

Article Information

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Blockchain Bites: Ripple required to rebrand PayID, media misstatements on Bitcoin, Reserve Bank confirms CBDC proof of concept, and crypto class actions

Michael Bacina, Tom Skevington and Louisa Xu of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.

What's in a name? Ripple rebrand required over PayID stoush

Global digital asset juggernaut [Ripple](#) Labs is being sued by [New Payments Platform](#) Australia (NPPA) for alleged infringement of the PayID trade mark. In an originating application filed by NPPA on 20 August in the New South Wales division of the Federal Court, NPPA alleged that Ripple infringed its PayID trade mark by promoting its own payment system under the same name.

NPPA's PayID was first launched in February 2018 to allow real-time payments between particular Australian bank accounts, and uses a universal payment identifier in place of the conventional BSB and account number combo. Ripple's PayID was only launched in June 2020.

For more details, see [here](#).

COVID-19 vaccine scam proceeds are traceable, despite claims to the contrary

An Australian website selling a scam COVID-19 vaccine in exchange for Bitcoin has been doing the rounds in the media recently, which has led to more incorrect commentary that proceeds from the scam are "anonymous and mostly untraceable".

In comments to various media outlets, an "expert" in cyber fraud was quoted as saying:

Not only does Bitcoin make it almost impossible to track the transaction, it also allows scammers to transfer money across the world

As we have seen [time](#) and [time](#) and [time](#) and [time](#) again, financing criminal activity with a system which leaves an immutable, irreversible and publicly accessible record of your actions is a terrible way to commit crime, and provides an accessible and low-cost resource for regulators to investigate illegal activities.

Libra Association appoints Steve Bunnell as Chief Legal Officer

The [Libra Association](#) has [announced](#) the appointment of its new Chief Legal Officer, Mr [Steve Bunnell](#). Mr Bunnell comes to the Libra Association following a long career in private practice at international law firm [O'Melveny & Meyers LLP](#), where he was Co-Chair of the firm's Data Security and Privacy Practice and former Managing Partner of the Washington D.C. office. Helpfully for the Libra Association, Mr Bunnell also has extensive experience in the apparatus of government,

having been General Counsel of the U.S. Department of Homeland Security, and a former Chief of the Criminal Division of the U.S. Attorney's Office for the District of Columbia.

In a statement about his appointment, Mr Bunnell said:

I am excited about joining the Libra Association and working alongside Stuart, the outstanding team, and members of the Association. I look forward to contributing to the important work of developing a new global payment system that will safely provide enhanced efficiency and transparency, and promote greater financial inclusion for unbanked and underbanked people

Mr Bunnell will no doubt be hitting the ground running, with Libra's [payment system licence still under consideration](#) by Switzerland's Financial Markets Supervisory Authority, FINMA, and international regulators scrutinising Libra's every move.

Australian CBDC proof-of-concept confirmed by RBA

In a recent [meeting](#) on 21 August 2020, the members of the [Payments System Board](#) confirmed that the Reserve Bank of Australia (**RBA**) is developing a proof-of-concept for Central Bank Digital Currencies (**CBDCs**) in Australia with external parties.

The proof-of-concept will explore aspects of wholesale CBDC on a private Ethereum network which was previously mentioned in the [RBA's submissions](#) to the [Senate Select Committee on FinTech and RegTech](#).

Notwithstanding the experiments, the [Payments System Board](#) which includes representatives of the [RBA](#), [APRA](#) and the [Treasury](#), did not consider there was a strong public-policy case for a retail CBDC in Australia at the moment. The New Payments Platform in Australia currently provides near instantaneous payment capabilities, removing one of the longstanding complaints about traditional digitized currency. The RBA has confirmed it is monitoring international CBDC developments and conducting further research.

The RBA has noted:

The [RBA] is continuing to research the technological and policy implications of a wholesale form of CBDC and is working to develop a proof-of-concept with external parties to explore aspects of wholesale CBDC, building on research the Bank did in its Innovation Lab last year.

Crypto class action commenced against Google, Facebook

Google and Facebook have been hit with a [class action](#) in relation to their decisions in 2018 to restrict advertising of digital currencies on their respective platforms.

An originating application, statement of claim and genuine steps statement were lodged in the New South Wales registry of the Federal Court this month by Andrew Hamilton claiming that the internet giants breached Australian competition laws.

In comments provided to [Cointelegraph](#), Hamilton, who is not a lawyer in NSW, claims that his extensive research into Australian competition law has led to his belief that Facebook and Google were acting as a cartel, and that it would be *"pretty easy to prove it."*

The [Australian Competition and Consumer Commission](#) may not be as confident as Mr Hamilton, as they did not respond to Mr Hamilton complaints about Google and Facebook. Mr Hamilton also told [Cointelegraph](#) that the class action has seen *"a major law firm"* contribute *"hundreds of hours off the clock"*.

At this stage, without knowing the details of the claim, it is difficult to contemplate the merit of the arguments. In addition to the specific questions about the application of Australia's prohibitions against cartel conduct, which are set out in Part IV, Division 1 of the [Competition and Consumer Act 2010](#) (Cth), there are open questions about the claim's connection to Australia, as well as the arrangements between Mr Hamilton in his role as Applicant, Legal Representative and any litigation funder (if there is one).

We will continue following this [case](#) and provide updates as it develops.

Traceable terrorism financing using digital currency leads US DoJ prosecution

The US Department of Justice (**DOJ**) says it has [dismantled](#) three online fundraising campaigns involving terrorist organizations, including Al Qaeda, ISIS, and the al-Qassam Brigades (Hamas' military wing).

In doing so, the DOJ seized millions of dollars in digital currency that was intended to fund the groups. It was hailed by the DOJ as *"the government's largest-ever seizure of cryptocurrency in the terrorism context."* The total amount seized is not yet disclosed.

US officials have also seized over 300 digital currency accounts, four websites, and four Facebook pages that were related to the campaigns.

Don Fort, head of IRS criminal investigation cyber crimes unit said:

[Our] ability to trace funds used by terrorist groups to their source and dismantle these radical group's communication and financial networks directly prevents them from wreaking havoc throughout the world

The operation was a collaboration between a number of US agencies including the IRS, the Department of Homeland Security, the FBI, and the DC US Attorney's Office.