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Overstock.com CEO Patrick Byrne ordered to pay nearly \$1M in libel case

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A judge in Canada has slapped Patrick Byrne, the CEO and founder of Utah-based Overstock.com, with a nearly \$1 million judgment in an Internet defamation suit.

British Columbia

Supreme Court Justice

Kenneth Affleck ruled

that Byrne had libeled

Altaf Nazerali for articles posted on a website that referred to the Vancouver businessman as “a criminal, arms dealer, drug dealer, terrorist, fraud artist, gangster, mobster, member of the Mafia, dishonest, dangerous and not to be trusted,” according to last week’s decision.

The articles also linked Nazerali to terrorist mastermind Osama bin Laden.

Also found liable was Mark Mitchell, who wrote for the Byrne-financed website DeepCapture.com, where the articles were published. Overstock.com itself was dismissed from suit as were Overstock.com spokesman Judd Bagley and several other companies.

Bagley said the company declined to comment on the verdict.



(Patrick Byrne, chief executive of Utah’s Overstock.com, works in his office in 2008. Steve Griffin/The Salt Lake Tribune)

In August 2011, Nazerali became aware of several stories about him published on DeepCapture.com. The entity that owned the website, Deep Capture LLC, was started by Byrne to expose financial fraud and other business shenanigans. He hired Mitchell to write for the site.

The ruling said Byrne, Mitchell and Deep Capture LLC “engaged in a calculated and ruthless campaign to inflict as much damage to Mr. Nazerali’s reputation as they could achieve.” They engaged in a vendetta in which the truth “was of no consequence,” the judge wrote.

Affleck awarded \$400,000 in general damages, \$500,000 in aggravated damages, \$250,000 in punitive damages and \$55,000 in a special assessment — more than \$1.2 million Canadian (or about \$937,000 U.S.) He also enjoined the defendants from publishing any defamatory statements about Nazerali.

Nazerali told the Vancouver Sun he was “horrified” when he discovered the accusations.

“I tried to discuss it with them. I pointed out numerous times that what they had written was incorrect and not factual. I gave them the opportunity to correct their story and ... instead of toning it down, they compounded it after I filed suit against them. They invented stuff that was never part of the original publications.”

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