The first sentence is denied:

18.9.1.1. It is inherently unlikely that the Claimant's reputation within the academic community and the computer science, cryptocurrency and financial technology industries has been seriously harmed as a result of the publications complained of. All, or the vast majority, of those operating within those spheres (and particularly those who came into contact with the Claimant) would have learnt of the notorious allegation that the Claimant had fraudulently claimed to be Satoshi Nakamoto, which arose out of his failed promises to prove he was Satoshi and which formed



an intrinsic part of his reputation from sources other than the publications complained of. It is notable that the Claimant has not pleaded any specific instances of the alleged impact on readers/viewers of the publications complained of and the alleged harm pleaded. Paragraphs 7.1 to 7.4 and 18.8 above and 19 below are repeated.

18.9.1.2. Further, in other proceedings for libel in this jurisdiction, the Claimant has alleged that he has suffered serious harm to his reputation as a result of publications by individuals other than the Defendant which are alleged to bear the same or substantially meanings as those complained of in this case and were published at around the same time. Those other proceedings include: (a) a claim in respect of a Tweet posted on 17 March 2019 by Marcus Granath, who, according to the Claimant, had 8,878 Twitter followers at the material time; (b) a claim in respect of an article published on the "Github" platform on 9 April 2019 by Vitalik Buterin (a prominent cryptocurrency developer who, according to the Claimant, had 846,000 Twitter at the material time) and by the Ethereum Foundation (a blockchain platform co-founded by Mr Buterin); (c) a claim in respect of a Tweet posted on 10 April 2019 by Adam Back, the CEO of a technology company called Blockstream, who, according to the Claimant, had 177,000 Twitter followers at the material time; and (d) a claim in respect of a YouTube video, a Tweet and a reply to a Tweet posted between 15 April 2019 and 3 May 2019 by Roger Ver, a bitcoin investor who had about 52,554 Twitter followers in the UK at the material time. These claims brought by the Claimant further demonstrate the general notoriety of the allegation that he had fraudulently claimed to be Satoshi Nakamoto. Further, insofar as the Claimant



invites the court to infer that serious harm to his reputation was caused by the publications complained of in this claim, such a case on causation is negated by the fact and nature of the other proceedings brought by the Claimant in respect of other publications with the same meaning during the same period.

18.9.1.3. Further, in a message sent on 18 December 2019 (the day before the Amended Particulars of Claim were served), the Claimant made clear that he did not care about his reputation in the context of allegations that he was not Satoshi Nakamoto, stating as follows:

"Oh, you add much crap, then I have to either:

1. Slink away

2. Prove I am SN and be attacked...

I choose neither

They assume that I give a shit about reputation now
😉

I remember having faked my qualifications... until I didn't

18.9.2 As to the second sentence it is not admitted that any invitations to speak at academic conferences were withdrawn as alleged. Paragraph 18.9.1 above is repeated. Further, it is denied (if it be alleged) that any such withdrawals were caused by serious harm to the Claimant's reputation resulting from the publications complained of. The Claimant is put to proof of his case on causation. The Claimant attended numerous academic conferences, panels and the like during the period in which the publications complained of were published, including at least the following:

18.9.2.1. 'The Original Satoshi Vision for Bitcoin', 30 April 2019, the Oxford Union, at which the Claimant spoke.



18.9.2.2. CoinGeek Conference, 29-30 May 2019, Toronto, at which the Claimant spoke.

18.9.2.3. Expo-Bitcoin International Conference, 19-23 June 2019, Bogota, at which the Claimant spoke.

18.9.2.4. 2nd Workshop on Blockchain and Smart Contract Technologies, 26-28 June 2019, Seville.

18.9.2.5. FT Alphaville Vaudeville, 26 July 2019, London, at which the Claimant spoke.

18.9.2.6. Intelligent Systems Conference (IntelliSys), 5-6 September 2019, London, at which the Claimant spoke.

18.9.2.7. CoinGeek Seoul Conference, 1-2 October 2019, at which the Claimant spoke.

18.9.2.8. CHAINSIGHTS Fintech and Blockchain Summit, 10 October 2019, New York, at which the Claimant spoke.

18.9.2.9. CC Forum London Investment in Blockchain and AI, 14-16 October 2019 in London, at which the Claimant spoke.

18.9.2.10. Malta AI & Blockchain Summit 2019, 7-8 November 2019, Malta, at which the Claimant spoke.

18.9.2.11. SiGMA 2019, 27-29 November 2019, Malta, at which the Claimant spoke.

18.9.2.12. BSV China Conference, 7 December 2019, Beijing, at which the Claimant spoke.

18.9.3 Paragraphs 25.9.1 is not admitted.

18.9.4 As to paragraph 25.9.2, none of the events referred to were located in this jurisdiction. It is denied that the Claimant is entitled to sue in libel in respect of any alleged damage to his reputation



which occurred outside the jurisdiction. Without prejudice to that plea paragraph 25.9.2 is not admitted.

18.9.5 Paragraph 25.9.3 is denied for the reasons set out at paragraphs 18.9.1 to 18.9.4 above. The Claimant is put to proof of his case on causation.

18.9.6 Paragraphs 25.9.4 and 25.9.5 are not proper pleas in support of the Claimant's case on serious harm to his reputation. They do not contain particulars of any such harm arising out of the publications complained of. Instead they assert alleged "considerable difficulties for the Claimant in pursuing academic opportunities" and "detrimental impact upon the value of patents which the Claimant files and creates" flowing from alleged withdrawals of invitations extended to the Claimant and/or his inability to publish papers. Without prejudice to that plea, paragraphs 18.9.1 to 18.9.5 above are repeated. Save as aforesaid paragraph 25.9.4 and 25.9.5 are not admitted.

18.10 Paragraph 25.10 is not a proper plea in support of the Claimant's case on serious harm to his reputation. Without prejudice to this, paragraph 25.10 is denied in so far as it purports to make a case on causation related to the Defendant's publications. Paragraph 19 below is repeated. It is inherently unlikely that the publication of the words complained of "has made it more difficult for the Claimant to achieve his ambition of becoming a magistrate in Surrey" (that ambition not being admitted), in circumstances where:

18.10.1 the allegation that the Claimant had fraudulently claimed to be Satoshi Nakamoto (arising out of his failed promises to prove himself as such) was notorious and an intrinsic part of his reputation, as would have been readily apparent at any material time from a Google search on the Claimant's name; a search which it is reasonably assumed those involved in the recruitment process at the Ministry of Justice would have carried out;

18.10.2 as part of any application to become a magistrate the Claimant would in any event have had to declare his controversial background history in answer to the question, on the application



form, whether there was anything "in your private or working life, past or present, which could damage your credibility as a magistrate if it became known to the public," (a question which would also be asked at interview);

18.10.3 in answering that question the Claimant would also have to set out the circumstances in which his home was raided by the Australian Tax Office in December 2015 (see paragraphs 2.4 above and 22.14 below); and

18.10.4 even had his application been successful, as part of continuing full and frank disclosure he would also have to have notified the Ministry of Justice of the findings against him of dishonesty, perverting the course of justice and forgery made by Magistrate Judge Reinhart in the United States District Court, Southern District of Florida on 27 August 2019 (upheld subsequently by District Judge Bloom on 10 January 2020): see further below at paragraph 20.33A to 20.33B.

19. The contention in paragraph 25.1 (which is denied), that the imputations complained of are inherently serious as a matter of obvious inference, ignores the critical overarching context in this case, as well as the requirement that the Claimant show serious harm as a matter of actual provable fact.

19.1 All or at least a very large majority of the readers [and viewers] of the publications complained of, being people with a particular and/or specialist interest in the bitcoin and cryptocurrency sector, would have known the historic context for the Defendant's allegation that the Claimant was variously "not Satoshi" or "a fraud" or "repeatedly and fraudulently claimed to be Satoshi", namely that summarised in paragraphs 7.1 to 7.4 above. In other words, the allegation – and its basis in the Claimant's failed promises to prove he was Satoshi Nakamoto – was notorious and had been the subject since May 2016 of continuous widespread global publication within the bitcoin and cryptocurrency sector and in mainstream media, and had thereby become an inherent part of the Claimant's global public reputation. If necessary, the Defendant will refer to the mass of statements published worldwide, including in this jurisdiction, between 2016 and today which demonstrate this.



- 19.2 The Claimant has himself publicly acknowledged that, as a result of his failure to provide the promised "proof", he was and would be regarded generally as being guilty of deception. See for example his blog post dated 4 May 2016: "[Jon Matonis and Gavin Andresen] were not deceived, but I know that the world will never believe that now."
- 19.3 That this was the background was also apparent from the immediate context of the publications complained of, namely that they were in direct response to Tweets by Mr Ayre on the Claimant's behalf which threatened legal proceedings against persons who stated that they did not believe the Claimant's claims to be Satoshi Nakamoto and considered his attempts to prove it a scam or fraudulent (as the Claimant admits in paragraph 7.2, and as pleaded in paragraphs 8.2 to 8.4 above). The Defendant retweeted Mr Ayre's Tweets when he (the Defendant) responded to them and, following receipt of the letter of claim on 12 April 2019, the Defendant also tweeted a copy of that, as well as his reply. Readers could accordingly see for themselves what both sides of the prospective legal dispute were saying and put it into this context.
- 19.4 Further, the allegation that the Claimant was not Satoshi or fraudulently claimed to be so, was the direct result of the Claimant's own conduct in publicly promising and then failing to prove he was Satoshi in and since April and May 2016. It could not therefore be damage to reputation about which the Claimant could complain in any event. Moreover, the Claimant's stated objective in bringing these proceedings (according to Mr Ayre on his behalf in a tweet on 16 April 2019, four days after the letter of claim was sent to the Defendant and one day before these proceedings were issued: see paragraph 20.1 below), namely to induce "a moron" to "bankrupt themselves trying to prove a negative and then letting Craig show the proof" (that he was Satoshi Nakamoto), by itself demonstrates that the Defendant's publications did not and were not likely to cause serious harm to his reputation. For, were it otherwise, the Claimant would have "shown the proof" before now rather than allowing the allegation to be continuously recycled in the bitcoin and cryptocurrency sector since May 2016. Further, the Defendant will rely on paragraph 20.3 below to contend that the proceedings are not a genuine attempt by the Claimant to vindicate the alleged harm to his reputation, but are a commercial



endeavour controlled by third parties for their own and the Claimant's commercial gain.

- 19.5 Users of Twitter understand that it is a medium in which people may be intemperate and extreme in the language they use and that what is said on Twitter is more akin to verbal banter than edited news copy. Readers of the publications Tweets complained of would therefore have regarded them, in their proper context as described above, as trivial and/or no more than yet further references to the Claimant's notorious failure to prove that he was Satoshi, notwithstanding his own promises to do so, and to accounts of and/or commentary on that failure.
- 19.6 In all these circumstances, for the claim to be actionable the Claimant would have to prove: (a) that he suffered or is likely to suffer serious harm to his reputation in this jurisdiction as a matter of actual provable fact, (b) that it was the actual impact of the Defendant's ten Tweets Publications complained of on those to whom the words were published in this jurisdiction specifically which caused that effect, and (c) that it was not caused by the Claimant's notorious failure to prove that he was Satoshi in May 2016, notwithstanding his own promises to do so, and/or published accounts of and/or commentary on that failure, and/or any or a combination of the mass of other publications as aforesaid, including those outside this jurisdiction.
- 19.7 It follows from all of the above that the Defendant will contend that it is inconceivable that the publications complained of caused or were likely to cause the Claimant serious harm to his reputation within this jurisdiction.

Abuse of process

20. Further or alternatively, on the following basis the claim is an abuse of process.
- 20.0 The Defendant will contend that the claim is not a genuine claim by the Claimant for vindication of his reputation; but is being run by third parties for commercial gain: paragraph 3A above is repeated.



20.1 According to Calvin Ayre, on the Claimant's behalf, the Claimant threatened and brought these proceedings with one objective in mind. This is, as Mr Ayre and the Claimant put it, to trap the Defendant (and anyone else pursued by them) into bankrupting himself in having to "prove a negative" (that the Claimant is not Satoshi Nakamoto) so that they can then "show the proof" and win the case. Mr Ayre has made this statement or words to the like effect on several occasions. For example, in a Tweet on 16 April 2019 (four days after the letter of claim dated 12 April 2019 was sent to the Defendant and one day before these proceedings were issued):

"...judge only needs one troll to pass judgement...no need to sue everyone...just waiting for a volunteer to bankrupt themselves trying to prove a negative and then letting Craig show the proof. Who will be this moron?"

20.1A. To like effect, Mr Ayre also made the following statement in a Tweet on 13 December 2019: "...Craig also says the only true proof will happen in a court of law. Possession [sic] of the keys does not prove he is Satoshi. He says he will move coins when it makes sense on his master plan and not before".

20.1B. Similarly, in an article posted on medium.com on 16 February 2019, the Claimant stated as follows:

"Can I definitively prove who I am? Yes. I actually can very simply. But, what does it achieve... long term. Doing things too quickly leads to trouble. It's not a matter of signing with keys alone. There are people who already know I could do so and which of the early keys they saw, and know I have access to, yet it does nothing to help with repudiation. [...]

I hold a key, a methodology, and a way to definitively prove, and over time, I will release parts of the story bit by bit. As I do, I utterly destroy the scammers in the industry. I will bring down the ones seeking to make criminal industries out of Bitcoin and blockchain, and I will alter the path of the industry, and I don't care if you like it — for it's what I'm going to do."



The Claimant included very similar statements in the book "Satoshi's Vision" which was published under his name in August 2019.

20.1C. The Defendant will also refer to statements made by the Claimant about his access to / control of the early bitcoin (a) in an interview with Brendan Sullivan for an article in Modern Consensus published on 26 August 2019 and (b) in an interview with cointelegraph.com on 23 January 2020. The Modern Consensus article contains the following exchanges between Mr Sullivan and the Claimant, discussing the consequences of the Order of Judge Reinhart (see paragraph 22.33A below):

"Brendan Sullivan: Will this affect BSV?

Claimant: BSV, it won't. But the judge ordered me to send just under 500,000 BTC over to Ira. Let's see what it does to the market. I wouldn't have tanked the market. I'm nice [...]

BS: But how will you actually get the money? We've talked over the years and I've always tried to respect your privacy. Just because it's none of my business how much someone else is holding. But now you'll have to break the Tulip Trust to transfer the coins.

C: If the court makes an order, I will comply with the order. And the court has made an order. It's that simple.

BS: So this affects the so-called "Satoshi Blocks" of unmoved bitcoins in the blockchain. The block rewards from when 50 bitcoins were issued for mining. Does that mean blocks that haven't moved will since 2009 will get transferred?

C: Not at least, just under half. Because they'll have to come out of partnership. I spent more money on the project than Dave, so I will rule on that and effectively Ira will get maybe 180,000 BTC."

The cointelegraph interview contains the following exchange between the interviewer and the Claimant:

"Interviewer: Do you still expect to see the keys at a later date? Are you expecting them at all?

Claimant: I'm hoping so. Will I cause BTC a whole lot of problems? Yes. But I'll do that in many different ways.

I: So you don't know for sure?

C: I'm about 99.9999 and a few more 9s percent certain that I will be taking control of my BTC and whatever else".



20.220.1 Quite apart from the fact that the Claimant (and Mr Ayre) have made and not kept this promise to "show the proof" on many occasions (thereby rendering it not credible), it would clearly be an abuse of the court's process and/or a hugely wasteful and disproportionate use of court resources if it were indeed the case that the Claimant is in a position now to provide the proof that he is Satoshi, but is declining to do so purely as part of a tactical and/or public relations game played by himself and Mr Ayre and/or other third parties or as part of a "master plan" devised by him and such persons. It would also be an infringement of the Defendant's rights under Article 10 of the European Convention on Human Rights (ECHR) and an unjust waste of the Defendant's costs and time.

20.3 In fact, it is reasonably to be inferred that the Claimant, and his supporter Mr Ayre and/or other third parties, are seeking to use these and other proceedings in this jurisdiction as a means of stoking global publicity in relation to the Claimant's claim to be Satoshi Nakamoto, and as part of the claimed "master plan", with a view to (i) encouraging interest in, and increasing the value of, Bitcoin SV, and/or (ii) exploiting the perceived commercial value of the Claimant's purported "story" that he is Satoshi Nakamoto. This inference is based on:

- (a) the fact that these proceedings were only brought shortly after the launch of Bitcoin SV (which for emphasis uses the Satoshi name in its name), notwithstanding that allegations that the Claimant is not Satoshi Nakamoto have been extensively made since 2016;
- (aa) the terms of the EITC Agreement: see paragraphs 3A above and 22.16 below;
- (aaa) the fact that in August 2016 the Claimant gave a power of attorney to nChain, a company in which Mr Ayre is an investor, to control certain intellectual property, including conduct of litigation on the Claimant's behalf;
- (b) the contents of Mr Ayre's Tweets of 29 March 2019 (referred to in paragraph 31 below), and 16 April 2019 (above) and 13 December 2019 (above); and



(c) the fact that although the Claimant (and Mr Ayre) claim to have "proof" that the Claimant is Satoshi Nakamoto, they have declined to provide it and indicate instead that they will do so at some unspecified future date in the context of the proceedings and "*when it makes sense on [the Claimant's] master plan and not before*".

20.3A. If, as the Defendant and numerous others in the cryptocurrency sector believe, the Claimant's claim to be Satoshi Nakamoto is a lie, as demonstrated by his failed promises to provide cryptographic proof of it, then (i) despite the Claimant's and Mr Ayre's claims to the contrary, the Claimant will not be able to provide that proof at any point and (ii) therefore it is in the Claimant's and Mr Ayre's interests and/or the interests of any third parties in control of these proceedings, to continue to assert that proof will be provided whilst not committing ever to when or how it will be provided. In this regard, the Defendant will also rely on (i) the Claimant's refusal in inter partes correspondence to answer questions as to when the promised proof will be provided and how, and (ii) his volte face in the Reply at paragraph 35.11, which for the first time, wholly implausibly, alleged that the relevant private keys (which the Claimant had accepted, for example in May 2016, could be used to provide cryptographic proof that he was Satoshi Nakamoto: see paragraphs 22.27 to 22.29 below) were in fact destroyed by him in May 2016 as part of a Byzantine alleged arrangement with a blind trust.

20.3B. Alternatively, if the Claimant is indeed Satoshi Nakamoto, he has provided no convincing reason why he cannot forthwith provide the cryptographic proof, by, for example, moving bitcoin from blocks #1 to #8 using the private keys associated with those early blocks, a method which the Defendant has by his solicitors' letter of 8 August 2019 stated that he would, upon satisfactory and independent verification, accept as proof.

20.4 20.2 If necessary the Defendant will also rely on the matters pleaded at paragraphs 18.2, 18.8, 18.9.1.1, 18.9.1.2 and 19 above.

20.5 20.3 In all these circumstances, the Claimant should be directed to provide forthwith the proof to which Mr Ayre is referring above and, if he does not comply, then the claim should be struck out.



Truth

21. Further or alternatively, if and in so far as the statements complained of in paragraphs 4, 6, 8, 10, 12, 14, 16, 19, 21, and 23, 24A, 24C, 24E, 24G, 24I and 24L, in their proper context, respectively bore or were understood to bear the following imputation by way of innuendo, those statements were substantially true pursuant to s.2(1) of the Defamation Act 2013:

that the Claimant's claim to be Satoshi Nakamoto (the pseudonymous person or one of the group of people who created bitcoin) was fraudulent, in that it was a lie, as demonstrated by his own failed promises to provide cryptographic proof of that claim.

PARTICULARS OF INNUENDO

- 21.1 Paragraphs 7.1 to 7.4 above are repeated.

In the premises, the readers of the statements complained of would have understood those statements or any of them to bear the imputation set out above.

22. In the alternative, if and in so far as the statements complained of in paragraphs 4, 6, 8, 10, 12, 14, 16, 19, 21 and 23, 24A, 24E, 24G, 24I and 24L, respectively bore or were understood to bear the imputation pleaded by the Claimant in paragraph 5 — that the Claimant had fraudulently claimed to be Satoshi Nakamoto, that is to say the person, or one of the group of people, who developed bitcoin — they are substantially true. Further, if and in so far as the statement complained of in paragraph 24C bore or was understood to bear the imputation pleaded by the Claimant in paragraph 24D — that the Claimant had fraudulently claimed to have written the Bitcoin White Paper — that meaning is substantially true.

PARTICULARS OF TRUTH



Bitcoin

- 22.1 Bitcoin is a decentralised digital currency or "cryptocurrency". It is based on an electronic distributed public ledger called the "blockchain" which records the ownership and transfer history of all "bitcoins" (the unit of account). To prevent people from breaking the rules, such as spending the same money multiple times, all transactions are disclosed publicly.
- 22.2 To make it difficult for the transaction history of the network to be altered, the transactions are batched into "blocks". Each block has a unique cryptographic "hash" (that is, a digital fingerprint) that is derived from its contents and each block also contains a hash of the previous block, thus forming a linked list of blocks. As each block's hash would change if a single byte of data in the block was changed, it is not possible to change any historical data without breaking this chain of cryptographic hashes. Each block is additionally secured via "proof of work", a mathematical challenge to which a known number of computations must be applied in order to solve it. As each block must contain a sufficient proof of work, and the hash of each block is linked to the next block, it is computationally expensive to replace a block and becomes exponentially more difficult to do so the further back in the chain you go. As a result of this process, no one has, as far as is known, successfully interfered with the history of the blockchain going back any significant distance.
- 22.3 There is no central authority which manages the blockchain. Instead it is updated to record new transactions by means of "mining", a process performed by the computers (or "nodes") of individual users of the network, who receive rewards for their mining activities in the form of newly created bitcoin and transaction fees.
- 22.422.3 In order to conduct transactions in bitcoin it is necessary to use a bitcoin "wallet", computer software which manages the digital credentials for bitcoin holdings. Each bitcoin owner's wallet has "private keys" which can be used to sign messages or transfer bitcoins out of the wallet. These keys must only be known by the individual owner who created the bitcoin wallet; anyone who has the keys can control the money. Each private key



managed by a wallet also has a corresponding "public key" that can be used to generate a bitcoin address for receiving transactions.

22.522.4 Although all transactions on the blockchain are public, bitcoin funds are registered to cryptographically generated bitcoin addresses rather than to identified users. Only a person who has the private key corresponding to the bitcoin address to which a particular transaction transfers money is able to spend that value.

Satoshi Nakamoto

22.6 On 31 October 2008 a person pseudonymously referred to as Satoshi Nakamoto published a paper entitled "*Bitcoin: A Peer-to-Peer Electronic Cash System*" (the **SN Paper**). The SN Paper contained the first description of bitcoin.

22.722.5 On 3 January 2009 Satoshi Nakamoto mined the first block of the chain, which is known as the "genesis block" (or block #0). On 8 January 2009 Satoshi Nakamoto released the first version of the bitcoin software. It is generally believed that Satoshi Nakamoto thereafter mined a large number of bitcoin, which have been estimated as numbering approximately one million. The vast majority of these bitcoin have never been spent. On 12 January 2009 Satoshi Nakamoto completed the first bitcoin transaction by sending 10 bitcoins to Hal Finney, a computer scientist. This transaction was confirmed in block #170 and spent the bitcoins that were created in block #9.

22.8 In the months after publication of the SN Paper, and up to 2011, Satoshi Nakamoto developed the bitcoin software and communicated with various individuals about bitcoin and his ideas, using online communications. At no time did he identify himself or reveal any substantial personal details, other than passing references to being a very capable coder and not being a lawyer. It is not known whether Satoshi Nakamoto is an individual or a group of individuals. On 23 April 2011 Satoshi sent the last known email from an address known to be associated with him and then disappeared from public view.



22.9 Since it is known that Satoshi Nakamoto was the first person to conduct bitcoin transactions, it is possible to identify the address and public key used by him from the blockchain record of those transactions.

22.10 It follows that if, after Satoshi Nakamoto disappeared from public view, a person transferred bitcoin mined in blocks #1 to #8 (block #0 cannot be spent) by using the appropriate private key, that would provide strong and compelling evidence that that person was Satoshi Nakamoto.

22.11 Alternatively, a person could cryptographically sign a message as a "challenge/response" type of test with the private keys corresponding to blocks #0 to #9 to achieve a similar level of compelling evidence.

22.12 It would be technologically straightforward for the person who held the appropriate keys to perform either of the above exercises whereas it would be impossible for a person who did not hold the keys to do so.

The Claimant's claims to be Satoshi Nakamoto and his failure to prove it

22.13 ~~22.6~~ The Claimant has been involved in information technology businesses and security consultancies. He is experienced in information technology security. He has purported to substantiate his claim to be a computer scientist by claiming to have a PhD in computer science, but this was at the time untrue: paragraph 2.1 above is repeated.

22.14 ~~22.7~~ The Claimant's business affairs were investigated by the Australian Tax Office (ATO) between 2013 and 2015. As a result, on 22 June 2015 the ATO determined that Coin Exch Pty Ltd, a company of which the Claimant was director and controlling mind, was liable to pay tax of AUS\$3,787,429 (as a result of a false or misleading statement to the ATO as to the correct assessed net amount). In addition, the ATO imposed on Coin Exch Pty Ltd an administrative penalty of AUS\$1,893,714.

The Claimant's agreement to being revealed as the purported Satoshi Nakamoto

22.15 ~~22.8~~ In or about late June 2015 the Claimant entered into an agreement with nTrust, a money transfer company based in Canada (the nTrust



~~Agreement).~~ The nTrust Agreement was ~~the result of~~ discussions between the Claimant and nTrust's Chief Executive, Robert MacGregor, and an Australian information technology specialist Stefan Matthews. Also involved was Calvin Ayre.

22.16 In accordance with the nTrust Agreement a related agreement dated 17 February 2016 the Claimant sold to nTrust EITC, a company connected to nTrust the rights to his purported "life story" as Satoshi Nakamoto and various intellectual property rights (namely, the EITC Agreement referred to in paragraph 3A above). This was in consideration for substantial payment to the Claimant, to include the repayment of substantial debts accrued by the Claimant's businesses, including it is to be inferred the tax liabilities above, and also further funding for the Claimant to pursue, to the benefit of nTrust/nChain, new business proposals including applications for patents and research into new products. The EITC Agreement included the following terms:

- (a) That there would be a public announcement that the Claimant was Satoshi Nakamoto: clause 2(c)(4).
- (b) That the Claimant would permit himself to be "interviewed and questioned extensively" by media chosen by EITC to cover the "story" of the Claimant being Satoshi Nakamoto, and that the Claimant "shall answer all questions put to him in a full, frank and truthful manner, including by providing all such detail and information as he is able": clause 4(a).
- (c) That the Claimant would be required to perform promotional and marketing activities related to the Satoshi Nakamoto "story" and he warranted that he understood that participation in such activities and in furtherance of the EITC Agreement "will cause him to have no or minimal privacy during his involvement": clauses 4(b) and 10(m).
- (d) That the Claimant granted to EITC the unrestricted right to institute in the name and on behalf of the Claimant, or the Claimant and EITC jointly, or EITC alone, "any and all suits and proceedings, to preserve and/or to enforce any right(s)" granted under the EITC Agreement and "to enjoin any infringements



thereof", and the Claimant also assign QUEEN'S BENCH HALL recoveries obtained in any such action". It was further stipulated that the Claimant "will not compromise, settle or in any manner interfere with any such litigation if brought": clause 14(b).

Under the nTrust Agreement, the products and intellectual property rights which accrued in connection with these activities of the Claimant were to be held by a newly formed subsidiary of nTrust called nCrypt (which was re branded nChain in or about November 2016). They would be packaged and sold and/or licensed as the work of Satoshi Nakamoto (presented as the creator of bitcoin), who would for the first time, in accordance with the terms of the EITC Agreement – to great public fanfare – be unmasked as the Claimant, in order to raise the profile and value of nCrypt's products and/or intellectual property rights. The intention behind the nTrust and EITC Agreements was that once the big "Satoshi reveal" had happened the "Satoshi package" could be sold by nCrypt for upwards of \$1 billion. The part of the agreement which would involve monetising and unmasking the Claimant as Satoshi Nakamoto is referred to below as the **SN Project**.

22.17 As part of the SN Project a public relations firm in London, the Outside Organisation, was used to organise and facilitate the unmasking through the media of the Claimant as Satoshi Nakamoto. This included bringing in the journalist Andrew O'Hagan to follow closely in late 2015 and the first half of 2016, and report on, the process by which ultimately the Claimant would be revealed and would provide proof that he was Satoshi Nakamoto.

22.18 To this end, in early December 2015 material which purportedly evidenced that the Claimant was Satoshi Nakamoto was leaked to media outlets specialising in technology, namely Wired magazine and the Gizmodo website. These publications duly published articles worldwide on 8 December 2015 announcing that it seemed likely that the Claimant was Satoshi (although both publications amended their articles by 11 December 2015 to state that they no longer believed that the Claimant



was Satoshi on account of flaws, including doubts as to the authenticity of documents, in the evidence originally relied on). It is reasonably to be inferred from the timing of the 8 December publication and the imprimatur which they initially gave to the claim that the Claimant was Satoshi, that the leaks to Wired and Gizmodo were made as part of the SN Project and were accordingly authorised by nTrust/nCrypt and the Claimant.

22.19 22.9 *The Claimant's failed first attempt to provide purported proof that he was Satoshi Nakamoto*

22.20 In furtherance of the SN Project, in April 2016 the Claimant purported for the first time to provide cryptographic proof (as in conclusive verification) for the public that he was Satoshi Nakamoto. The demonstration of the "proof" was arranged by Outside Organisation who invited selected journalists from respected news organisations (the BBC and, *The Economist* and British GQ Magazine) to attend the confidential sessions in London on 24 and 25 between 24-27 April 2016. The Claimant would provide the "proof" to the journalists and this information would then be embargoed until the coordinated "big reveal" at 08.00 on 2 May 2016, thus ensuring that nTrust/nCrypt remained in control of the "revelation" in accordance with the SN Project. The media organisations were not informed that the demonstration was part of the SN Project, namely the plan to monetise the Satoshi Nakamoto identity.

22.21 22.10 *The "proof" which the Claimant purported to provide in the sessions was use of the private key associated with the first ever bitcoin that was spent (mined in block #9, the block containing the 10 bitcoin Satoshi sent to Hal Finney in 2009, and spent in block #170) to sign a message and then verify it with the public key. On the second day of sessions the Claimant repeated the exercise so that the BBC could film it. During one session the BBC filmed the Claimant's verification exercise and an interview with him about his contention that he was Satoshi Nakamoto. In the presence of the BBC and Economist journalists, the Claimant purported to use a hash to attach the text of a speech by Jean-Paul Sartre to the coins mined in block #9 (the Sartre message). During the interview the Claimant told Rory Cellan Jones, the technology correspondent for the BBC, that he was about to demonstrate the signing*



~~ef a message with the public key which was associated with the first transaction ever done on bitcoin, and that he would thereby show Mr Cellan Jones that he was Satoshi Nakamoto.~~

22.21A. At another session, on 26 April 2016, the Claimant purported to carry out the message signing exercise in front of the journalist from GQ Magazine, Stuart McGurk, who was accompanied by an expert in bitcoin from University College, London, called Dr Nicolas Courtois. During their conversation, the Claimant objected to the expectation that he would “jump through everybody’s hoops” to prove he was Satoshi Nakamoto. He said, “I’m not going to sign every fucking key I own in the world. I’ve got the first fucking nine keys, I’ve got the fucking genesis bloody block, I’ve got the fucking code, I’ve got the fucking papers. I’m not going to go through fucking everything. I don’t really give a shit whether people like it”. Dr Courtois made it clear that he did not accept that the Claimant’s attempt at verification was convincing, as he claimed the message he purported to sign could have been compromised or stolen. Dr Courtois asked the Claimant if he had any evidence of the traceability of early bitcoins or that they had been moved. The Claimant reacted furiously to this and was extremely defensive, shouting at Dr Courtois, “If you don’t like it, fuck off! Fuck off!” and “It’s none of your business!”, asserting privacy over his bitcoin holdings. The Claimant’s reaction was not only offensive and unjustified but contravened the EITC Agreement which specifically required him to waive any privacy right and answer all questions put to him in a full, frank and truthful manner, including by providing all such detail and information as he was able. It is therefore reasonably to be inferred that the Claimant reacted as he did to Dr Courtois’ reasonable probing because he was unable to provide the evidence requested connecting him to the early bitcoin associated with Satoshi Nakamoto.

22.22 At 08.00 on 2 May 2016 the embargo lifted and the BBC News website, Twitter feed and Radio 4 Today programme reported the Claimant’s claims to be Satoshi Nakamoto and that he had produced evidence backing this up, in reference to the above purported demonstrations in April. This was followed by a report by *The Economist* in rather more sceptical terms and asking the Claimant for better evidence. At about the



same time Calvin Ayre tweeted that the Claimant was the proven Satoshi. As part of the Project's coordinated public relations exercise, there followed huge media and industry sector interest and republication of the Claimant's claims by reference to his demonstrated "proof".

22.23 22.11 Also at 08.00 on 2 May 2016 the Claimant published a post on his blog hosted at www.drcaigwright.net entitled "Jean Paul Sartre, signing and significance". In the post, clearly intended to corroborate the media reports of his "proof", he purported to demonstrate his control over Satoshi Nakamoto's private key by cryptographically signing the Sartre message. This gave bitcoin and cryptocurrency coders an opportunity properly to analyse the purported private key and signature.

22.24 The claim that the hash was of a Sartre speech was untrue; within hours of the "proof" being published by the Claimant it was shown to be a hash extracted from the blockchain itself, which had allowed the Claimant to reuse a known Satoshi signature that was publicly available on the blockchain. Anyone familiar with Bitcoin at a technical level could produce such a "proof".

22.25 In consequence, there followed on 2 May 2016 and thereafter a torrent of worldwide published condemnation of the Claimant for having perpetrated what was described by coders and commentators as a probable "scam" and "fake" proof that the Claimant was Satoshi. The Defendant will refer to the relevant articles, blog posts and social media, including in particular those in the bitcoin and cryptography sector, which are too numerous proportionately to list here. By way of example, however, Patrick McKenzie, a cryptocurrency specialist, stated on the blog GitHub on 5 May 2016:

22.26 22.12 "Wright's post is flimflam and hokum which stands up to a few minutes of cursory scrutiny, and demonstrates a competent sysadmin's level of familiarity with cryptographic tools, but ultimately demonstrates no non-public information about Satoshi."

22.27 Another cryptocurrency specialist, Dan Kaminsky, stated on his blog on the same date:



"Wright is pretending he has Satoshi's signature on his writing. That would mean he has the private key, and is likely to be Satoshi. What he actually has is Satoshi's signature on parts of the public Blockchain, which of course means he doesn't need the private key and he doesn't need to be Satoshi. He just needs to make you think Satoshi signed something else besides the Blockchain - like Sartre. He doesn't publish Sartre. He publishes 14% of one document. He then shows you a hash that's supposed to summarize the entire document. This is a lie. It's a hash extracted from the Blockchain itself."

22.26A. Dr Courtois, who had met with the Claimant on 26 April 2016 (see paragraph 22.21A above), sent an email to Stuart McGurk in which he said that the Claimant "has cheated us. It is a hoax. I have proof".

~~The Claimant's failed second attempt to provide "extraordinary proof" that he was Satoshi Nakamoto~~

22.28 On 3 May 2016, as a direct result of the hostile publicity, and it is to be inferred in accordance with his obligations under the EITC Agreement set out above and under pressure from nTrust/nCrypt and those referred to above who had a direct interest in the success of the SN Project (including Calvin Ayre), the Claimant posted on his blog to the effect that he would be providing once and for all verifiable cryptographic evidence to substantiate his claim by means of transferring early bitcoins known or strongly believed to be owned by SN. By clear implication his post acknowledged that his first "proof" had not in fact proven that he was Satoshi Nakamoto. He announced that therefore he would soon provide "extraordinary proof" that he was Satoshi by transferring bitcoin from an early block, thereby acknowledging his acceptance that this would be the single most compelling piece of evidence that he was Satoshi and the best means to provide the independent verification which the media and in particular the bitcoin and cryptography sector (as well as nTrust/nCrypt) demanded. In his post he promised:

~~"So, over the coming days, I will be posting a series of pieces that will lay the foundations for this extraordinary claim, which will include posting~~



~~independently verifiable documents and evidence addressing some of the false allegations that have been levelled, and transferring bitcoin from an early block... I will present what I believe to be "extraordinary proof" and ask only that it be independently validated."~~

22.29 Accordingly, under the terms of the EITC Agreement, it was arranged with the BBC that on 4 May 2016 they would attend a final session to witness — and then report on — the Claimant proving he was Satoshi by moving the early bitcoin. The process would involve Jon Matonis, a bitcoin researcher, Gavin Andresen, a software developer, and Rory Cellan-Jones, the technology correspondent for the BBC, sending small amounts of bitcoin to the public address used in the first ever bitcoin transaction, namely Satoshi Nakamoto's public address. The Claimant would then send the bitcoin back from that address, using the corresponding Satoshi Nakamoto private key, as only the person in possession of it could. As agreed, Mr Matonis, Mr Andresen and Mr Cellan Jones all sent the bitcoins to the address.

~~However the Claimant did not send the bitcoin back and did not therefore provide the "extraordinary proof" which he had promised to demonstrate that he was Satoshi. He has never done so since, despite continuing to claim up to the present day — including in these proceedings for libel — that he is Satoshi Nakamoto. He has provided no credible reason for not doing what he promised to do, relying at the time on the entirely spurious explanations that he "was not strong enough" to go through with sending the bitcoin back and — to Mr O'Hagan — that he feared he could be arrested under UK anti-terrorism laws for creating bitcoin if he revealed himself to be Satoshi Nakamoto, in each case whilst implying that he was technically able to do so if he wished. Equally, he provided no compelling reason for why the purported Sartre message was not in fact, contrary to his claim, signed with Satoshi Nakamoto's private key, excusing it merely as a "mistake". The Defendant denies the Claimant's new case, which came out of the blue in paragraph 35.11 of the Reply, that he had destroyed a hard drive allegedly containing the relevant private keys (which could enable him to show he was Satoshi Nakamoto) on an unknown date in "early May 2016". Were this the case, (i) he would not have promised that he would provide "extraordinary proof" by moving early bitcoin using the~~



private keys, and (ii) would have relied on this explanation for not being able to send the early bitcoin. The Defendant will further rely on the fact that, in contradiction of the case in his Reply, only ~~11~~ weeks before the Reply was served, the Claimant's solicitor informed the Defendant's solicitor that the Claimant was still expecting to recover the relevant public and private keys associated with the early blocks from a blind trust, and that he expected to obtain them early in 2020. That was also consistent with what the Claimant was at that time telling the plaintiffs and court in the Florida proceedings (see below).

In all these circumstances, it is therefore reasonably to be inferred that the Claimant's failure to send the early bitcoin as promised or to sign the Sartre message with Satoshi Nakamoto's private key is because his claim to be Satoshi is a lie.

Further matters on which the Defendant will if necessary rely

- 22.30 In further support of the above inference the Defendant will rely if necessary on the following additional facts and matters.

The Florida proceedings

- 22.31 On 14 February 2018 a Complaint and Jury Demand was filed against the Claimant in proceedings in the United States District Court, Southern District of Florida (the **Florida Proceedings**) brought by Ira Kleiman (as the personal representative of his brother, David Kleiman, now deceased) and W&K Info Defense Research, LLC, a company in which it is said that the Claimant and David Kleiman had an interest (the **Plaintiffs**). The claim, which is ongoing, concerns the rightful ownership of hundreds of thousands of bitcoin, whose total value exceeded US\$11 billion at the time of the claim. The Plaintiffs allege that, having worked with David Kleiman during the latter's lifetime, after Mr Kleiman's death the Claimant stole the bitcoin and related intellectual property assets from the Plaintiffs by forging documents, including contracts. In the claim, the Claimant disputes this, alleging that he and David Kleiman created bitcoin together and they together mined large amounts of early bitcoin which were later transferred into a blind trust, the Tulip Trust, to which the Claimant claims



he will not have access until 1 January 2020. The Claimant claims in the Florida Proceedings that he alone is Satoshi Nakamoto.

22.32 One issue which has arisen arose in the Florida Proceedings is was the Claimant's failure, in breach of orders of the court dated 14 March 2019 and 14 June 2019, to produce on discovery a list of all his bitcoin public keys or addresses which he held as at 31 December 2013, as a way of evidencing his ownership of the bitcoin in issue (including the early bitcoin believed to belong to Satoshi Nakamoto). The Claimant has stated in evidence in the case that he is unable to provide the list of public keys for his bitcoin mined after the first 70 blocks because that information is held in the Tulip Trust. The Claimant's explanations to the Florida court for this failure have fluctuated over time. Initially he stated that it would be oppressive to have to produce the public addresses. Then, in a sworn declaration of 8 May 2019, he stated that it was impossible because, although the Claimant's bitcoin holdings (including those from the first #70 blocks) were held in the Tulip Trust 1, the public addresses for that bitcoin and their associated private keys were contained in an encrypted file which required himself and other trustees to unlock it based on a Shamir's Secret Sharing scheme. Subsequently, he informed the Florida court that the missing "slice" of the Shamir scheme, which was required to unlock the encrypted file so that the public addresses and private keys could be accessed, would be delivered to him by a "bonded courier" which was meant to arrive on an unknown date in January 2020, sent from an unspecified source.

22.33A On 27 August 2019 Magistrate Judge Reinhart delivered his judgment on the Plaintiffs' application for sanctions against the Claimant for failure to comply with the said discovery order to produce a list of his bitcoin holdings, granting the order and imposing sanctions. In a devastating assessment of the Claimant's credibility and conduct in the Florida proceedings, the Judge stated that:

- (a) "I completely reject Dr Wright's testimony about the alleged Tulip Trust, the alleged encrypted file, and his alleged inability to identify his bitcoin holdings."



- (b) "Dr Wright's story not only was not supported by other evidence in the record, it defies common sense and real life experience. Consider his claims...He mined approximately 1,000,000 bitcoin, but there is no accessible evidentiary trail for the vast majority of them."
- (c) "As part of his efforts to disassociate from Bitcoin and 'so that I wouldn't be in trouble', he put all his bitcoin (and/or the keys to it - his story changed) into a computer file that is encrypted with a hierarchical Shamir encryption protocol...He then put the encrypted file into a 'blind' trust (of which he is one of the trustees), gave away a controlling number of the key slices to now-deceased David Kleiman, and therefore cannot now decrypt the file that controls access to the bitcoin. His only hope is that a bonded courier arrives on an unknown date in January 2020 with the decryption keys. If the courier does not appear, Dr Wright has lost his ability to access billions of dollars worth of bitcoin, and he does not care... Inconceivable."
- (d) "During his testimony, Dr Wright's demeanour did not impress me as someone who was telling the truth".
- (e) "There was substantial credible evidence that documents produced by Dr Wright to support his position in this litigation are fraudulent. There was credible and compelling evidence that documents had been altered... While it is true that there was no direct evidence that Dr Wright was responsible for alterations or falsification of documents, there is no evidence before the Court that anyone else had a motive to falsify them. As such, there is a strong, and unrebutted, circumstantial inference that Dr Wright wilfully created the fraudulent documents. One example is the Deed of Trust for the Tulip Trust."
- (f) "The totality of the evidence in the record does not substantiate that the Tulip Trust exists. Combining these facts with my observations of Dr Wright's demeanour during his testimony, I find that Dr Wright's testimony that this Trust exists was intentionally false."



(g) "I find that [the encrypted file in the TOWER] does not exist."

22.33B. In a judgment of 10 January 2020, District Judge Bloom upheld the Claimant's appeal in part from the order of Judge Reinhart to impose certain sanctions (the Bloom Order). However District Judge Bloom did not disturb any of Judge Reinhart's above findings as to the Claimant's honesty and credibility, stating that: "The Court has also reviewed the transcripts from the Evidentiary Hearing held by Judge Reinhart and agrees with his credibility findings relating to [the Claimant]. Indeed, in answering opposing counsel's questions, [the Claimant] was evasive, refused to give and interpret words in their very basic meanings, was combative, and became defensive when confronted with previous inconsistencies."

The Defendant will say that the Claimant's said explanation is that he was awaiting a "bonded courier" to arrive with the missing encryption information in January 2020 – was not only in itself not credible (and he would have needed the public addresses and private keys to mine the bitcoin), but fatally undermines his promises in May 2016 that, as Satoshi Nakamoto, he could and would transfer the early bitcoin by using the associated private keys. The Claimant could not have transferred the bitcoin in May 2016, as promised, if he in fact did not have the public or and private keys, as he now claims claimed in the Florida Proceedings. Put another way, if it is was true that the Claimant does did not have control over his public addresses and private keys, it would be reasonably expected that he would have relied on that explanation in May 2016 instead of promising and then failing to provide the "extraordinary proof" on the self-evidently spurious basis that he lacked courage or that his failure to sign the Sarte message was a "mistake". Alternatively, based on the Claimant's latest version of his case – that he destroyed the relevant private keys in May 2016 (Reply paragraph 35.11 – which is denied) – he would have relied on that explanation in the Florida proceedings.

22.34A. Further, on 14 January 2020, the Claimant notified the Florida court that he had complied with the Bloom Order in that "a third party has provided the necessary information and key slice to unlock the encrypted file, and Dr Wright has produced a list of his bitcoin holdings as ordered." However, the "third party", who was presumably the promised "bonded courier", did



~~not apparently provide information enabling QUEEN'S BENCH DIVISION to associate private keys to be given. The Defendant relies on this to support his case that the Claimant's claim to be Satoshi Nakamoto is false.~~

22.33 The Claimant's claim to be Satoshi Nakamoto is further undermined by the following matter which arose in the Florida Proceedings. When a list of the bitcoin addresses which the Claimant alleged he owned was unsealed as part of the discovery process, it turned out this was merely a list of the first 70 coinbase transactions (excluding the genesis block) which any person could ascertain from the public blockchain. It did not prove the Claimant's ownership of those bitcoin and is accordingly another example of a failure to establish, as he claimed, that he is Satoshi. Moreover, a different list of addresses (associated with the Tulip Trust which was disclosed by the Claimant during the discovery process as intended evidence of his ownership of the bitcoin in issue) were demonstrably owned by other entities and persons and not the Claimant (nor Satoshi).

The different locations in which Satoshi Nakamoto and the Claimant were situated

22.34 The public timestamps on over 100 blog posts written by the Claimant between 2009 and 2010 show that he was generally inactive between 1pm and 6pm GMT. By contrast, the public timestamps on over 800 emails, forum posts and code commits written by Satoshi Nakamoto during the same period demonstrate that he was generally inactive between 7am and 12noon GMT. As such, on the assumption that both were inactive at night time, the Claimant's sleep schedule was consistent with someone living in the Australia time zone, while Satoshi's sleep schedule was consistent with someone living in the Americas. It is reasonably to be inferred from this that the Claimant and Satoshi are two different people.

22.35 Similarly, in January 2009 Satoshi Nakamoto used an internet service provider called Covad Communications, Van Nuys, California, which therefore located him to the California area in that period. By contrast, in an article published on medium.com on 6 April 2019 the Claimant said



that in January 2009 he was at, and in the vicinity of, a ranch he owned in Bagnoo, New South Wales, Australia.

Further instances of the Claimant claiming to be Satoshi Nakamoto

22.36 In an interview with GQ magazine on 30 June 2017 the Claimant, whilst claiming to be Satoshi Nakamoto, said, "I haven't moved [any bitcoin]. I have sent them to Hal Finney and Zooko and that was it. Full stop." This statement by itself strongly indicates that the Claimant is not Satoshi Nakamoto. If he were, then he would have remembered and stated in the interview that in 2009 he had also moved bitcoin to Mike Hearn, at that time a Google technician. The real Satoshi Nakamoto moved 82.51 bitcoin to Mr Hearn on 18 April 2009 (50 bitcoin of his own plus 32.51 bitcoin he was returning to Mr Hearn).

22.37 22.13 On 10 February 2019, during the course of the Florida proceedings and as part of his claim to be Satoshi Nakamoto, the Claimant claimed in a Tweet that he had submitted a research paper to the Australian government as early as 2001 which contained the same abstract as the SN Paper of 31 October 2008, thereby implying that the Claimant's draft paper could only be the work of the real Satoshi. The Claimant's paper was entitled Project "Blacknet". Satoshi had already shared a draft of the SN Paper in August 2008 (which has since become publicly available) but it had contained sections which had been subsequently corrected and deleted in the final published SN Paper. However, the Claimant's Project "Blacknet" paper (purportedly created by him in 2001), matched the final SN Paper, not the August 2008 draft, in that it contained all of the corrections to the August 2008 draft later found in the final SN Paper; in other words, corrections that would not have been made until seven years after the Claimant's Project "Blacknet" paper of 2001. In these circumstances, it is reasonably to be inferred that the Project "Blacknet" paper was a backdated attempt by the Claimant intended to make it look as if he was the author of the SN Paper and thereby Satoshi Nakamoto.

22.38 The Claimant has continued to claim that he is Satoshi Nakamoto and, with Calvin Ayre, to attempt to monetise the purported connection, despite the fact that following the events in May 2016 referred to above that



connection is wholly discredited and, as the Defendant contends, the claim is a lie. The Defendant relies on the examples below.

- 22.39 The Claimant has filed numerous patents in several jurisdictions relating to bitcoin and blockchain technology, in the name of various corporate entities including EITC Holdings (of which Mr Matthews and Mr MacGregor were directors), NCIP Holdings and nChain Holdings (previously nCrypt). The Claimant's work in connection with this technology and these patents has been funded in part or full and/or otherwise supported by Mr Ayre. It is reasonably to be inferred that the Claimant continues to maintain his claim to be Satoshi Nakamoto in part in order to inflate the value of the intellectual property associated with these patents since the patents would be more interesting to potential investors if filed by "the man behind Satoshi".
- 22.40 Since starting up Bitcoin SV in November 2018, the Claimant and Mr Ayre have sought aggressively to promote Bitcoin SV, including by trading on the Claimant's purported identity as Satoshi Nakamoto and, it is reasonably to be inferred, as a way of adding credibility to the new Bitcoin SV product. Paragraphs 3, 3A and 20.3 above are repeated.
- 22.41 On 11 April 2019 the Claimant filed a registration with the United States Copyright Office for the copyright in the SN Paper and the code which provided the original basis for bitcoin. A spokesman for the Claimant told the *Financial Times* that this was "the first government agency recognition of Craig Wright as Satoshi Nakamoto, the creator of Bitcoin". However, this was not true, as was confirmed by the United States Copyright Office when it issued a press release clarifying that "the Copyright Office does not investigate whether there is a provable connection between the claimant and the pseudonymous author."
- 22.42
- 22.43 22.14 Publication on a matter of public interest
23. Further or alternatively, the statements complained of were or formed part of statements on a matter of public interest and the Defendant reasonably believed that publishing the statements complained of was in the public interest pursuant to s.4 of the Defamation Act 2013.



The public interest

24. The words complained of in the ten Tweets publications complained of were on a matter of public interest, namely the widely held belief in the bitcoin and cryptocurrency sphere that the Claimant's claim to be Satoshi Nakamoto, the creator of bitcoin, was a lie and the Claimant's threat to use legal proceedings to shut down legitimate continuing discussion of and/or commentary on that topic.

The Defendant's belief that it was in the public interest to publish

- 25.1. Paragraphs 4 and 5 above are repeated. At all material times the Defendant was exercising his right to freedom of expression, specifically as a journalist with a particular interest in the bitcoin and cryptocurrency sector.
- 26.1. At the time of the publications complained of the Defendant, and all or a very large majority of the followers of his Twitter account and viewers of the video complained of, knew the facts and matters referred to in paragraph 19.1 above as to the Claimant's notorious failed promises in May 2016 and since to provide proof that he was, as he claimed, Satoshi Nakamoto.
- 27.1. In common with other such bitcoin and cryptocurrency commentators, the Defendant and his Twitter followers used Twitter (among other social media and online video platforms) to discuss the controversy of the Claimant's unproven claim to be Satoshi and the conclusion of a great many of them, including the Defendant, that the Claimant's failure to make good on his promises to provide proof, and his spurious explanations as to why he did not, indicated that it must be a fraudulent claim.
- 28.1. The Defendant and all or a very large majority of the followers of his Twitter account, and viewers of the video complained of, also were aware at the time of the publications complained of that the Claimant himself and Mr Ayre had engaged in the debate from time to time about his failure to provide the promised proof, both by denying it and continuing to make the claim. The Defendant and his said Twitter followers, and viewers of the said video, also believed that the Claimant and Mr Ayre had sought to publicise their Bitcoin SV venture, and thereby seek to promote interest in it, by repeating the claim that the Claimant was Satoshi Nakamoto.



- 29.1. From in or about February 2019 through to April 2019 the Defendant was also aware from court reports that the Claimant had declined to produce the public keys for the bitcoin which he claimed to own and which were the subject of the legal claim by Ira Kleiman against him in the Florida Proceedings. He believed that this was further confirmation that his claim to be Satoshi Nakamoto was a lie, because he believed that the real Satoshi would undoubtedly have held those keys.
- 30.1. In about late March 2019 and April 2019 the Defendant and his Twitter followers became aware of the facts and matters referred to in paragraph 19.3 above as to the public threats on the Claimant's behalf to bring legal proceedings against individuals including the Defendant and other bitcoin and cryptocurrency commentators.
- 31.1. In these circumstances, when Calvin Ayre (on the Claimant's behalf) publicly announced on or about 29 March 2019 that they would be taking legal action in England to silence the Norwegian blogger known as "Hodlonaut", who had been accusing the Claimant of being a fraud in claiming to be Satoshi Nakamoto, even though the Claimant was still not offering the proof he had promised, the Defendant believed he was justified and it was in the public interest to respond in strong terms to defend his right and the right of bitcoin and cryptocurrency commentators, and specifically Hodlonaut, to reiterate what they believed and had been publishing ever since the Claimant's failure to provide the promised proof in May 2016, namely that, based on the Claimant's own conduct, he was "not Satoshi", was "a fraud" and had "repeatedly and fraudulently claimed to be Satoshi". The Defendant believed that this was particularly the case in circumstances where the Claimant was seeking to obtain investment in and publicity for his Bitcoin SV venture by relying on his purported identity as Satoshi Nakamoto.
- 32.1. Each of the first ten of the Defendant's Tweets complained of, from the first response as aforesaid on 29 March 2019, was a response to a goading or bullying public Tweet from Mr Ayre on the Claimant's behalf (the Second, Third, Fourth, Eighth and Ninth and Tenth Publications) and/or a response to the Defendant having on 12 April 2019 received his own letter of claim (the Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Publications).



- 33.1. In all these circumstances, the Defendant's words complained of both contributed to a debate of general and worldwide interest and also defended the right of bitcoin and cryptocurrency commentators, including the Defendant himself, to continue participating in that debate in the face of a bullying and apparently strategic public threat of legal proceedings for libel.
- 34.1. At the material times, the Defendant believed that readers and viewers of the ten Tweets publications complained of would have known the facts and matters in paragraphs 19.1 and 19.3 above and understood the words complained of to convey the meaning in paragraph 21 above. The Defendant intended to convey that meaning.
- 35.1. The Defendant did not seek the Claimant's response before tweeting the words complained of because (a) the Claimant's response to the allegation that his claim to be Satoshi was a lie was well known as he had published it on many occasions; he persisted in claiming that he was but without providing the promised proof, including in Calvin Ayre's recent legal threats; and (b) it was clear to readers from the context of the Tweets complained of that the Claimant continued to make this claim. Further the Defendant tweeted a copy of the Claimant's letter of claim, which set out this position, once it was received on 12 April 2019. The Defendant also believed that the Claimant would choose not to engage with him on the question of whether he was Satoshi because this was the stance adopted by the Claimant when the Defendant interviewed him on the Defendant's podcast in April 2018.
- 36.1. In all these circumstances the Defendant believed it was in the public interest to publish the statements complained of and will contend that it was reasonable so to believe.

Claimed remedies

37. It is denied that the Claimant has suffered distress or embarrassment as a consequence of the Defendant's publications whether as alleged in paragraph 26 or at all.

37.1 As to paragraph 26.1, paragraphs 18.1 to 18.3 18 and 19 above are repeated.



37.1A. Paragraph 26.2 is not admitted.

37.2 Paragraph 26.3 is denied. The proceedings are a cynical abuse of process: paragraph and it is inferred are being run by third parties for their and the Claimant's commercial gain: paragraphs 3A and 20 above is are repeated.

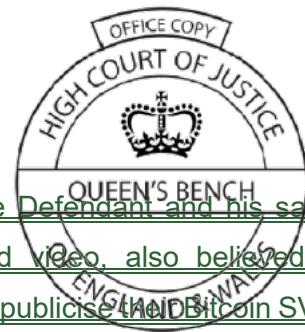
37.3 As to Paragraph 26.4 distorts the words used by the Defendant in the relevant discussion and is denied.- The Defendant will refer to the video at trial for its full content and context. The Defendant's reasons for tweeting as he did are explained below in paragraphs 25 to 34 above.

(1) Paragraphs 4 and 5 above are repeated. At all material times the Defendant was exercising his right to freedom of expression, specifically as a journalist with a particular interest in the bitcoin and cryptocurrency sector.

(2) At the time of the publications complained of the Defendant, and all or a very large majority of the followers of his Twitter account and viewers of the video complained of, knew the facts and matters referred to in paragraph 19.1 above as to the Claimant's notorious failed promises in May 2016 and since to provide proof that he was, as he claimed, Satoshi Nakamoto.

(3) In common with other such bitcoin and cryptocurrency commentators, the Defendant and his Twitter followers used Twitter (among other social media and online video platforms) to discuss the controversy of the Claimant's unproven claim to be Satoshi and the conclusion of a great many of them, including the Defendant, that the Claimant's failure to make good on his promises to provide proof, and his spurious explanations as to why he did not, indicated that it must be a fraudulent claim.

(4) The Defendant and all or a very large majority of the followers of his Twitter account, and viewers of the video complained of, also were aware at the time of the publications complained of that the Claimant himself and Mr Ayre had engaged in the debate from time to time about his failure to provide the promised proof, both by denying it and



continuing to make the claim. The Defendant and his said Twitter followers, and viewers of the said video, also believed that the Claimant and Mr Ayre had sought to publicise the Bitcoin SV venture, and thereby seek to promote interest in it, by repeating the claim that the Claimant was Satoshi Nakamoto.

- (5) From in or about February 2019 through to April 2019 the Defendant was also aware from court reports that the Claimant had declined to produce the public keys for the bitcoin which he claimed to own and which were the subject of the legal claim by Ira Kleiman against him in the Florida Proceedings. He believed that this was further confirmation that his claim to be Satoshi Nakamoto was a lie, because he believed that the real Satoshi would undoubtedly have held those keys.
- (6) In about late March 2019 and April 2019 the Defendant and his Twitter followers became aware of the facts and matters referred to in paragraph 19.3 above as to the public threats on the Claimant's behalf to bring legal proceedings against individuals including the Defendant and other bitcoin and cryptocurrency commentators.
- (7) In these circumstances, when Calvin Ayre (on the Claimant's behalf) publicly announced on or about 29 March 2019 that they would be taking legal action in England to silence the Norwegian blogger known as "Hodlonaut", who had been accusing the Claimant of being a fraud in claiming to be Satoshi Nakamoto, even though the Claimant was still not offering the proof he had promised, the Defendant believed he was justified and it was in the public interest to respond in strong terms to defend his right and the right of bitcoin and cryptocurrency commentators, and specifically Hodlonaut, to reiterate what they believed and had been publishing ever since the Claimant's failure to provide the promised proof in May 2016, namely that, based on the Claimant's own conduct, he was "not Satoshi", was "a fraud" and had "repeatedly and fraudulently claimed to be Satoshi". The Defendant believed that this was particularly the case in circumstances where the Claimant was seeking to obtain investment in and publicity for his



Bitcoin SV venture by relying on his purported identity as Satoshi Nakamoto.

(8) Each of the first ten of the Defendant's Tweets complained of, from the first response as aforesaid on 29 March 2019, was a response to a goading or bullying public Tweet from Mr Ayre on the Claimant's behalf (the Second, Third, Fourth, Eighth and Ninth and Tenth Publications) – and/or a response to the Defendant having on 12 April 2019 received his own letter of claim (the Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Publications).

37.4 As to paragraph 26.5, paragraph 37.3 above is repeated. It is denied that the Defendant has admitted, and/or had, dominant improper motives for publishing the words complained of.

37.5 It is denied that paragraphs 26.6, 26.7 and 26.8 constitute proper pleas in support of a claim for general and/or aggravated damages. The Defendant's expression of his views about BTC and BSV were a legitimate exercise of his Article 10 rights and cannot sound in damages. Further, paragraphs 3, 3A, 20.3-20.3B above are repeated.

37A. As to paragraph 26A paragraphs 25 to 36 and 37.2 to 37.5 above are repeated. The Defendant denies (a) that he had the "further improper motive" alleged, and (b) paragraph 26A.1. Further, the Defendant:

(1) In all these circumstances, the Defendant's words complained of both contributed to a debate of general and worldwide interest and also defended the right of bitcoin and cryptocurrency commentators, including the Defendant himself, to continue participating in that debate in the face of a bullying and apparently strategic public threat of legal proceedings for libel.

(2) At the material times, the Defendant believed that readers and viewers of the ten Tweets publications complained of would have known the facts and matters in paragraphs 19.1 and 19.3 above and understood the words complained of to convey the meaning in paragraph 247.6 above. In good faith, the Defendant intended to convey that meaning.



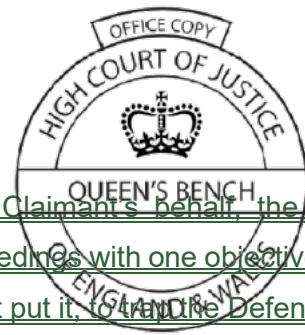
(3) The Defendant did not seek the Claimant's response before tweeting the words complained of because (a) the Claimant's response to the allegation that his claim to be Satoshi was a lie was well known and he had published it on many occasions: he persisted in claiming that he was but without providing the promised proof, including in Calvin Ayre's recent legal threats; and (b) it was clear to readers from the context of the Tweets complained of that the Claimant continued to make this claim. Further the Defendant tweeted a copy of the Claimant's letter of claim, which set out this position, once it was received on 12 April 2019. The Defendant also believed that the Claimant would choose not to engage with him on the question of whether he was Satoshi because this was the stance adopted by the Claimant when the Defendant interviewed him on the Defendant's podcast in April 2018.

(4) In all these circumstances the Defendant believed it was in the public interest to publish the statements complained of and will contend that it was reasonable so to believe.

Save as aforesaid paragraph 26A is not admitted.

As to paragraph 27, it is denied that the Claimant has suffered any damage in this jurisdiction as a result of the Defendant's publications: paragraphs 18 and 19 above are repeated. It is denied that the Claimant is entitled to claim in respect of any damage alleged to have been suffered "throughout the EU", for without proper particularisation of which European Union states are relied upon the Claimant cannot in any event demonstrate any actionable claim in respect of such state(s). Without prejudice to this, it is not admitted that the Claimant is domiciled in this jurisdiction or that this is where the centre of his interests lies: paragraphs 2.3 to 2.5 above are repeated. It is admitted that the Defendant is domiciled in this jurisdiction.

38A Further, the Defendant will rely on the following facts and matters in rebuttal of the Claimant's case that he is entitled to aggravated damages. The Defendant will contend that they demonstrate that the Defendant's publications did not damage the Claimant or cause him to suffer hurt feelings or embarrassment because, if they had, he would have "shown the proof" rather than allow the allegation complained of to be published by the Defendant and others.



(1) According to Calvin Ayre, on the Claimant's behalf, the Claimant threatened and brought these proceedings with one objective in mind. This is, as Mr Ayre and the Claimant put it, to trap the Defendant (and anyone else pursued by them) into bankrupting himself in having to "prove a negative" (that the Claimant is not Satoshi Nakamoto) so that they can then "show the proof" and win the case. Mr Ayre has made this statement or words to the like effect on several occasions. For example, in a Tweet on 16 April 2019 (four days after the letter of claim dated 12 April 2019 was sent to the Defendant and one day before these proceedings were issued):

"...judge only needs one troll to pass judgement...no need to sue everyone...just waiting for a volunteer to bankrupt themselves trying to prove a negative and then letting Craig show the proof. Who will be this moron?"

(2) To like effect, Mr Ayre also made the following statement in a Tweet on 13 December 2019: "...Craig also says the only true proof will happen in a court of law. Possession [sic] of the keys does not prove he is Satoshi. He says he will move coins when it makes sense on his master plan and not before".

(3) Similarly, in an article posted on medium.com on 16 February 2019, the Claimant stated as follows:

"Can I definitively prove who I am? Yes. I actually can very simply. But, what does it achieve... long term. Doing things too quickly leads to trouble.

It's not a matter of signing with keys alone. There are people who already know I could do so and which of the early keys they saw, and know I have access to, yet it does nothing to help with repudiation. [...]

I hold a key, a methodology, and a way to definitively prove, and over time, I will release parts of the story bit by bit. As I do, I utterly destroy the scammers in the industry. I will bring down the ones seeking to make criminal industries out of Bitcoin and blockchain, and I will alter the path of the industry, and I don't care if you like it—for it's what I'm going to do."



The Claimant included very similar statements in the book "Satoshi's Vision" which was published under his name in August 2019.

39. If necessary the Defendant will rely in mitigation of damages on:

39.1 Such of the facts and matters pleaded in paragraph 22 above as are proven at trial. Paragraph 37.1 above, which is repeated.

39.2 The Claimant's failure to provide the promised proof that he is Satoshi Nakamoto, despite his claim readily to be able to do so, as repeated for example in the Tweet by Calvin Ayre referred to in paragraph 20.1 above; and the abusive nature of these proceedings, as pleaded in paragraphs 3A and 20 above.

39.3 The Claimant's claims or threatened claims for damages against others in respect of publication of words to the same effect as in this action, pursuant to s.12 of the Defamation Act 1952.

40. As to paragraph 27, in light of the Defendant's offer in his solicitor's letter dated 22 November 2020 to undertake to take down the publications complained of and not to repeat the allegation complained of save in the circumstances defined in that letter, it would be unnecessary and disproportionate to grant the injunction sought. paragraphs 18 to 36 39 above the Claimant is not entitled to an injunction which would be a disproportionate interference with the Defendant's right of freedom of expression under Article 10 ECHR.

**CATRIN EVANS QC
BEN SILVERSTONE**

**CATRIN EVANS QC
BEN SILVERSTONE**

STATEMENT OF TRUTH

The Defendant believes that the facts set out in this Amended Defence are true

Signed:



Name: Rupert Cowper-Coles

Position: Senior Associate, RPC

Solicitor for the Defendant

Served this 8th day of August 2019

Re-served this 18th day of March 2020