

Translation of Ruling in Granath v. Wright

OSLO DISTRICT COURT

JUDGMENT

Delivered: 20.10.22 in the Oslo District Court,  
Case no.: 19-076844TVI-TOSL/04  
Judge: District Court Judge Helen Engebrigtsen  
The case concerns: Allegation of defamation on Twitter

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Magnus Granath      Lawyer Ørjan Salvesen Haukaas  
                                 Legal assistant:  
                                 Lawyer Marie Bjørk Myklebust

against  
Craig Wright      Attorney Halvor Manshaus  
                                 Legal assistants:  
                                 Lawyer Halvard Helle and  
                                 paralegal Sandra Ulleland

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CoinDesk

## JUDGMENT

The case concerns the question of whether specific statements on Twitter are defamatory or offensive privacy, and whether the statements possibly provide grounds for compensation. The case has been raised as a negative determination action, where the plaintiff Magnus Granath wants to have it determined that his statements about Craig Wright are not unlawful.

### Presentation of the case

Under the alias Hodlonaut, the plaintiff, Magnus Granath, has made several statements on Twitter related that defendant Craig Wright is not Satoshi Nakamoto. Satoshi Nakamoto is the pseudonym of the person (or those) who developed bitcoin.

Craig Wright is from Australia but lives in London. He has several formal educations, and broad work experience within IT. He is one of the founders of the company nChain, which is behind the digital currency Bitcoin Satoshi Vision (BSV). Wright claims he invented it bitcoin, and that he is the man behind the pseudonym Satoshi Nakamoto.

Magnus Granath was formerly a primary school teacher, but is now fully engaged in bitcoin-related business. Until this case, it has not been known that it is Granath who is behind it the Hodlonaut twitter account. Granath is currently editor of the journal Citadel21, who writes about bitcoin and bitcoin culture.

The case concerns the following statements from Hodlonaut on Twitter:

### March 13, 2019

*Blows my mind that scam sites like Coingeekdotcom and Bitcoindotcom are still able to peddle blatant lies and fool noobs out of their money. A lot of damage is still being done. I have nothing but contempt for trash like Roger, Faketoshi, PedoCalvin and all their enabling scum.*

### March 16, 2019

*Craig Wright is a very sad and pathetic scammer. Clearly mentally ill. Everything about him induces deep cringe. I suffer from obviousness fatigue after still having two read posts arguing why he isn't Satoshi.*

### March 17, 2019

*As a tribute to Craig Wright being a fraud, I'm going to make next week 'Craig wright is a fraud week', and tag all my tweets with #CraighWright IsAFraud Feel free to join the celebration.*

*This space is so fascinating. It has people of the absolute highest caliber intellectually and ethically. It also has individuals representing the scummiest sides of humanity, supported by people with vegetable-like brain power. History being written every day. The forensics to CSW's first attempt to fraudulently 'prove' he is Satoshi. Enabled by @gavinadresen. Never forgot. #CraigWrightIsAFraud*

*(a re-tweet of Rob Graham's twitter post: Craig Wright is a fraud. I wrote a blogpost proving his fraud: [blog.erratasec.com/2016/05/satoshi](http://blog.erratasec.com/2016/05/satoshi) ... I mention this because he's trending in my timeline right now because he threatened ...)*

*#CraigWrightIsAFraud The chain goes strong*

*The fact that Twitter agrees #CraigWrightIsAFraud must surely be causing a serious meltdown as we speak. Long on popcorn for the next couple of days.*

**March 18, 2019**

*Happy #CraigWrightIsAFraud week everyone!*

*#CraigWrightIsAFraud week gets off to a flying start with the fraud himself disappearing from twitter on day 1. Double taco rations tonight!*

The messages were deleted on April 9, 2019, after Granath received a warning letter from the Wrights English lawyers. The lawyers demanded that Granath acknowledge Craig Wright as Satoshi Nakamoto, alternatively, the letter was a notice of lawsuit.

## **Background**

Bitcoin is a digital currency. The system is decentralized, operated by the users themselves, and has no any central bank or central administrator. The system is based on an open blockchain principle, where all transactions are digitally accessible in the blockchain. Value transfers in the network are based on cryptographic signing and verification. Transactions is signed with a cryptographic key set with a private key and a corresponding one public key. The private key is kept secret, the public key is precisely public, and means that signatures can be verified in the blockchain. The cryptographic ones the keys can also be used to sign/verify things other than bitcoin transactions.

Bitcoin was launched by Satoshi Nakamoto in 2009. On January 3, 2009, he published the first block in the bitcoin blockchain, the so-called genesis block. On March 9, 2009, the bitcoin blockchain was set operation, and on January 12, 2009, the first transaction was made between Satoshi Nakamoto and Hal Finney. On March 24, 2009, Nakamoto published a White Paper (a short thesis/note) which explains the principles behind bitcoin. Before publication, he sent a draft to White Paper to people on a mailing list. Satoshi Nakamoto disappeared from public view in 2010. Who is behind the pseudonym Satoshi Nakamoto has long been unknown and a question many have engaged in. Several people have been named to be Nakamoto, but have denied it, and some have even come forward and claimed to be Nakamoto. One of these is defendant, Australian Craig Wright.

On December 8, 2015, Wired and Gizmodo magazines separately published articles that named Craig Wright as the person behind the pseudonym Satoshi Nakamoto. The articles were based on information that the magazines had received from an anonymous source. Some days later both magazines retracted the claim, concluding that Wright

*This is a translation of a judicial order produced by CoinDesk. The original ruling was in Norwegian.*

probably wasn't Satoshi Nakamoto. In April/May 2016, Wright invited selected people and the media to a private evidence session, where the purpose was to prove to these people that he was Satoshi Nakamoto. Signing sessions were conducted with Jon Matonis (the founder of the Bitcoin Foundation and a central figure in the bitcoin community) and Gavin Andresen (who had emailed with Nakamoto and assisted in solving problems with the bitcoin code). A signing was conducted, with Wright apparently signing with keys associated with the early bitcoin blocks known to belong to Satoshi Nakamoto. These signing sessions have later been criticized because the general public has not been able to verify what Matonis and Andresen actually got to see. Signing sessions were then conducted with the BBC and GQ Magazine, which would also show that Wright had access to Nakamoto's cryptographic keys. What happened there is also discussed in Wright's own blog post on 2 May 2016, referred to as the Sartre post. It is clear that Wright did not carry out a signing with keys belonging to Nakamoto, but there is disagreement as to what the purpose of the sessions was.

Bitcoin is built on the principle "don't trust - verify", and the core of the system is transparency and verifiability in all transactions. A number of people in the bitcoin community are therefore skeptical that Wright does not sign with keys that belonged to Satoshi Nakamoto, or otherwise document that he has or has had control over these keys. Wright has not been willing to do this, and he also claims that he now has no opportunity to do so. He has given several explanations for the reason for this, which the court does not go into further.

As mentioned, Bitcoin is based on the principle that the blockchain contains all the transactions, and it has therefore gradually become very data- and energy-intensive to handle bitcoin transactions. In 2017, a disagreement arose in the bitcoin community related to processing capacity issues. The disagreement – also referred to as a civil war – particularly dealt with block sizes. Larger blocks will have room for more transactions, but larger blocks will in return make it more difficult to be a decentralized system, because larger blocks require a large data capacity and therefore cannot be run on ordinary machines. As a consequence of this disagreement, in August 2017 a change was made to the bitcoin protocol, so that a branching (fork) of the original bitcoin blockchain occurred. The blockchain was split into BitcoinCore (BTC) (originally bitcoin) and BitcoinCash (BCH). Wright was one of the founders of BitcoinCash. Supporters of BitcoinCore and BitcoinCash respectively represent the fronts in the mentioned civil war, and strongly disagree with each other. In November 2018, BitcoinCash was again split into two - BitcoinCash (BCH) and Bitcoin Satoshi Vision (BSV). Wright is a co-founder of and employee of the group nCrypt, which is behind Bitcoin Satoshi Vision (BSV). BSV markets itself, among other things, as "the original bitcoin". For BitcoinCore (BTC), a protocol/node (called 'lightning') has been launched on top of the bitcoin code, which should make it easier and faster to process several transactions at the same time.



For the record, the court adds that the price/rate for the various types of bitcoin is very different: 1 BTC currently costs about \$20,000, while 1 BSV costs about \$50. Although bitcoin was originally, and still is, intended as a digital means of payment, at least BTC has in practice become an investment object. The exchange rate against the dollar has fluctuated greatly, and has been up to over \$61,000. The exchange rate for BSV has also fluctuated, with a peak of about \$400.

Granath is a proponent of BTC, and he believes that BTC is the original bitcoin, and that other types of bitcoin, BCH and BSV, confuse newbies into investing in them, believing that they are buying "real" bitcoin. In connection with the block size disagreement, which resulted in bitcoin being split into three (BTC, BCH and BSV), in January 2019 Hodlonaut started the Lightning Torch experiment to show that BTC with the lightning node on top was well suited for many and concurrent transactions. Lightning Torch is a form of relay, where a bitcoin user sends a small amount of bitcoin to another user he trusts, who adds a similar small amount and passes the baton on. The experiment was successful and received a lot of attention in the bitcoin community. Granath's twitter account Hodlonaut gained increased attention as a result, and at most had about 8,000 followers.

The split of bitcoin and the disagreements between the two (possibly three) camps in the bitcoin community form the background for the twitter messages that this case is about. There are steep fronts between the various camps.

### **The case before the district court**

After the warning letters from Wright's lawyers, who threatened legal action in London, Granath went to a negative determination action before the Oslo District Court on 19 May 2019. Initially, there was a dispute about jurisdiction, among other things. The Borgarting Court of Appeal ruled in a ruling of 8 June 2020 (LB2020-22204) that the case should be brought in Norway. The ruling was appealed to the Supreme Court, which rejected the appeal on 30 September 2020 (HR-2020-1872-U). Parallel to this, Wright filed a lawsuit against Granath in England. Wright's lawsuit in England was initially rejected as *lis pendens* as a result of the Norwegian case, but was later allowed to be brought forward by a superior court. At the conclusion of the Norwegian main proceedings, the case between Wright and Granath in England had not been scheduled.

The main hearing in the Norwegian case was originally scheduled for January 2022, but was postponed as a result of large amounts of documentation being submitted a few days before the end of the case preparation. The main hearing was conducted over seven court days in the period 12 to 21 September 2022, as appears from the court book. 18 witnesses and experts were heard. The judgment has not been handed down within the deadline in the Disputes Act § 19-4, subsection 5, which is partly due to the scope of the case, partly absence on holiday and partly other work duties.

### **Magnus Granath's claim basis**

The starting point is that everyone has freedom of expression, cf. the Constitution § 100 and ECHR art 10. Compensation due to defamation or infringement of privacy is a restriction on freedom of expression.

The allegations in question are not defamatory, and they do not violate privacy. Although some of the statements may initially be suitable to weaken Wright's reputation, the statements are justified after weighing up the considerations that justify freedom of expression. The statements were based on a strong factual basis, the statements are not particularly offensive, Wright has had the opportunity to respond on Twitter, there were good reasons for making the statement, and Granath acted in good faith. Where there is a strong factual basis for the statement to be true, the statement will, as a clear general rule, be lawful. In cases where the statement rests on a factual basis that is too weak, the other elements could mean that the statement is nevertheless justified. It is at the core of freedom of expression that you should be able to express what you believe to be true.

Craig Wright has fraudulently tried to prove that he is Satoshi Nakamoto, and that is what the statements are about. No credible evidence has been presented, either at the time of the statements or later, that Craig Wright is Satoshi Nakamoto:

- Wright has not succeeded in providing evidence that he has or had access to the encryption keys that Satoshi Nakamoto had access to.
- Wright has conducted private signing sessions with Gavin Andresen and Jon Matonis. There are a number of red flags associated with these signing sessions, and they do not provide a basis for concluding that Wright actually signed with keys associated with Satoshi Nakamoto. The signing sessions are particularly suspicious in light of other manipulations in the case.
- Wright signed to the BBC, and the session was later published on Wright's blog - referred to as the Sartre post. The signature is later revealed to be a fake. Wright's attempt to explain away the Sartre post makes no sense and is not credible. The session essentially shows that Wright did not have access to Nakamoto's cryptographic keys.
- Wright has explained that he has destroyed the cryptographic keys and key parts. There are no good reasons for doing this, and instead comes across as an explanation tailored to the fact that he never had the keys to Satoshi Nakamoto.
- In the case, Wright has presented a number of documentary evidence which is supposed to document that he is Satoshi Nakamoto, including earlier drafts and versions of the White Paper that Satoshi published on 24 March 2009, earlier editions of the bitcoin code, as well as e-mails sent to people whom Satoshi involved. A closer review of the material shows that the documents have been manipulated, and the documents cannot be used as a basis for a claim that Wright is Satoshi Nakamoto. Several of the presented documents were not invoked by Wright during the trial.

- The stated story about the Tulip Trust does not make sense and is not credible. In the light of other evidence, the documents cannot be from the time they are claimed to be from, and the documents presented have been manipulated.
- Wright's explanation in court is not credible on key points, and a number of his reasons are not possible to understand
- After reports were presented that conclude that Wright's presented documents are manipulated, Wright changed tactics and wants to prove that he is Satoshi Nakamoto with the help of witness evidence. Witness evidence for what happened before 2009 will be fairly unreliable evidence anyway. The tactic contradicts the fundamental point of Satoshi Nakamoto's bitcoin project, namely 'don't trust - verify'.
- The key witnesses who could possibly verify Wright's story are missing. The witnesses who are actually brought either have a clear vested interest in Wright being considered Nakamoto, or have explanations that are peripheral or irrelevant to the question of whether Wright is Nakamoto.

In summary – the court must base the following on:

- Wright has not written the Bitcoin White Paper
- Wright did not write the bitcoin code
- Wright has never had access to private keys or bitcoin belonging to Nakamoto
- Wright does not have access to Satoshi Nakamoto's email accounts

The statements from Hodlonaut must be interpreted in context. Although elements of the statements can be interpreted as a negative characteristic of Wright, there are no claims that criminal offenses have been committed. Although the statements have a core of accusation, the statements are primarily value judgments. Such valuations enjoy stronger protection than factual information. The Wrights themselves use strong words and characterizations on Twitter. There is no evidence that Granath's messages were widely disseminated on the internet. It concerns a small number of messages that were deleted after a short time. Hodlonaut had a small account on Twitter with a total of about 8,000 followers after the lightning torch action.

The statements are not inconsistent with the law. Granath built on a sound basis when he made the statements, and nothing has subsequently emerged to suggest that Wright is Satoshi Nakamoto. The claim that Wright is not Satoshi Nakamoto and has fraudulently tried to prove it is based on the information that was openly available and that was discussed in various newspaper articles. In addition, Wright's own blog posts from May 2016 contain admissions that the evidence he offered was insufficient and that the world will perceive him as a 'fraud'.

In any case, the statements were in the public interest, and such statements are strongly protected. Wright is a public figure, who himself has sought publicity, both by claiming to be Satoshi Nakamoto, and by being the front man for BSV and intensifying activities related to BSV at the beginning of 2019. Wright has to endure criticism when he presents controversial "evidence ».

The allegation that the messages violate privacy was made after the case preparation had ended, which is too late, and the allegation must therefore be precluded, cf. the Disputes Act § 9-16. Claims for compensation based on the Damages Compensation Act § 3-6 are in any case obsolete.

In any case, there is no basis for compensation - Granath has not acted negligently and compensation is not reasonable.

**The claimant's – Magnus Granath's – claim:**

1 Magnus Granath is acquitted of Craig Wright's claim for compensation (restitution) according to the Damages Compensation Act § 3-6a first paragraph second paragraph.

2 Apart from any liability under point 1, Magnus Granath has no liability towards Craig Wright for damage to his honor or reputation based on the statement made in the Twitter message Granath published on 13 March 2019, regardless of the countries in which it may have been read .

3 Apart from any liability under point 1, Magnus Granath has no liability towards Craig Wright for damage to his honor or reputation based on the statement made in the Twitter message Granath published on 16 March 2019, regardless of the countries in which it may have been read .

4 Apart from any liability according to point 1, Magnus Granath has no responsibility towards Craig Wright for damage to his honor or reputation based on the statements made in the Twitter messages Granath published on 17 March 2019, including the statement with the content "The forensics to CSW's first attempt to fraudulently 'prove' he is Satoshi. Enabled by @gavinandresen. Never forgot. #CraigWrightIsAFraud", regardless of the countries in which it may have been read.

5 Apart from any liability under point 1, Magnus Granath has no liability towards Craig Wright for damage to his honor or reputation based on the statements made in the Twitter messages published by Granath on 18 March 2019, regardless of the countries in which they may have been read .

6 Craig Wright is ordered to pay Magnus Granath's legal costs

**Craig Wright's claim basis**

Craig Wright claims that Granath's statements are defamation and violations of privacy, cf the Damages Act § 3-6a and § 3-6, together with EMF Article 8. The messages are unlawful and cannot be considered to be justified. The messages are a disparagement of Wright's professional and personal sense of honor and reputation

These are gross accusations and characteristics that have been repeated in a number of messages over several days. The messages are not written in affect, it is a planned attack against Wright, and Granath is pulling others along in a coordinated mob action. The Twitter messages are outside the core area of freedom of expression, and Granath has never retracted either the statements or the attack against Wright.

The statements are defamatory in isolation, and the statements must be viewed as a whole. There are several different condescending valuations, combined with factual claims about Wright's state of health - "clearly mentally ill" and factual claims with accusations of fraud - "sad and pathetic scammer", "fraud", "the fraud himself", together with calls for participation in and passing on Granath's message. It is significant that the statements made on Twitter with the use of a hashtag and thereby suitable to reach a large, unlimited circle on the internet, and the messages have had a viral spread. It is also important that the messages are anonymous, that strong expressions are used and that messages are received over several days. There was no prior contact between Granath and Wright, no ongoing debate. It is decisive what factual basis Granath had for his statements at the time of publication.

The underlying topic – who invented Bitcoin – has an undisputed public interest. Granath's statements are still not a contribution to the public debate, they are not about a topic, but about a person, and Granath always has an underlying financial motive in defaming BSV and promoting BTC. Granath is not a 'public watchdog' and his statements do not enjoy special protection, as, for example, the statements of journalists will. In any case, the communication has not taken place within legitimate and balanced methods. The statements have an unnecessarily strong use of words and characteristics, and the purpose is a harassing attack on a leader within BSV.

Compensation is assessed at the discretion of the court, up to a maximum of NOK 100,000, in line with practice for similar cases.

Item 2-5 of Granath's claim must be rejected because he has no legal interest in obtaining a judgment for such claims. Demand for judgment for 'no liability' is too unspecified. Granath also lacks a real need to obtain a judgment for what other courts may do.

In the alternative, it is stated that even if Granath were to succeed in the case, there are strong reasons for applying the exception rule in § 20-2 (3) of the Disputes Act. He failed to respond to letters from Wright's lawyer, went to court without sending a notice of process, submitted a comprehensive report several months after the deadline and thereby caused the main hearing to be postponed, and has helped to unnecessarily increase the scope of the case.

## **The defendant's – Craig Wright's – claim**

1 Craig Wright is acquitted.

2 Magnus Granath's claim items 2 - 5 are rejected.

3 Magnus Granath is sentenced to pay restitution to Craig Wright, measured at the discretion of the court and limited to NOK 100,000.

4 Craig Wright is awarded costs for the district court due 14 days from the service of the judgment.

## **The court's assessment**

### **1 Question of rejection**

Wright believes that Granath's claim 2 - 5 should be rejected because the requirements for legal interest have not been met. Wright states that Granath cannot be convicted because 'he is not responsible', such a claim is too unspecified. Granath believes that he has a need for, and a legal interest in, having all sides of the case settled.

The legal aftermath of Granath's statements began with a warning letter from the law firm SCA Ontier on 29 March 2019 relating to claims of defamation under English law, including claims for "*substantial damages*" and "*legal costs*". Wright's economic claim was not limited to non-economic damages. Granath went to a negative determination lawsuit in Norway to have it established that the statements do not violate Wright, and that he thereby has no financial responsibility. In the Norwegian lawsuit, Wright eventually dropped a claim for compensation as a counterclaim.

Granath's claim has been changed several times during case preparation, and most recently during the main hearing. The court understands paragraphs 2 - 5 of the submitted claim and the statements related to it to mean that he requests that the court decide on all potential financial claims as a result of the statement, i.e. compensation for damage suffered and compensation for non-economic loss. Granath wants to settle all financial claims, and not just the issue of restitution. This includes possible damage that has occurred in countries other than Norway.

In the Shevill case (C-68/93), the European Court of Justice determined that the Lugano Convention art 5 no. 3 must be interpreted so that libel is committed where the newspaper is printed, and not where it was sold:

In light of the foregoing, the answer [...] must be that, on a proper construction of the expression 'place where the harmful event occurred' in Article 5(3) of the Convention, the victim of a libel by a newspaper article distributed in several Contracting States may bring an action for damages against the publisher either before the courts of the Contracting State of the place where the publisher of the defamatory publication is established, which have jurisdiction to award damages for all the harm caused by the defamation, or before the courts of each Contracting State in which the publication was distributed and where the victim claims to have suffered injury to his reputation, which have jurisdiction to rule solely in respect of the harm caused in the State of the court seised. (Court's emphasis)



A defamation case can therefore be brought either in the publisher's home country, which has jurisdiction to deal with issues of compensation for all damage caused by the defamation, or where the publication was distributed, which will only have jurisdiction to assess damage incurred in the respective country.

It follows from the Borgarting Court of Appeal's ruling of 8 June 2020 (LB-2020-22204) in this case (appealed, but the appeal was rejected (HR-2020-1872-U)) that Norwegian courts have jurisdiction according to the Lugano Convention art 5 no. 3, because Granath's potentially defamatory actions have been committed here. When the defamation case is brought in the publicist's home country, as in this case, Norwegian courts have the authority to process all sides of the claim, regardless of whether the damage has occurred in Norway or other countries.

As mentioned, Wright has only submitted a claim for restitution in this case. In the 2019 warning letter, Wright sought damages for more than restitution for non-economic damages. These claims have not subsequently been withdrawn, Wright has at no time stated that he does not claim compensation for damage he has suffered as a result of the statements, and he has even started a parallel lawsuit in England with a claim for compensation for his financial loss. On this background, the court believes that it is clear that Granath has a legal interest in having the questions raised in points 2 - 5 of the claim decided.

## **2 Question about preclusion of a statement made too late**

Granath has stated that Wright's allegation of violation of privacy should be dismissed as submitted too late, cf. the Disputes Act § 9-16 (1). The case preparation ended on 20 June 2022 and lawyer Manshaus stepped in as the new legal representative on 8 July. In the first procedural letter from lawyer Manshaus, on 12 August, the allegation of breach of privacy was made for the first time. However, lawyer Haukaas did not object to this until the final part of his procedure on the last day of the negotiations. The court believes that the claim has been dealt with on the merits by both parties, so that the consideration of contradiction is taken care of. The processing of the allegation has not caused any delay in the case, and the assessment of whether Granath's statement is in breach of Section 3-6 of the Damages Compensation Act is based on the same facts as the assessment according to Section 3-6 a, and further evidence is not necessary. On this basis, the court has decided that Wright's submission will be processed, as overall procedural economic considerations dictate that he will also be able to try this side of the case.

## **3 Questions about whether the statements violate Wright's honor or privacy**

### **3.1 Legal starting points**

Freedom of expression is a clear right in a democratic society, and follows from Section 100 of the Constitution and Article 10 of the ECHR. Freedom of expression means that one must be able to express one's opinion, even when it is unpopular or offensive to others. Section 100 of the Constitution states that freedom of expression has its 'ground in the search for truth, democracy and the individual's free opinion formation'. The right to respect for privacy is

protected by ECHR art 8. The rules on defamation and violations of privacy constitute restrictions on freedom of expression



Norwegian rules on breach of privacy and defamation appear in the Damages Compensation Act. Previously, the description of what was defamation was regulated in the Criminal Code, but the substantive content has been continued. The conditions for awarding compensation/restitution are currently set out in the central parts of the Damages Compensation Act § 3-6 (violation of privacy) and

§ 3-6 a (defamation): § 3-6 (compensation for breach of privacy)

Whoever has negligently violated privacy shall pay compensation for the damage suffered and such compensation for loss in future acquisition as the right, taking into account the proven guilt and the conditions otherwise deemed reasonable. He can also be ordered to pay such compensation (restitution) for damage of a non-economic nature as the court finds reasonable. [...]

§ 3-6 a (compensation for defamation)

Anyone who has negligently put forward a statement that is suitable to offend another's sense of honor or reputation, must pay compensation for the damage suffered and such compensation for loss of future acquisition as the right based on the proven guilt and the conditions otherwise deemed reasonable. He can also be ordered to pay such compensation (restitution) for damage of a non-economic nature as the court finds reasonable. [...]

A defamatory statement does not entail liability under the first paragraph if it is considered justified after weighing up the considerations that justify freedom of expression. In this assessment, particular emphasis must be placed on whether the statement rests on a sufficient factual basis, on the degree of infringement of the statement, and whether the interests of the offended party are satisfactorily safeguarded by, for example, access to countermeasures, whether public interests or other good reasons dictate that the was put forward, and whether the speaker has acted in good faith with regard to the elements that can make the statement justified

The question of whether a statement is offensive or not – whether it is unlawful – is decided in a balance between consideration of freedom of expression, cf. ECHR Article 10, on the one hand, and consideration of privacy, cf. ECHR Article 8, on the other. In the ECtHR's judgment in the case Axel Springer AG v. Germany (39954/09) it is stated:

When examining the necessity of an interference in a democratic society in the interests of the 'protection of the reputation or rights of others', the Court may be required to verify whether the domestic authorities struck a fair balance when protecting two values guaranteed by the Convention which may come into conflict with each other in certain cases, namely, on the one hand, freedom of expression protected by Article 10 and, on the other, the right to respect for private life enshrined in Article 8.

Whether Wright's rights have been violated raises three main questions in this case: 1) how the statements in question should be interpreted, 2) whether the statements are offensive, and 3) whether they are unlawful, cf. Rt-2014-1170 Avisa Nordland.

### **3.2 The statements and their interpretation**

Whether or not Granath's statements involve illegal infringements will initially depend on how the statements are interpreted. The statements must be interpreted in the light of how an ordinary user/reader will perceive them, and in their context, cf. Rt-2014-1170 Avisa

Nordland, with further references. The question is whether the statements are suitable for infringing another's sense of honor or reputation, cf. Section 3-6a of the Damages Act, or whether they violate privacy, cf. Section 3-6 of the Damages Act. The court believes that it is natural to see the nine statements the case relates to and Granath's use of words in context, cf. Rt-2014-152 Ambulance driver.

The court also believes that the content of the opinion is influenced by the form in which the statements are made. The meaning of the designation 'swindler' is not the same if you are referred to as a fraudster at a police seminar on ID theft as when you are called a 'swindler' on Twitter in a heated discussion about whether one has succeeded in proving his identity as Satoshi Nakamoto. The remarks are made in an ongoing public discussion about bitcoin, Satoshi Nakamoto and Wright's role. It is not unusual to use strong words on Twitter, and this affects the interpretation and meaning of the terms used.

The case concerns a total of nine statements over a five-day period, as described in the introduction. The court believes that the general theme of the Twitter messages is that Craig Wright is not Satoshi Nakamoto, that his claims of being Satoshi Nakamoto are lies and not credible, and that he cheated in his attempts to prove that he is Satoshi Nakamoto. The messages are generally derogatory about Wright.

Among the terms used are 'fraud' and 'fake' and 'scammer'. In one of the messages on 17 March, 'CSW's first attempt to fraudulently prove...' is mentioned. The court believes that 'fraud'/'fraudulently' in this context means 'someone who is something other than what he claims to be'. 'Fake' has a similar meaning; 'illegitimate', 'false', 'something other than what he pretends to be'. 'Scammer' must be understood in the same way, in the sense of 'swindler' or 'cheat maker'. It is not natural to interpret these designations, either individually or collectively, as allegations that Wright has committed fraud or other criminal acts. In the court's opinion, it is natural to understand the designations as a reference to the general theme of the Twitter messages.

One of Granath's statements includes a message that Wright is 'clearly mentally ill'. The court understands this primarily as a value assessment in the sense of 'he is confused / disillusioned / insane' when he claims that he is Satoshi Nakamoto. Using the term 'insane' if someone you believe is behaving incredibly or strangely is common and, in the court's opinion, cannot be understood as an actual claim that someone has been diagnosed with a mental illness. The court perceives Granath's use of 'clearly mentally ill' as an expression of force. Granath did not know that Wright had been diagnosed with autism (it is also somewhat unclear whether he had been diagnosed at this time), and it is not natural to understand Granath's statement that Wright is 'clearly mentally ill' as a reference to Wright's autism diagnosis. Autism is not a mental illness either.

Wright has particularly stated that Granath's use of the hashtag (#) on Twitter in connection with the statements (#CraigWrightIsAFraud), the launch of CraigWrightIsAFraudWeek and the statement feel free to join the celebration implies that Granath has encouraged others to harass Wright. The court does not agree that this is understood as an invitation for others to bully Wright. Hashtags are common on social media in general and Twitter in particular, and are a way of sorting conversations or topics. The court cannot see that Granath's use of the hashtag deviates from this.

The court believes that the statements, both individually and collectively, express that Granath believes that Wright is not Satoshi Nakamoto, that he is lying when he states that he is Satoshi Nakamoto, and that his attempts to prove that he is Satoshi Nakamoto is cheating/fraud. In the court's opinion, these statements have a core of allegations of a factual nature, particularly related to Wright lying about being Satoshi Nakamoto and that his attempts to prove that he is Satoshi Nakamoto is cheating/fraud. In addition to this, the statements are distinctly value judgments in the form of disparaging comments and insults in a heated discussion about the topic of whether Wright is Satoshi Nakamoto or not. The court notes that these are not particularly serious allegations.

### 3.3 Are the statements offensive?

It follows from the preliminary proceedings (Ot.prp.nr. 22 (2008-2009) p 488) that it is sufficient that an expression is suitable to offend another's sense of honor - it is not required that it be proved that such an infringement has actually taken place. Accusations of criminal offenses will normally be defamatory, but also allegations of violation of other of society's formal and informal norms may be suitable to weaken a person's reputation (Wessel-Aas and Ødegaard, Privacy – publication and processing of personal data (2018) point 7.2 ).

The parties agree that (some of) the statements in Granath's Twitter messages are, in principle, suitable for damaging Wright's sense of honor, cf. Damages Compensation Act § 3-6 a. The parties' detailed statements on this nevertheless necessitate that the court point out that the potentially defamatory elements in Granath's statements is that Wright is lying when he claims to be Satoshi Nakamoto, and that his attempts to prove that he is Satoshi Nakamoto are frauds.

The court notes for the record that there is nothing concrete about any of the statements which means that the court believes that they are collectively or individually particularly suitable for violating privacy, cf. the Damages Act § 3-6. As regards the statement that Wright is 'clearly mentally ill', the court refers to what has been said above about the interpretation of the statement. Calling someone or someone's actions 'insane' in this way will not, in the court's opinion, be defamatory or represent an infringement of privacy.

The court has understood it to mean that Wright states that Granath's statements violate privacy, among other things, because it concerns several messages that Wright believes encourage others to a coordinated bullying action. The court believes that the messages cannot be perceived as one

call for coordinated bullying action, and that the number of messages is not sufficient to concern troublesome behavior in breach of privacy.

### **3.4 Are the statements unlawful?**

Defamatory claims may be compensable according to the Damages Compensation Act § 3-6 a, and may, depending on the circumstances, be compensable because they violate privacy, cf. Damages Compensation Act § 3-6. The court must therefore assess whether the statements are unlawful, or whether they are exempt from liability after weighing up the considerations that justify freedom of expression and protection of privacy, respectively.

The starting point is that the rules on defamation protect the individual against false accusations. The court refers to Axel Springer AG v Germany (39954/09), where the ECtHR states:

The Court has held, moreover, that Article 8 cannot be relied on in order to complain of a loss of reputation which is the foreseeable consequence of one's own actions such as, for example, the commission of a criminal offence.

The central point is that a statement that is true cannot be defamatory because the damage to the person's reputation is then the consequence of the person's own actions, and not of the statements made against him. It is undecided, outside of this case, whether Craig Wright is Satoshi Nakamoto or not, and there is still public debate on the question. Both parties in the case have pointed to circumstances that speak respectively for and against Wright being Satoshi Nakamoto. The question has been debated since 2016. The court chooses not to take a position on this, because it has no bearing on the outcome of the case. The court will assess whether the statements are unlawful based on the premise that it is unclear whether Wright is Satoshi Nakamoto.

In case law, some guidelines have been given for which elements are relevant for the assessment of whether a statement is unlawful or not. Emphasis must be placed on the degree of public interest, the nature of the accusations, whether the statements can be characterized as factual assertions or value assessments, and whether the statements are aimed at a public figure or a private person. In addition, the degree of care is important, including what evidence there was in fact at the time of the statement that the statement was true. The Supreme Court specified in Rt-2003-928 Tønsberg Blad (44):

In general, the statement will have strong protection if it concerns matters of public interest, valuations, dissemination, public person, and there is strong evidence that the claim was true. On the contrary: If the matter concerns the modest public interest, factual allegations, own presentation, private person, and there is weak evidence that the claim was true, the statement has a less strong protection



Statements that are not defamatory - either because the allegations are true, because the speaker had sufficient factual support for the statements or for other reasons - may nevertheless be unlawful because they violate privacy, cf. the Damages Act § 3-6. In the ECtHR's decision *Axel Springer AG v. Germany* (39954/09), a media group had disseminated (true) information that an actor who played a police inspector in a well-known TV series had been arrested by the police for possession of cocaine. The actor had received a judgment in national courts that the mention violated his right to privacy. The EMD concluded that the media group's freedom of expression had been violated. The judgment deals with the intersection of freedom of expression and privacy, and the court believes that the assessment of whether the statements are unlawful is based on a balancing of the same considerations that must be taken into account when assessing whether something is defamatory or not. The court clarifies for the record that true allegations cannot be defamatory, but they can, depending on the circumstances, violate privacy.

### **3.4.1 Public interest?**

The backdrop for Granath's statements is that Wright claims to be Satoshi Nakamoto. The court believes that the question of who invented bitcoin and is behind the pseudonym Satoshi Nakamoto is undoubtedly of public interest, and the court understands the statements from Wright to mean that he also agrees with it.

There has been a publicly expressed uncertainty about whether Wright is really Satoshi Nakamoto since Wright was named as Nakamoto in 2015. The question is contentious, and the debate is highly polarized. The prevailing opinion in the media (including Gizmodo 11 December 2015, BBC News 2 May 2016, The Guardian 3 May 2016 and GQ Magazine 18 November 2016) has been, and is, that Wright is unlikely to be Satoshi Nakamoto. At the end of 2018 and the beginning of 2019, there was a big discussion in the bitcoin community about the split from Bitcoin (BTC) to Bitcoin Cash (BCH), and again to Bitcoin Satoshi Vision (BSV). In that connection, the discussion about whether Wright is Nakamoto flared up again.

Wright is a person who has sought publicity. He claims to be Satoshi Nakamoto and thereby the founder of bitcoin, and he is one of the frontmen of the company nCrypt that has launched Bitcoin Satoshi Vision (BSV). nCrypt claims that BSV is the bitcoin that best aligns with Satoshi Nakamoto's vision for bitcoin. Wright thus appears with several controversial claims, and to which financial interests are also linked. In a situation where he has not succeeded in, nor does he wish to, provide cryptographic evidence that can support his claim to be Satoshi Nakamoto, the court believes that he must accept that there is a debate as to whether he is who he says he is he is.

The court assumes that the question of whether Wright is Satoshi Nakamoto has been discussed in the bitcoin community and on Twitter since 2016. An overview of 7,000 twitter messages from 2016-2019 from a number of users who discuss the topic, and which, among other things, mention Wright such as 'scammer', 'fraud' and 'faketoshi'. About half of them

The 7,000 Twitter messages are from the period November 2018 to March 2019, and the court assumes that during this period there was an extra heated debate on the topic, as a result of Wright being the front man for nCrypt, which is behind BSV. The nine reports to which this case applies are, in the court's opinion, part of this picture. Based on the Twitter messages, as well as testimony about the mood and attitudes in the bitcoin community prior to Granath's messages in March 2019, the court assumes that it was not Hodlonaut's tweets that started the discussion on Twitter, but rather that Hodlonaut's messages joined a long line of messages with corresponding messages. Wright himself participated in the exchange of words, both actually by being the front man for BSV and in writing through posts on Twitter and elsewhere (e.g. 16 February 2019 on medium.com), and therefore contributed to keeping the discussion alive.

Wright has indicated that Granath's statements primarily affect Wright as a person, and therefore have limited protection according to Section 100 of the Constitution and Article 10 of the ECHR. As regards the question of which statements can be restricted as hateful, cf. Section 185 of the Criminal Code, the Supreme Court has distinguished between statements concerning a subject and statements affecting one or more people. Speeches that primarily affect individuals enjoy modest protection in the context of freedom of expression, while statements about a subject "normally [hit] the core of freedom of expression and are not affected by Section 185 of the Criminal Code, even if they were to be perceived as offensive. Such statements – of a political nature, for example – are not aimed at 'someone'", cf. HR-2020-184. In the court's view, the distinction is also relevant for the assessment of whether a statement is defamatory or not. Granath's statements are undoubtedly aimed at Wright as a person, but in the court's view are just as much part of a discussion about a topic - namely who is the inventor of bitcoin. The fact that the subject in this case is a person does not in itself mean that the statements become a personal attack - in the court's view, there is still debate about a subject of public interest, even if Granath's statements are also derogatory personal characteristics that affect Wright as a person.

### **3.4.2 The nature of the accusation**

The court has above interpreted the statements to which the case applies, and concluded that the statements must be understood so that they have a core of being allegations about factual matters. Granath claims that Wright is lying when he claims to be Satoshi Nakamoto, and that Wright's attempts to prove that he is Nakamoto are frauds. The court nevertheless believes that the twitter messages mainly contain value statements, insults and expressions of what Granath thinks about Wright. For example, the statement "I have nothing but contempt for trash like ..., Faketoshi, ... and all their enabling scum" falls into this category. Assertions that someone is trash, fake or scum are distinct value judgments. The court believes that statements that Wright is a cheater/swindler (fraud, scammer) is a similar expression of what Granath thinks about Wright's claims of being Satoshi Nakamoto.

Granath has made his claims on Twitter. How seriously the statements are perceived, and how offensive they are, must be seen in light of that. There is a lot of strong language on Twitter. The format of the media

encourages strong descriptions and characteristics. Swear words, insults and profanity are common. Granath's formulations are quite typical of the jargon on Twitter, and the statements are therefore perceived in the court's view as less offensive on Twitter than they would be on Dagsrevyen. In this context, the court refers to the ECtHR's judgment in Magyar Tartalomszolgáltatók Egyesülete and Index.hu v. Ungarn (22947/13), where it is stated:

"...regard must be had to the specificities of the style of communication on certain Internet portals. For the Court, the expressions used in the comments, albeit belonging to a low register of style, are common in communication on many Internet portals – a consideration that reduces the impact that can be attributed to those expressions."

The court also believes that Wright's own use of language on Twitter in comparable discussions is important in the legal dispute assessment of Granath's statements, and finds support for that in Rt-1993-537 and LA-2021-155004. Several examples have been presented of Wright using terms such as 'scammer' and 'fraud' about his opponents related to the disagreement about blockchain size. There are also examples of him calling dissenters other degrading insults such as 'soy boy' (man who lacks masculine qualities) and 'cuck' (cuckold or weak/servile man), and that he has referred to Wikileaks founder Julian Assange as a 'rapist'. All the examples are from the time before the statements that are the subject of this case. Wright himself uses jargon with coarse characteristics and derogatory references, and then, in the court's view, must accept that others use similar jargon against him.

Wright has stated that the threshold for what Granath can say has been exceeded. Wright has referred to the content and nature of the messages, and also believes that the messages involve a repeated call for harassment. Wright refers here to Granath launching the hashtag #CraigWrightIsAFraud, CraigWrightIsAFraudWeek and Feel free to join the celebration. The fact that it involves several statements over several days naturally increases the pressure on Wright. However, this is not unusual, and several of the cases that have been dealt with in the courts in this field are precisely about the fact that the statements caused pressure over time. The court refers to Rt-2014-152 Ambulance driver and Rt-2014-1170 Avisa Nordland. A pressure over time and a possible call for others to participate does not change the main impression of the statements, which are primarily derogatory assessments of Wright and his claims to be Nakamoto. Nor has it been proven that anyone followed Hodlonaut's calls to 'join the celebration', and even made unlawful accusations against Wright.

### **3.4.3 Forwarding / own presentation**

A further point in the assessment of whether an expression is unlawful is whether it is about passing on the views of others, or whether it is the presentation of one's own opinions. Wright has stated that Granath is not part of the press, and that his statements do not enjoy the special protection that freedom of expression gives the press and other actors with a role as 'public watchdog', cf. ECtHR in Axel Springer AG v. Germany (39954/09). It is clear that

Granath did not speak as part of the press or with a background in the press's special social mission. On the contrary, he expressed himself anonymously on Twitter. The fact that the press has a special role, and enjoys special protection under the rules on freedom of expression, does not mean that other anonymous actors do not have freedom of expression. There is no antithesis associated with this. The court cannot see that the ECtHR's judgment in *Magyar Helsinki Bizottság v. Hungary* (18030/11) expresses anything else, as Wright's lawyers have stated.

Even if Granath did not pass on information in the capacity of being part of the press, in the court's view it is important in the legal dispute assessment that the topic of the statements was already part of the public discourse. It is clear to the court after the evidence that there were clear views in the bitcoin community on Twitter that Wright is not Satoshi Nakamoto, and his attempts to prove it were referred to as fraud and fake. It was not Granath who first launched this claim. The court refers to the overview of Twitter messages that has been presented (about 7,000 messages) from the period 2016 - 2019, and which is discussed above.

Wright has stated that statements of the type in question here have a greater potential to be offensive when they are promoted on the Internet, due to the possibilities of viral spread. The court notes that it has not been proven that Hodlonaut's Twitter messages have gone viral. First, Twitter is generally a volatile medium. Furthermore, the documentation presented to the court shows that Hodlonaut's tweets have received a very modest number of likes, and are only exceptionally re-tweeted (forwarded).

#### **3.4.4 Did Granath have a sufficient factual basis for his statements?**

What factual basis Granath had for his statements is important for the assessment of whether the statements are unlawful. There are smooth transitions between what are factual allegations and what are value assessments, and the requirement for evidence will depend on the seriousness of the accusation and the degree of value assessments. It follows, among other things, from Rt2014-152 Ambulance driver that the more concrete and precise an accusation is, the more actual evidence is required. The court therefore notes that the accusations are not particularly serious in this case, and that they mainly concern valuations. The court adds that it follows from the same judgment that there is basically a requirement for a general preponderance of probability for evidence of fact relating to the published material.

The court believes that Granath had sufficient factual grounds to claim that Wright had lied and cheated in his attempt to prove that he is Satoshi Nakamoto. At the time of the remarks, there was public discussion about whether Wright is Satoshi Nakamoto or not. In media coverage, the prevailing opinion was that Wright was not Satoshi Nakamoto. The court refers to the previously mentioned articles from Gizmodo (2015), and BBC News The Guardian and GQ Magazine (2016).

Both parties have tried to prove that Wright is and is not Satoshi Nakamoto, respectively. The court points out that the evidence brought in the case is not suitable to change it

prevailing opinion that Craig Wright is not Satoshi Nakamoto. A number of documents have been produced which Wright claims are early versions of the White Paper and source code. Both KPMG (on behalf of Granath) and BDO (on behalf of Wright) have found that these documents contain at best unexplained changes which are likely to have been made after the date the documents are claimed to be from. KPMG and BDO believe that this applies to: 1) Inconsistency (missing) in metadata that is not naturally based on normal use/editing, and 2) Use of fonts. KPMG has concluded that it is "probable that several of the files in the data material have been changed so that they appear to have been created earlier than they actually are". Although BDO and Cyfor, both of whom are engaged by Wright, have individual discrepant findings compared to KPMG's report, the court perceives their reports and explanations to mean that they have essentially found the same conditions that KPMG points to, and which are the basis of KPMG's conclusion.

Wright has brought a number of witnesses to court. What these witnesses have in common is that they knew Wright at the time when Satoshi Nakamoto developed bitcoin. They have all explained themselves well about Wright's intellectual abilities and capacity, which is otherwise not disputed. However, statements from these witnesses relating to whether or not he is Satoshi Nakamoto are not supported by contemporary evidence. The court notes for the record that it has been 13 years since Nakamoto developed bitcoin.

In connection with the signing attempt to the BBC and the noise surrounding the blog post referred to as the Sartre post, a post was published on Wright's own blog on 5 May 2016, which contained, among other things:

They were not deceived, but I know that the world will never believe that now. I can only say I'm sorry.

The court believes that it is natural to perceive this as Wright accepting, or at least understanding, that the world/outside will not believe that he can prove that he is Satoshi Nakamoto. If the statement is not an expression of Wright's current opinion, then he has had sufficient time to correct the impression.

The prevailing opinion in the media in 2015/2016 was that Wright had not provided sufficient evidence that he is Satoshi Nakamoto, and that it is not likely that he is Satoshi Nakamoto. The media's opinion has not changed. Bitcoin is based on the principle of transparency. The general attitude in the community was, and is, that it is in principle possible to verify whether one has access to the cryptographic keys and/or the first blocks that belonged to Satoshi Nakamoto. It is generally agreed that if one can provide evidence that one can move bitcoin from any of these first blocks, or sign with keys associated with these blocks, then that will be strong evidence that one is Satoshi Nakamoto. It is not necessarily conclusive evidence, because the keys could in theory have been stolen, but there is no indication of such theft associated with the keys that belonged to Satoshi Nakamoto. The court adds for the record that the values associated with Nakamoto's early



blocks at today's bitcoin rate are several billion kroner. There have been no movements or transactions associated with these blocks since 2009. Following the 2016 media articles, it has been widely believed that Wright has not provided cryptographic evidence that he is Satoshi Nakamoto.

Against this background, the court believes that Granath had sufficient factual grounds to claim that Craig Wright is not Satoshi Nakamoto in March 2019. Wright has come out with a controversial claim, and must withstand criticism from dissenters. Overall, the court believes that the wording and claims made by Granath do not exceed the threshold for defamation and infringement of privacy. The statements are not unlawful.

#### **4 Design of the conclusion**

As mentioned at the outset, the court believes that Granath has a legal interest in obtaining a judgment that he has no financial responsibility for the statements, also beyond the question of restitution. As mentioned, it is within the Norwegian courts' authority in the case to decide on such a claim. The court has concluded that Granath's statements are not unlawful, and Granath has no responsibility for the statements in the legal sense either. This includes both financial and non-financial damage, and regardless of where the damage has occurred. The ending is designed in line with this. The court believes that it is clearly stated in this judgment which statements the court has considered and made a decision on, so that it is not necessary or appropriate to state it in the conclusion.

#### **5 Case costs**

Magnus Granath has been successful in finding that his statements are not defamatory or in breach of privacy. Even if the conclusion deviates from the formulation of the claim, the court nevertheless believes that Granath has been successful in reality, and thereby won the case. He is therefore basically entitled to full compensation for his reasonable and necessary legal costs, cf. Swedish Disputes Act § 20-2 (1), cf. § 20-5 (1).

Wright has stated that in the event that Granath is successful in his claims, there are strong reasons for applying the exception provision in the Disputes Act § 20-2 (3), and has cited several factors as reasons for this. The court believes that the fact that Granath did not respond to the initial warning letter from SCA Ontier, or that he did not attempt to negotiate a solution with Wright at the initial stage, cannot lead to the exception rule in § 20-2 (3) being applied. The court points out that Wright in reality demanded, and still demands, that Granath acknowledge that Wright is Satoshi Nakamoto, which Granath cannot comply with. The financial requirement is thus subordinated. Granath chose to go to a declaratory action in Norway to avoid a potentially expensive lawsuit in London. In such a situation, it is natural that he does not warn about it first. The situation Granath found himself in has similarities with temporary injunctions, where there is no requirement for advance notice, cf. the Disputes Act § 32-2. In this case, the lack of notice of legal action has no bearing on the assessment of whether it is reasonable to exempt Wright from liability for legal costs



In the court's opinion, neither the postponed main hearing (which was due to the late presentation of documents by Granath), nor the scope of the case has resulted in additional costs in such a way that there are weighty reasons for exempting Wright from the general responsibility for costs, cf. the Disputes Act § 20-2 (3) . This is a defamation case, and not a question of establishing identity. Both parties have nevertheless filed the case in such a way that proof of identity has been provided, and both sides must therefore, in the court's view, bear responsibility for the fact that the evidence presented to the court has been broader than the questions the court has had to decide on. The court therefore believes that the exception rule in § 20-2 (3) should not be applied in the case.

Granath is entitled to cover its reasonable and necessary costs in the case, cf. Swedish Disputes Act section 20-5 (1). Granath has submitted a statement of legal costs totaling NOK 7,056,899 (incl. VAT). Of this, NOK 4,774,175 is lawyer's fees (ex VAT), which represents a total of 1455.5 hours spent on the case, divided between three lawyers. The average hourly rate is NOK 3,280. The legal assistant, lawyer Haukaas, accounts for about 36% of the hourly consumption, at an hourly price between NOK 5,200 and 5,600. The legal assistant, lawyer Myklebust, who also litigated parts of the case, spent about 60 % of the hours, but at a significantly lower hourly price - between NOK 1,900 and 2,300. The cost statement also contains a claim to cover expenses for KPMG with NOK 1,078,486 (incl. VAT), which has carried out expert assessment and document analysis (digital forensics) . NOK 10,694 is also claimed for other expenses for witnesses.

In comparison, Wright's lawyers have presented a total cost statement of NOK 11,766,507 including VAT. Lawyer's fees ex VAT amount to NOK 7,537,720, which represents a total hourly consumption of 1,405 hours at an average hourly price of NOK 5,365. Wright's expenses for experts are NOK 1,975,533.50, i.e. significantly higher than Granath's expenses for experts, which means analysis of the same material, with essentially the same conclusions.

Wright's lawyers have not objected to the cost statement from lawyer Haukaas, and also have higher demands on their side. The court must, on its own initiative, and regardless of what the other party may think, try whether the legal costs are necessary, cf. the Disputes Act section 20-5 (5). In the preparations for the Disputes Act, clear signals were given that the level of costs in civil cases should be reduced, and that the courts should have a far more central role in managing the level of costs, cf. Ot.prp.nr.51 (2004–2005) page 51- 59 and HR-2020-1515. The court also notes that Wright's legal costs do not in themselves have any significance for the determination of what constitutes Granath's reasonable and necessary costs, cf. HR-2020-1515.

Questions about legal costs were raised at the end of the main hearing, and both parties were given an account of both their own and the other party's legal costs statement. The consideration of contradiction is thereby taken care of.

The court must make a concrete proportionality assessment of the case and which costs are reasonable and necessary to be covered, cf. HR-2020-1515. The case lasted seven court days, and from that perspective the court believes that the hourly consumption is very high, even if one takes into account that the case has been ongoing since 2019. The court points out that costs related to the dispute over venue were awarded by the rulings of the Borgarting Court of Appeal and the Supreme Court respectively, and is not part of the requirement now. Almost a man-year's work has been carried out in this case, which the court believes far exceeds what has been necessary. When assessing what is reasonable and necessary, the court also saw to it that the main hearing had to be postponed because Granath handed in a large amount of documents just before the end of the case preparation. Such a postponement generates additional work, which Granath should not have covered. The court has taken into account the fact that there is a large amount of documents in the case (approx. 11,000 pages in total), which have mainly either been presented by Granath or have been presented following provocations from Granath, but have also taken care that only a small proportion of the submitted documents are referred to and reviewed during the main hearing. The court has taken into account that it is normally more work-intensive to be a plaintiff than a defendant, and that part of the work that has been incurred on Granath's side is caused by Wright's procedural scheme, which Granath should have covered. The court has also emphasized that the parties to the case are two private individuals.

The case's main issue – defamation – is an area of law where specialized lawyers are common. It follows from the preparatory work that "a lawyer who is a specialist in an area [will] be able to demand a higher hourly rate if this is reflected in the number of hours being charged being lower than the amount of time a generally skilled lawyer would have spent", cf. Ot.prp. no. 51 (2004–2005) page 448. The clear main rule is that the additional costs of the specialist hourly price cannot be claimed to be reimbursed by the counterparty unless the hourly price is reflected in a lower number of hours, cf. HR-2020-1515 with further references. The court cannot see that this is the case in this case. The court also refers to HR-2020-611, where it is determined that there is an upward limit for what is considered "necessary costs", and which can thereby be charged to the other party. Overall, the court believes that the legal fees to be covered by Wright is NOK 2,500,000.

The court believes that the expenses of experts also exceed what is reasonable and necessary. In its assessment, the court considered that Granath's expert report was important in refuting the documents that Wright presented as documentation that he is Satoshi Nakamoto. The court nevertheless believes that the report exceeds the need, even if one takes into account that it takes time to do the analyses, not just write about them. The report appears to the court as unnecessarily voluminous. The court believes that Granath cannot demand more than 900,000 (incl. VAT) to cover reasonable and necessary expenses for witnesses and experts in the case.

Magnus Granath does not have the right to deduct input VAT, and legal costs must therefore be covered including VAT. Court fees, which are charged to the plaintiff with NOK 28,750, are added.

Overall, the court believes that Wright should cover Granath's legal costs as follows:

Lawyer's fees	NOK	2,500,000
Value added tax fee	NOK	625,000
Expenses including VAT	NOK	900,000
Court fee	NOK	28,750
Total	NOK	4,053,750

### CONCLUSION OF JUDGMENT

1 Magnus Granath is acquitted of claims for compensation.

2 Magnus Granath is not liable for damages as a result of the statements to which the case relates.

3 Craig Wright is sentenced to replace Magnus Granath's case costs for the district court with NOK

4,053,750 -four million fifty-three thousand seven hundred and fifty-.

The court adjourned

Helen Engebriksen

Guidance on appeals in civil cases is attached.

## Guidance on appeals in civil cases

In civil cases, the rules in the Disputes Act, Chapters 29 and 30, apply to appeals. The rules for appeals against judgments, appeals against rulings and appeals against decisions are slightly different. Below you will find more information and guidance on the rules.

### Appeal period and fee

The deadline for appealing is one month from the day the decision was made known to you, unless the court has set a different deadline. These periods are not included when the deadline is calculated (legal holiday):

- from and including the last Saturday before Palm Sunday up to and including Easter Monday
- from and including 1 July to and including 15 August
- from and including 24 December to and including 3 January

The person who appeals must pay a processing fee. You can get more information about the fee from the court that has dealt with the case.

### What must the statement of appeal contain?

In the statement of appeal, you must mention

- which decision you are appealing
- which court you are appealing to
- name and address of parties, representatives and legal representatives
- what you think is wrong with the decision that has been made
- the factual and legal justification for the existence of an error
- what new facts, evidence or legal justifications you want to present
- whether the appeal concerns the entire decision or only parts of it
- the claim the appeal applies to, and which result you require
- the basis for the court to hear the appeal, if there has been any doubt about it
- how you think the appeal should be processed further

If you want to appeal a district court judgment to the Court of Appeal

Judgments from the District Court can be appealed to the Court of Appeal. You can appeal a judgment if you think it is

- errors in the factual circumstances that the court has described in the judgment
- errors in the application of the law (that the law has been interpreted incorrectly)
- errors in the proceedings If you wish to appeal, you must send a written statement of appeal to the district court that has dealt with the case.

If you conduct the case yourself without a lawyer, you can appear in the district court and appeal orally. The court can also allow process representatives who are not lawyers to appeal orally.

It is usually an oral hearing in the Court of Appeal that decides an appeal against a judgment. In the appeal proceedings, the Court of Appeal must concentrate on the parts of the District Court's decision which are disputed, and about which there is doubt. The Court of Appeal can refuse to hear an appeal if it comes to the conclusion that it is clear that the judgment from the district court will not be changed. In addition, the court may refuse to deal with some claims or grounds of appeal, even if the rest of the appeal is dealt with.

### The right to appeal is limited in cases involving an asset value of less than NOK 250,000.

If the appeal concerns an asset value of less than NOK 250,000, consent from the Court of Appeal is required for the appeal to be processed.

When the Court of Appeal considers whether to grant consent, it emphasizes

- the nature of the case
- the parties' need to have the case tried again
- whether there appear to be weaknesses in the decision that has been appealed, or in the processing of the case

*This is a translation of a judicial order produced by CoinDesk. The original ruling was in Norwegian.*

**If you want to appeal a district court ruling or decision to the Court of Appeal**

As a general rule, you can appeal a ruling on the grounds of

- errors in the factual circumstances that the court has described in the ruling
- errors in the application of the law (that the law has been interpreted incorrectly)
- errors in the proceedings

Rulings that apply to the proceedings, and which are taken on the basis of discretion, can only be appealed if you believe that the exercise of discretion is unjustified or clearly unreasonable.

You can only appeal a decision if you think so

- that the court did not have the right to make this type of decision on that legal basis, or
- that the decision is obviously unjustified or unreasonable

If the district court has given judgment in the case, the district court's decisions on the proceedings cannot be separately appealed. Then the judgment can instead be appealed on the basis of errors in the proceedings.

You appeal rulings and decisions to the district court that made the decision. The appeal is normally decided by ruling after written consideration in the Court of Appeal.

**If you want to appeal the Court of Appeal's decision to the Supreme Court**

The Supreme Court is the appeal body for the Court of Appeal's decisions.

Appeals to the Supreme Court against judgments always require the consent of the Supreme Court's appeals committee. Consent is only given when the appeal concerns questions that have significance beyond the case in question, or for other reasons it is particularly important to have the case dealt with by the Supreme Court. Appeals against judgments are normally decided after an oral hearing. The Supreme Court's appeals committee can refuse to take appeals against rulings and decisions into consideration if the appeal does not raise questions of importance beyond the case in question, nor do other considerations suggest that the appeal should be tried. The appeal can also be refused if it raises extensive evidentiary issues.

When an appeal against rulings and decisions in the District Court has been decided by ruling in the Court of Appeal, the decision cannot, as a general rule, be further appealed to the Supreme Court.

Appeals against the Court of Appeal's rulings and decisions are normally decided after written consideration by the Supreme Court's appeals committee.

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