Dow Jones settles defamation lawsuit

Dow Jones settles defamation lawsuit in case that redefined defamation online

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Nov. 15, 2004 - In a low-key end to a groundbreaking case that extended the reach of Australia's libel laws to the world, Dow Jones & Co. has settled a defamation lawsuit launched against it by an Australian mining magnate.

The case started after mining boss Joe Gutnick claimed that an October 2000 Barron's magazine article had portrayed him as a schemer given to stock scams, money laundering and fraud. The article was also published online.

Dow Jones, which publishes The Wall Street Journal, Barron's, Dow Jones Newswires and several stock market indicators, argued that the case should have been heard in the United States, where libel rulings are regarded as more favorable to publishers, because the article originally was published there.

But in a landmark ruling in December 2002, the High Court of Australia unanimously ruled that the case could be heard in Gutnick's home state of Victoria because people there could have read the article online.

Scholars said the decision was the first by a nation's top court to deal with alleged cross-border Internet defamation created a global precedent that could subject Internet publishers to lawsuits regardless of their geographical location.

A settlement in the case emerged Friday following out-of-court mediation.

Lawyers for Dow Jones issued a statement in Victoria Supreme Court saying Barron's never intended to suggest that Gutnick was a customer of Melbourne man Nachum Goldberg, who was jailed for tax evasion and money laundering.

"I was delighted to hear the statement being read out in court it was an outrageous allegation," Gutnick said.

Dow Jones also agreed to pay Gutnick $137,500 in addition to $306,000 in legal fees.

The settlement is not likely to affect the precedent already set, said University of Ottawa professor Michael Geist, who noted courts in the United Kingdom and Canada have already cited the Australian decision in asserting jurisdiction over other Internet defamation cases.

"The actual Gutnick dispute may be over, but its legacy will likely live on in the world of Internet law for many years to come," Geist said.

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