

Smartmatic Says MyPillow CEO's Election Lies Led To \$2B Dip

By **Hannah Albarazi**

Law360 (January 18, 2022, 10:04 PM EST) -- Voting technology provider Smartmatic hit MyPillow and its "crazy like a fox" CEO Mike Lindell with a lawsuit Tuesday, alleging Lindell's false narrative that Smartmatic rigged votes in the 2020 U.S. election to favor now-President Joe Biden caused its market value to plummet from \$3 billion to \$1 billion.

Lindell and his pillow company MyPillow Inc.'s intentionally peddled election fraud conspiracy theories including unfounded claims that Smartmatic's voting machines had been hacked by China and rigged in favor of Biden and Vice President Kamala Harris, the Florida-based company alleged in its defamation suit filed Tuesday.

Following the November 2020 election, Lindell marketed his MyPillow products to supporters of former President Donald Trump and former Vice President Michael Pence, simultaneously offering them defamatory commentary alongside MyPillow promotional codes, with titles such as "FightforTrump" and "Proof," Smartmatic claims.

"Mr. Lindell intentionally stoked the fires of xenophobia and party-divide for the noble purpose of selling his pillows," said Smartmatic, which provided technology, support and services to Los Angeles County during the 2020 U.S. election.

"Crazy like a fox. Mike Lindell knows exactly what he is doing, and it is dangerous," Smartmatic alleged. "Mr. Lindell knows he can sell xenophobia. He knows he can sell conspiracy theory."

Smartmatic claims Lindell acted with actual malice and ill will by falsely asserting that Smartmatic rigged the 2020 election, that its technology had previously been used to steal elections and that it had a corrupt relationship with rival election technology companies Dominion and Election Systems & Software.

Smartmatic alleges that Lindell's "disinformation campaign irreparably harmed Smartmatic," while the publicity generated by it benefited Lindell both personally and financially.

Prior to the 2020 U.S. election, Smartmatic alleges that its business had been valued in excess of \$3 billion but that following Lindell's defamatory statements, Smartmatic's business is now valued at less than \$1 billion.

Smartmatic brings defamation and Minnesota Deceptive Trade Practices claims against Lindell and MyPillow. In addition to seeking to recover for the economic damage caused by Lindell's disinformation campaign, Smartmatic also seeks punitive damages and a permanent injunction.

"The country will sleep better at night knowing the judicial system holds people like Mr. Lindell accountable for spreading disinformation that deceives and harms others," Smartmatic said in its complaint.

Smartmatic has launched a flurry of defamation suits in the wake of the 2020 election.

In February 2021, Smartmatic **slapped** Fox News, several of its on-air personalities, and attorneys Rudy Giuliani and Sidney Powell with a \$2.7 billion defamation suit. Fox News **moved to dismiss** the case less than a week later, arguing that the First Amendment gave the network the right to air

questionable accusations against the company.

Smartmatic also **sued conservative media networks** One America News Network and Newsmax Media Inc., accusing them in November 2021 of intentionally peddling unfounded claims that the firm's voting machines rigged votes in favor of Biden.

Voting technology provider US Dominion Inc. has also launched a host of defamation suits since the election, **against Lindell and MyPillow** and **against Fox News, Giuliani, Powell and others**.

In August 2021, a D.C. federal judge **refused to toss** Dominion's suits against Trump's allies. And just last month, a Delaware state judge **rejected Fox's motion to dismiss** Dominion's case against it.

"As both an individual and as the CEO of MyPillow, Mr. Lindell defamed the integrity of Smartmatic to enrich himself and his company," Smartmatic said in a statement provided to Law360 on Tuesday.

"Smartmatic seeks to restore our company's hard-earned reputation as the premier global elections technology and services company," Smartmatic said.

Lindell, who could not immediately be reached for comment Tuesday afternoon, **lost a defamation case last month** which he had brought against British tabloid the Daily Mail over a story that claimed he dated "30 Rock" star Jane Krakowski. In that case, a New York federal judge found that none of the statements Lindell took issue with were defamatory.

Smartmatic is represented by William E. Manske, Christopher K. Larus, and Emily J. Tremblay of Robins Kaplan LLP and J. Erik Connolly, Nicole E. Wrigley and Maura T. Levine-Patton of Benesch Friedlander Coplan & Aronoff.

Counsel information for Lindell and MyPillow could not immediately be determined Tuesday afternoon.

The case is Smartmatic USA Corp. et al. v. Michael J. Lindell and MyPillow Inc., case number 0:22-cv-00098, in the U.S. District Court for the District of Minnesota.

--Editing by Michael Watanabe.