

**IN THE HIGH COURT OF JUSTICE  
QUEEN'S BENCH DIVISION  
MEDIA AND COMMUNICATIONS LIST**



**BETWEEN: -**

**CRAIG WRIGHT**

***Claimant***

**- and -**

**MAGNUS GRANATH**

***Defendant***

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**DEFENCE**

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**INTRODUCTION**

1. Unless otherwise stated, references in this Defence to paragraph numbers are to the Amended Particulars of Claim.
  
2. For the reasons pleaded below the Claimant's claim discloses no reasonable grounds for bringing the claim. The Claimant has suffered no harm to his reputation as a result of the Defendant's actions and has, therefore, no cause of action for defamation. Further, the claim discloses no substantial tort and is an abuse of the process of the Court. Further, and in any event, the action is brought for the dominant purpose of advancing the commercial interests of the Claimant's commercial partners rather than vindicating the Claimant's personal reputation. The Defendant pleads to the Particulars of Claim without prejudice to these contentions and reserves the right to apply to strike out the claim as an abuse.

**PARTIES**

3. As to paragraph 1:
  - (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.
  - (2) It is further admitted that the Claimant is currently resident in England and Wales.



(3) With the exception of the above, paragraph 1 is not admitted.

4. Paragraph 2 is admitted.

#### **THE PUBLICATION COMPLAINED OF**

5. As to paragraph 3:

(1) It is admitted that the Defendant wrote and published the words complained of in the Tweet referred to on the date pleaded.

(2) It is denied that the words complained of were defamatory of the Claimant. For the reasons pleaded at paragraph 9 below, the words complained of did not cause and were not likely to cause serious harm to the Claimant's reputation.

6. It is admitted that readers of the Hodlonaut feed would have understood the words complained of to refer to the Claimant as alleged in paragraph 4.

#### **MEANING**

7. It is denied that the words complained of in paragraph 3 bore or were understood to bear the innuendo meaning pleaded in paragraph 5.

8. As to the innuendo particulars pleaded at paragraph 5:

(1) It is admitted 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.

(2) The Claimant and others on his behalf have made repeated public statements, since at least 2015, that the Claimant is Satoshi Nakamoto, the creator of Bitcoin. In April and May 2016, the Claimant claimed publicly that he would prove that he was Satoshi Nakamoto by carrying out exercises using Satoshi Nakamoto'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 knowingly false.

(3) These facts were at the time of the publication 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 Tweet complained of or who read the Defendant's Tweets more generally, being persons with a special interest in and knowledge of Bitcoin and cryptocurrency.

### **SERIOUS HARM**

9. It is denied that the publication complained has caused the Claimant serious harm to his reputation as alleged in paragraph 6. In support of this denial the Defendant will rely on the following:

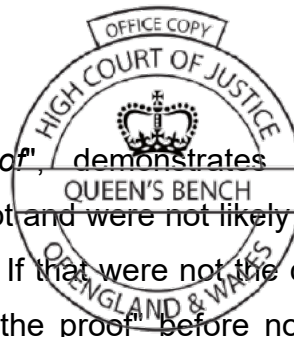
(1) In the circumstances of this case, the allegation that the Claimant had fraudulently claimed to be Satoshi Nakamoto was not "very grave" for the following reasons:

- (a) Any reader of the Tweet was likely to be someone with an interest in and knowledge of Bitcoin and cryptocurrency. All, or the vast majority, of such readers would have known of the Claimant's failed promises to prove he was Satoshi Nakamoto and his resulting general reputation as being a fraud, which formed a fundamental and intrinsic part of his general reputation at the time of publication of the Tweet. For example, since December 2015 the hashtags "#faketoshi" and "#CraigWrightIsAFraud" were extensively and routinely linked to the Claimant on Twitter by numerous users far more prominent than the Defendant. For this reason, it cannot be assumed that all or most of those who clicked on the hashtag "#CraigWrightIsAFraud" would have seen the Tweet.
- (b) Any reader of the Tweet with a special interest in and knowledge of Bitcoin and cryptocurrency would have understood the Defendant's reference to the Claimant's "first attempt to fraudulently 'prove'" he was Satoshi as being a reference to the Claimant's failed promise to "prove" he was Satoshi Nakamoto in May 2016 by moving the early Bitcoin. The process involved Jon Matonis, a Bitcoin researcher, Gavin Andresen, a software developer, and Rory Cellan-Jones, a BBC journalist, 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.

- (c) 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. The Defendant will rely, for example, on a blog post-dated 4 May 2016 in which the Claimant stated: *"[Jon Matonis and Gavin Andresen] were not deceived, but I know that the world will never believe that now."*
- (d) The allegation of fraud – 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 the mainstream media. As a result, it had become an intrinsic part of the Claimant's global public reputation and part of the directly relevant background context to the Tweet. If and insofar as is necessary the Defendant will rely on the statements published in this jurisdiction from 2016 onwards which demonstrate this.
- (e) Further, the allegation that the Claimant was not Satoshi and 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.
- (f) The Claimant's stated objective in bringing these proceedings (see paragraph 10(2)(c)below), namely, to induce "a moron" to *"bankrupt themselves trying to prove a negative and then*



*letting Craig show the proof*, demonstrates that the Defendant's publications did not and were not likely to cause serious harm to his reputation. If that were not the case, the Claimant would have "shown the proof" before now rather than allowing the allegation to be continuously recycled in the Bitcoin and cryptocurrency community since May 2016.

- (g) Further, the Defendant will 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.
- (2) Further, 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 Tweet complained of would therefore have regarded it as 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.
- (3) No admissions are made as to the number of persons who read the words complained of. The Claimant must prove, on the balance of probabilities, that the Tweet was read by readers in this jurisdiction.
- (4) As to the allegations at paragraphs 6(b) and 6(d) in the Amended Particulars of Claim:
  - (a) The number of followers and the number of "engagements" or "impressions" relating to a Tweet do not enable the number of publishees to be accurately ascertained. For example, many Twitter accounts are not created, controlled, and used by human beings but by automated Twitter "bots" which can perform actions such as liking or re-tweeting Tweets without human intervention.
  - (b) Of the Defendant's 8,878 followers 3,705 were in the United States and only 675 in the United Kingdom. In the ordinary course of the operation of Twitter, it is inherently unlikely that



all or even most of the Defendant's followers would have read the Tweet.

- (c) The Tweet was deleted on 9 April 2019 and was, therefore, only available to be read for a total of 23 days. It conveys no new information about the Claimant, simply repeating a well-known and generally understood point about him, and is likely to have quickly disappeared from view in the timelines of the Defendant's twitter followers. In the circumstances, the Defendant will contend that the number of readers in this jurisdiction is likely to have been minimal. There is no basis for any inference that the Tweet was "*published very extensively*" or that there were a "*very large number*" of publishees within the jurisdiction.
- (d) In respect of the "1.06pm tweet", it is denied that total "Engagements" with the Tweet would have been substantially greater than the number as at 28 March 2019, given that engagements with Tweets tend to be clustered very closely to the date and time of the original publication of the Tweet. On the basis of the proportion of the Defendant's followers who were in the UK, it can be inferred that the vast majority of those who engaged with the 1.06pm Tweet were not in the UK. Otherwise no admissions are made in relation to paragraph 6(d)(i).
- (e) The inference at paragraph 6(d)(ii) is denied. The "1.06pm tweet" was announcing something new, namely, "Craig Wright is a fraud week" and was, therefore, likely to have more engagements and impressions than the Tweet which was simply repeating a well-known point.
- (f) While it is admitted that the Defendant posted a series of Tweets directed at exposing the Claimant's lies and deception, the allegation that this amounted to a "vigorous campaign" is vague and unparticularised and is denied. The vague and unparticularised allegations that the Defendant became "extremely well known" or acquired "widespread celebrity as a campaigner" are also denied. These allegations



do not support any inference as to the scope of publication of the Tweet.

- (g) No admissions are made in relation to paragraph 6(d)(iv). Again it is noted that the Claimant has failed to particularise the vague allegation that Peter McCormack “*began a tireless campaign... to publicise threats*” and that the Defendant cannot sensibly respond to such broadly-drawn allegations.
- (5) 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 the same 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 15 Tweets and a video published by Peter McCormack (a podcaster and blogger who, according to the Claimant had over 73,220 Twitter followers as of 28 October 2019);
  - (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 followers 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 according to the Claimant 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.

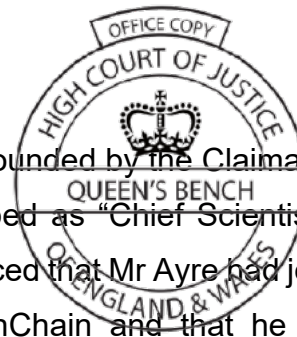


- (6) Further, insofar as the Claimant invites the court to infer that serious harm to his reputation was caused by the publication complained of in this claim, such a case on causation is negated by the fact and nature of the other proceedings brought by the Claimant in respect of other publications with the same meaning during the same period.
- (7) The Claimant has failed to demonstrate that any specific damage was caused to his reputation by the publication of the Tweet and, in all the circumstances, it is to be inferred that no such damage was caused.
- (8) By reason of the matters set out above, the publication complained of did not cause the Claimant serious harm to his reputation within this jurisdiction and as a result the statement complained of was not defamatory.

#### **ABUSE OF PROCESS**

10. Further and in any event, the claim is an abuse of process in that:
  - (1) In the light of the number of publishees of the Tweet and against the factual background relating to the Claimant's reputation pleaded at paragraph 9 above the publication complained of does not constitute a "real and substantial tort" and this action is an abuse of the Court's process and should be struck out.
  - (2) Further and in any event, this is not a *bona fide* claim by the Claimant for vindication of his reputation but is being run by third parties for commercial gain. The Defendant will rely on the following matters:
    - (a) 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. Mr Ayre was the driving force behind the creation of Bitcoin SV. CoinGeek Mining, which he owns, instigated, and financially supported the creation of Bitcoin SV. Mr Ayre has a significant Bitcoin SV holding. Bitcoin SV is promoted by nChain Holdings ("**nChain**"), a technology company formerly known as EITC





Holdings (“**EITC**”) 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 nTrust.

- (b) 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. It is to be inferred from this agreement, and the level of involvement by Mr 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.
- (c) According to Mr Ayre, 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:

*“...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?”*  
<https://twitter.com/CalvinAyre/status/1116993589131792384>



- (d) 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”.*

<https://twitter.com/CalvinAyre/status/1205470554330927104>

- (e) 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.”*

[https://medium.com/@craig\\_10243/proof-of-work-1a323e82fd9](https://medium.com/@craig_10243/proof-of-work-1a323e82fd9)

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

- (f) The Defendant will also refer to statements made by the Claimant about his access to / control of the early Bitcoin (i) in an interview with Brendan Sullivan for an article in Modern



Consensus published on 26 August 2019 and (i) 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 11(38)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.*

*[Claimant]: 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?*

*[Claimant]: 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 480,000 BTC.”*

<https://modernconsensus.com/cryptocurrencies/bitcoin/exclusive-interview-with-craig-wright-just-after-ordered-to-pay-5-billion-in-bitcoin/>

The cointelegraph.com 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”.*

<https://www.youtube.com/watch?v=GS8DmU17E14&feature=youtu.be>

- (g) If (as the Claimant contends) he 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 exercise or as part of a “master plan” devised by him and such persons it is an abuse of the Court’s process for the Claimant to pursue this action.
- (h) The Defendant will invite the Court to infer that the Claimant, and Mr Ayre and/or other third parties, are seeking to use these proceedings as a means of increasing 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 encouraging interest in, and increasing the value of, Bitcoin SV, and/or exploiting the perceived commercial value of the Claimant’s purported “story” that he is Satoshi Nakamoto. This inference is based on:
- (i) the fact that these proceedings were only brought 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 (including on Twitter accounts with larger numbers of followers than the Defendant’s account) since 2016;
  - (ii) the terms of the EITC Agreement;
  - (iii) 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;
- (iv) the contents of Mr Ayre's Tweets of 16 April 2019 (see sub-paragraph (c) above) and 13 December 2019 (see sub-paragraph (d) above); and
  - (v) 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*".

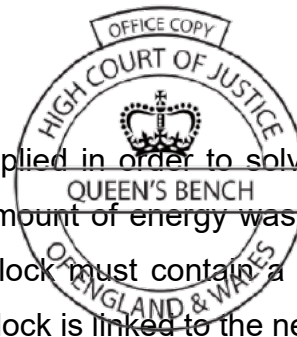
## **TRUTH**

11. Further or alternatively, if and in so far as the publication complained of in paragraph 3 bore or was understood to bear the imputation pleaded by the Claimant in paragraph 5 it was substantially true and the Defendant relies on the defence of truth pursuant to section 2 of the Defamation Act 2013.

### **PARTICULARS OF TRUTH**

#### **Bitcoin**

- (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). All transactions are disclosed publicly so that anyone can review the ownership and transaction history of Bitcoins.
- (2) Bitcoin transactions are batched into "blocks". On average a new "block" is created every 10 minutes. Each published 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, and where one can prove that a given amount of energy was spent to perform the computation. 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 Bitcoin blockchain going back any significant distance (i.e. more than a day).

- (3) There is no central authority which manages the Bitcoin blockchain. Instead it is updated to record new transactions by means of "mining", a process performed by specialized hardware made for this specific purpose, the operators of which receive rewards for their mining activities in the form of newly created Bitcoin and transaction fees.
- (4) In order to conduct transactions in Bitcoin it is necessary to use a Bitcoin "wallet", computer software which manages the digital credentials (known as "private keys") for Bitcoin holdings. The ability to send Bitcoin to and from a given wallet is managed by the use of keys (a technology which is common to other forms of encrypted Internet communication). Thus 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 (or to any person to whom the private keys have been granted by the owner), as they are what allows someone to control the Bitcoin in the wallet. Each private key managed by a wallet also has a corresponding "public key", which anyone can look up to see what is held at that address.
- (5) 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**

- (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 ~~2008 Paper~~). The 2008 Paper contained the first description of Bitcoin.

- (7) On 3 January 2009 the first Bitcoin block, which is known as the "genesis block" (or block #0) was created. Block #1 was created six days later on 9 January 2009. On 9 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.
- (8) In the months after publication of the 2008 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. Since May 2011 there is no reliable record of any communication from an address known to be associated with Satoshi; in essence Satoshi disappeared from public view.
- (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.
- (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.
- (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.

- (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**

- (13) The Claimant has been involved in information technology businesses and security consultancies. He is experienced in information technology security.
- (14) 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.
- (15) 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 Mr Ayre.
- (16) In a related agreement dated 17 February 2016 the Claimant sold to 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). 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





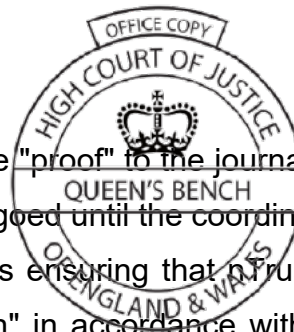
terms:

- (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 assigned to EITC “all 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).
- (17) 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**.

- (18) 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. The Claimant also undertook media training during this period organised by Outside Organisation and another entity, Milk Publicity.
- (19) 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. Those 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 publications 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.
- (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, *The Economist* and British *GQ Magazine*) to attend the confidential sessions in London 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.

- (21) 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. 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 Mr Cellan-Jones, the technology correspondent for the BBC, that he was about to demonstrate the signing of 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) 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 a cryptography expert from University College, London, called Dr Nicolas Courtois. During their conversation, the Claimant objected to what he described as 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 reasonable 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.

- (23) 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 Mr 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".
- (24) Also at 08.00 on 2 May 2016 the Claimant published a post on his blog hosted at [www.drCraigwright.net](http://www.drCraigwright.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.
- (25) 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 that the hash he published was extracted from the blockchain itself, which had allowed the Claimant to re-use a known Satoshi signature that was publicly available on the blockchain. Anyone familiar with Bitcoin at a technical level could produce such a "proof". On 5 May 2016, the Claimant deleted the Jean-Paul Sartre post.

- (26) 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 website GitHub on 5 May 2016:

*"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."*

- (27) Another cryptocurrency specialist, Dan Kaminsky, stated on his blog on the same date:

*"(T)his is a scam. Not maybe. Not possibly... Wright is pretending he has Satoshi's signature on Sartre's 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*



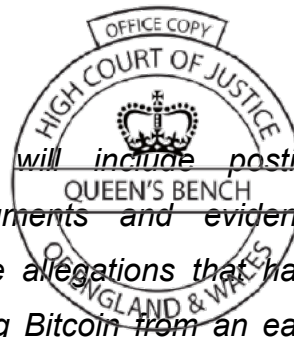
*Blockchain itself."*

- (28) Dr Courtois, who had met with the Claimant on 26 April 2016 (see above), sent an email to Stuart McGurk in which he said that the Claimant "*has cheated us. It is a hoax. I have proof*". Moreover, on 2 May 2016, Dr Courtois stated on his blog *blog.bettercrypto.com* that:

*"I can confirm beyond reasonable doubt that Craig Wright (CW) has cheated us about his ability to sign messages with Satoshi's private key... CW did not have to sign anything because his message is not new and was previously signed in bitcoin blockchain".*

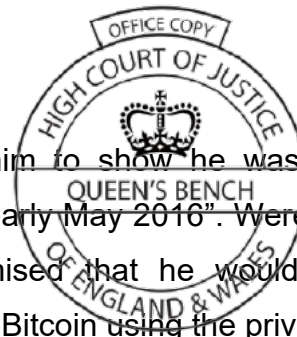
- (29) The criticisms of Mr McKenzie, Mr Kaminsky and Dr Courtois are well-founded and demonstrate that the Claimant's attempt to prove his identity as Satoshi through the Sartre message was not only flawed, but appeared to be fraudulent.
- (30) On 3 May 2016, as a direct result of the hostile publicity, 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 Mr 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 Satoshi Nakamoto. 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."*

- (31) 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, an investment adviser who previously served as Executive Director of the Bitcoin Foundation, Gavin Andresen, a software developer, and Mr Cellan-Jones, 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 private key, which only the person who was Satoshi Nakamoto could be in possession of. As agreed, Mr Matonis, Mr Andresen and Mr Cellan-Jones all sent the Bitcoins to the address.
- (32) 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 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".
- (33) The Claimant has subsequently advanced a wholly new case 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) he would have relied on this explanation for not being able to send the early Bitcoin.

- (34) 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**

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

#### ***Florida Proceedings***

- (36) 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 (**W&K**), a company in which it is said that the Claimant and David Kleiman had an interest (the “**Plaintiffs**”). The claim, which is ongoing, concerns questions around the alleged 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. 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 claimed he would not have access until 1 January 2020. The Claimant claimed in the Florida Proceedings that he alone is Satoshi Nakamoto.

- (37) One issue which arose in the Florida Proceedings was the Claimant’s failure, in breach of orders of the court dated 14 May

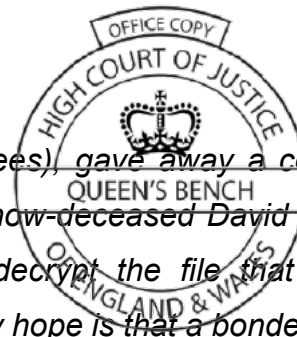




2019 and 14 June 2019, to “produce a complete list of all Bitcoin that he mined prior to December 31, 2013”, as a way of evidencing his ownership of the Bitcoin in issue (including the early Bitcoin believed to belong to Satoshi Nakamoto). The Claimant’s explanations to the Florida court for this failure have fluctuated over time. Initially he stated that it would be oppressive to have to produce the “public keys and public addresses”. Then, in a sworn declaration of 8 May 2019, he stated that it was impossible because, although the Claimant’s Bitcoin holdings 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.

(38) 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. 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 willfully 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 Tulip Trust] does not exist.”*
- (39) 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."*

- (40) The Claimant's explanation that he was awaiting a "bonded courier" to arrive with the missing encryption information in January 2020 - was not only in itself not credible, but wholly contradicted his claim that, in May 2016, 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 addresses and private keys, as he claimed in the Florida Proceedings. If it were true that the Claimant 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 Sartre message was a "mistake". Alternatively, if the Claimant had destroyed the relevant private keys in May 2016 he would have relied on that explanation in the Florida proceedings.
- (41) 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 access to the associated private keys to be given. The Defendant relies on this to support his case that the Claimant's claim to be Satoshi Nakamoto is a lie.
- (42) 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***

- (43) 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 12 noon 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.
- (44) 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. The Claimant has since confirmed that he was in Australia throughout January 2009.

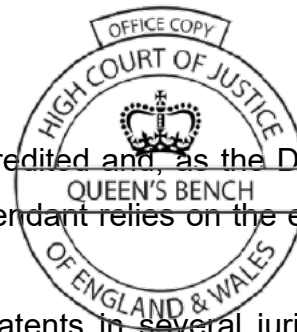
***Further instances of the Claimant claiming to be Satoshi Nakamoto***

- (45) 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).

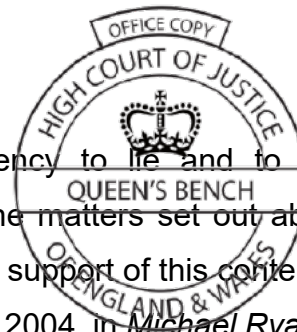
- (46) On 10 February 2019, during the course of the Florida proceedings and as part of his claim to be Satoshi Nakamoto, the Claimant claimed in a Tweet that he had submitted a research paper to the Australian government as early as 2001 which contained the same abstract as the 2008 Paper of 31 October 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 2008 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 2008 Paper. However, the Claimant's Project "Blacknet" paper (purportedly created by him in 2001), matched the final 2008 Paper, not the August 2008 draft, in that it contained all of the corrections to the August 2008 draft later found in the final 2008 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 2008 Paper and thereby Satoshi Nakamoto. On 15 February 2019, the Claimant informed the US Commodity Futures Trading Commission that he had previously registered a project named "Blacknet" with the Australian Federal Government's Department of Innovation; yet in response to a subsequent Freedom of Information request, that Department confirmed that it possessed no record of any such registration.
- (47) The Claimant has continued to claim that he is Satoshi Nakamoto and, with Mr 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.

- (48) The Claimant has filed numerous patents in several jurisdictions relating to Bitcoin and blockchain technology, in the name of various corporate entities including EITC (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".
- (49) 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 10(2)(a), 10(2)(b) and 10(2)(h) above are repeated. In April 2019 Binance, the world's largest cryptocurrency trading platform, delisted Bitcoin SV. Several other digital currency platforms have taken similar steps.
- (50) On 11 April 2019, the Claimant filed a registration with the United States Copyright Office for the copyright in the 2008 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.*" In fact, three other people (in 2008) and two other people (in 2019) filed registrations with the US Copyright Office, ostensibly for precisely the same thing.

**Other matters**



- (51) The Claimant has a general tendency to lie and to fabricate information and evidence. Beyond the matters set out above, the following matters are also relied on in support of this contention.
- (52) In a judgment delivered on 31 August 2004, in *Michael Ryan & Anor v Craig Wright & Anor*, the Claimant was convicted for contempt of court by the New South Wales Supreme Court. The contempt involved repeatedly contacting customers of a company in which he had previously been a shareholder (which was suing him in the proceedings), despite giving an undertaking that he would not contact them. The Claimant denied that he was responsible for any of the communications, but the Court rejected the Claimant's account, finding that "*the inescapable inference is that Mr Wright sent the emails and Mr Wright made the phone calls*". The Claimant's appeals to the New South Wales Court of Appeal and the High Court of Australia were dismissed.
- (53) On a number of occasions the Claimant has retrospectively edited posts from his blog, "the GSE Compliance blog" (located at [gse-compliance.blogspot.com](http://gse-compliance.blogspot.com)), to create the false appearance that he was posting about Bitcoin in 2008 and 2009. The Claimant has done this as part of his efforts to trick people into believing that he is Satoshi Nakamoto. By way of example:
- (a) On 26 August 2008, the Claimant posted a blog post entitled "Tonight". The post as originally posted said nothing about cryptocurrency. However, at some point between June 2014 and October 2015, the Claimant retrospectively altered the blog post to include the following further sentences: "*I have a cryptocurrency paper out soon. Twenty years. Triple entry book keeping. BDO was good for something*". In making the change the Claimant did nothing to alert readers to the fact that this part of the blog had been added many years later. Instead his plain intention was to trick readers into believing that he had really posted about these matters in August 2008.
- (b) In or around June 2014, the Claimant altered the blog so that a new post, entitled "*Bitcoin*", appeared on the blog. The post was presented as though it had been uploaded on 10 January



2009, but in fact it was only uploaded several years later. The Claimant's plain intention was again to trick readers into believing he had posted about Bitcoin in January 2009. The Claimant subsequently altered this post and, in December 2015, he deleted the post.

- (54) On 6 July 2015, in the midst of an ATO investigation into the activities of DeMorgan Limited, a company founded and at that time controlled by the Claimant, Clayton UTZ (a legal firm which had been retained by DeMorgan Ltd for the purposes of that investigation) informed DeMorgan Ltd that it could no longer act on its behalf. The firm explained that:

*“information has been provided to our firm which raises serious questions about the integrity of documents provided by Dr Craig Wright, both to our office and to the Australian Tax Office. We believe this information to be credible. In these circumstances, we can no longer represent DeMorgan Limited in the disputes it and its subsidiaries have with the Australian Tax Office”.*

- (55) On 11 March 2016, the ATO published a report (“**the ATO Report**”) setting out the reasons for its decisions relating to a tax audit it had carried out in respect of CO1N Pty Limited, a company founded and at all material times controlled by the Claimant. The ATO Report made several adverse findings about the Claimant's honesty and the Defendant shall rely on its findings in full. By way of example, the ATO Report contained conclusions that (i) CO1N Pty Ltd and W&K had produced a sham agreement which was intended to disguise the true nature of their transaction or the fact that there was no transaction; (ii) the Claimant and CO1N Pty Ltd had sought to rely on electronic evidence which in some instances were provably fabricated; (iii) the Claimant had manufactured evidence to falsely suggest that CO1N Pty had access to a supercomputer in an attempt to deceive the tax authorities and (iv) the Claimant had fabricated documents with the intention of deceiving the Australian Commissioner of Taxation “*and in order to support the false and misleading statements of the taxpayer*” regarding the relationship



between CO1N Pty and W&K.



**PUBLICATION ON A MATTER OF PUBLIC INTEREST**

12. Further or alternatively, the publication 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.

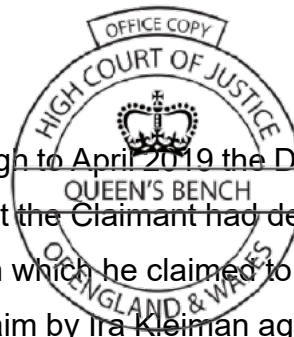
**PARTICULARS**

**The public interest**

- (1) The words 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.

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

- (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 were aware of 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 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 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 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.



- (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 of 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 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.
- (8) The Defendant did not seek the Claimant's response before tweeting the words complained of because 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. Further, it was clear to readers from the context of the Tweets complained of that the Claimant continued to make this claim.
- (9) In all these circumstances the Defendant believed it was in the public interest to publish the statement complained of and will contend that it was reasonable so to believe.

#### **CLAIMED REMEDIES**

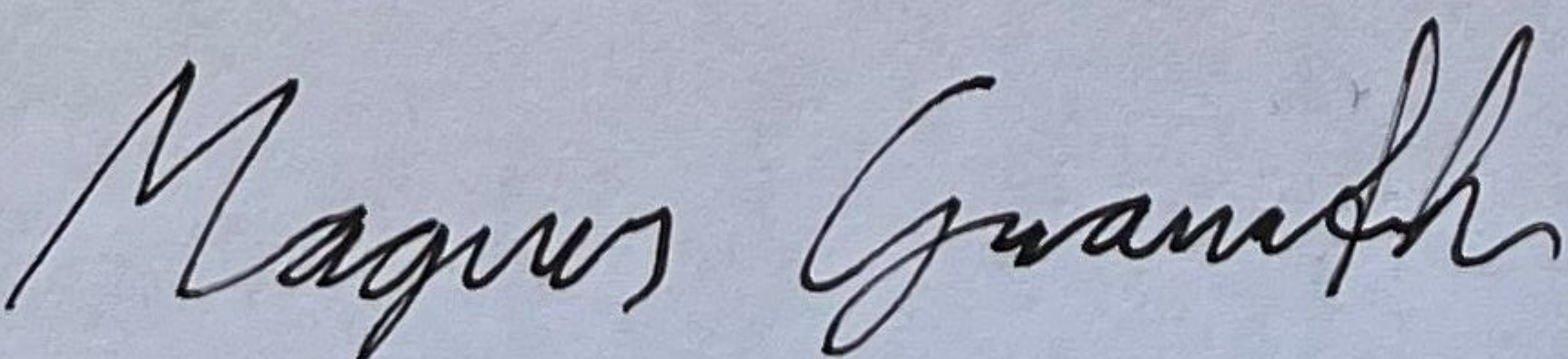
13. It is denied that the Claimant has suffered injury to his feelings as a result of the publication of the words complained of as alleged in paragraph 7.
14. As to paragraph 8:

- (1) It is admitted that the Tweet was one of a sequence of Tweets on the Hodlonaut Twitter feed directed at exposing the Claimant's lies and deceptions.
  - (2) It is denied that the Defendant was motivated to harm or abuse the Claimant because he is an active supporter and promoter of the Bitcoin core protocol. The Defendant's chief motivation, as a person with a long-standing interest in cryptocurrency and in particular in Bitcoin, was to expose fraud and in particular the attempts by the Claimant to falsely claim credit for the creation of Bitcoin.
15. If necessary the Defendant will rely in mitigation of damages on:
- (1) Such of the facts and matters pleaded in paragraphs 9 and 11 above as are proved at trial, for the avoidance of doubt to include reliance on evidence as to the Claimant's general bad reputation in relation to his claims to be Satoshi Nakamoto.
  - (2) 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.
16. As to paragraph 9, 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 of the European Convention on Human Rights.

**HUGH TOMLINSON QC**  
**DARRYL HUTCHEON**

**STATEMENT OF TRUTH**

The Defendant believes that the facts set out in this Defence are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Signed: 

**Defendant**

Served this 23rd day of April 2021 by Atkins Thomson Limited, 3 Fleet Street,  
London EC4Y 1AU, Solicitors for the Defendant