

## **Gawker was too libertarian for Silicon Valley**

Technology entrepreneurs' enthusiasm for rule-breaking runs out at exactly the point when they suffer

by: John Gapper, FT, August 25, 2016.

Many English pilgrims have crossed the Atlantic to settle in the new world, one less entangled by tradition. Nick Denton did so in 2002, escaping strict British libel laws to found Gawker.com, his swashbuckling gossip blog, in New York. Goodbye to all that. Gawker was crushed this week, ceasing publication in a flurry of defiance. He is bankrupt after a Florida jury awarded Hulk Hogan, the wrestler, \$140m damages for invasion of privacy. Gawker Media Group, which operates six other websites, has been sold for \$135m to Univision but Mr Denton found that Gawker itself was "too dangerous to own".

It is impossible to write objectively about Mr Denton since we used to work together at the Financial Times, co-wrote a book on Barings bank, and are old friends who attended each other's weddings. He would counter that journalistic objectivity is overrated and it is more honest and informative to mingle opinions, feelings and speculative gossip with facts, so here goes. Gawker was more objectionable than objective even before it outed Peter Thiel, the technology entrepreneur, as gay in 2007. Like a press baron who enjoys making mischief and flaying hypocrisy,

Mr Denton wanted that. Gawker.com was "an endlessly scrolling, eternally accessible record of prattle and wit and venom," wrote Max Read, one former editor. It did have an ethical mission: to be relentlessly honest, no matter how many it upset. In fact, the more people it outraged the better, in terms of traffic and advertising.

Its story on Mr Thiel was undisputably true, as was the video it published showing Terry Bollea (Hulk Hogan's real name) having sex. They were also highly intrusive. Most people, me included, do not think that publishing salacious details and images of people's personal lives against their wishes is much of a moral crusade but Mr Denton is an obstinate iconoclast. He believes that radical transparency forces societies to become more tolerant. "The internet is a secret-spilling machine, and? the spilling of secrets has been very healthy for a lot of people's lives," he said.

This sounds like humbug but one person to whom it could have made sense is Mr Thiel, who has donated \$10m to finance lawsuits against Gawker, including Mr Bollea's.

Mr Denton and Mr Thiel are alike: both are gay European émigrés who "disdain convention", as Gawker described Mr Thiel (who was brought from Germany as

a baby). They are also libertarians who distrust government and preach disruption. Mr Thiel's libertarian beliefs are at the extreme end of the Silicon Valley spectrum. He supports, for example, the idea of "seasteading" setting up communities at sea that would be as liberated from their native laws as the Pilgrim Fathers were in Massachusetts. As a co-founder of PayPal, he sought "a new world currency, free from all government control," akin to bitcoin.

Such notions are not as outlandish in California as they would be in other places. Silicon Valley has a strain of counterculture libertarianism reaching back to the 1960s and San Francisco's hippies. Entrepreneurs often talk as if their ambition is not to make money but to free people from government and turn "cyber space" into utopia. He was less vulnerable to libel law than in the UK, but more at risk from damage claims for breach of privacy "By starting a new internet business, an entrepreneur may create a new world," Mr Thiel wrote in 2009.

Internet enterprises such as Napster, founded as a peer-to-peer music sharing network, contrived to evade copyright law for a period. Social networks such as Facebook, in which Mr Thiel became an early investor, have "safe harbour" rights that partly shield them from liability for users' behaviour.

Mr Denton's vision for Gawker Media Group was equally utopian: "We were internet exceptionalists, believing that from blogs, forums and messaging would emerge a new world of unlimited freedom to associate and to express." But he made two fatal mistakes.

First, he underestimated the risks of being a publisher and having no safe harbour. He was less vulnerable to libel law than in the UK, but more at risk from damage claims for breach of privacy. "Gossip is no longer the resource of the idle and of the vicious, but has become a trade," wrote the judges Samuel Warren and Louis Brandeis in an 1890 article on mass newspapers, which led to tighter privacy laws.

Mr Denton's second mistake was to misread Mr Thiel, whose libertarian philosophy did not extend to others taking liberties with him.

That is the funny thing about Silicon Valley's technology freethinkers: their enthusiasm for rule-breaking tends to run out at exactly the point when they suffer. The affair brings to mind Sean Parker, co-founder of Napster and first president of Facebook, who is a friend and former investment partner of Mr Thiel. Mr Parker compares himself to Loki, the mischief-making mythical Norse god: "I'm like the prankster or Puck in mythology. He's not trying to cause harm but rather to pull back the veil".

Loki came to a sticky end, bound with the entrails of one of his sons after he offended more powerful gods. Mr Denton played Loki to Silicon Valley and Mr Thiel entangled him in US tort law. It works equally well.

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