

# Rains

November 2, 2023

Via email to: thaddeus.murphy@chi.frb.org  
Thaddeus Murphy  
Deputy General Counsel  
Federal Reserve Bank of Chicago  
230 South La Salle Street  
Chicago, Illinois 60604-1413

Re: Clarification on the Parodic Intent of Bitcoin Magazine's Merchandise

Dear Mr. Murphy:

I serve as counsel for Bitcoin Magazine. I write to acknowledge receipt of your letter dated October 27, 2023, and appreciate the opportunity to address your concerns on behalf of Bitcoin Magazine, BTC Inc., and BTC Media, LLC.

Bitcoin Magazine created the "FEDNOW" line of merchandise for the purpose of parody and political criticism directed at the Federal Reserve, including in connection with the launch of the "FedNow" platform. The design in question, bearing the "FEDNOW" name with a surveillance eye in the "O" and the tagline "The digital panopticon is here" is undeniably parodic in nature. This is an exercise of transformative use, a concept well established within U.S. trademark law, and not an infringement. See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252 (4th Cir. 2007). Given Bitcoin Magazine's longstanding mission to advocate for financial freedom and privacy, it is hardly surprising that Bitcoin Magazine would critique a system like FedNow, which embodies the antithesis of these values by potentially enabling 24/7 digital surveillance of transactions.

Moreover, Bitcoin Magazine's consistent and vocal critique of centralized financial entities, including the Federal Reserve,<sup>1</sup> makes any claim of consumer confusion concerning an endorsement or affiliation between its merchandise and the Federal Reserve rather far-fetched. We also note that employing such legal arguments, however questionable, to attempt to silence political critique of the Federal Reserve raises concerns about the foundational principle of free speech, protected under the First Amendment of the United States Constitution.

In conclusion, we firmly stand by our right to engage in parodic critique and contribute to the broader discourse on financial systems and privacy. Should you wish to further discuss the principles of parody, transformative use, and the broader implications for free speech, we remain open to a constructive dialogue.

Sincerely,



Zachary Shapiro, Esq.  
Managing Partner, Rains LLP  
Legal Counsel for Bitcoin Magazine

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<sup>1</sup> Indeed, Bitcoin Magazine regularly runs such opinion pieces as "Apocalypse FedNow," "End the Fed and Opt Out With Bitcoin," and "Unpacking the Fed's Smoke and Mirrors in Jackson Hole."