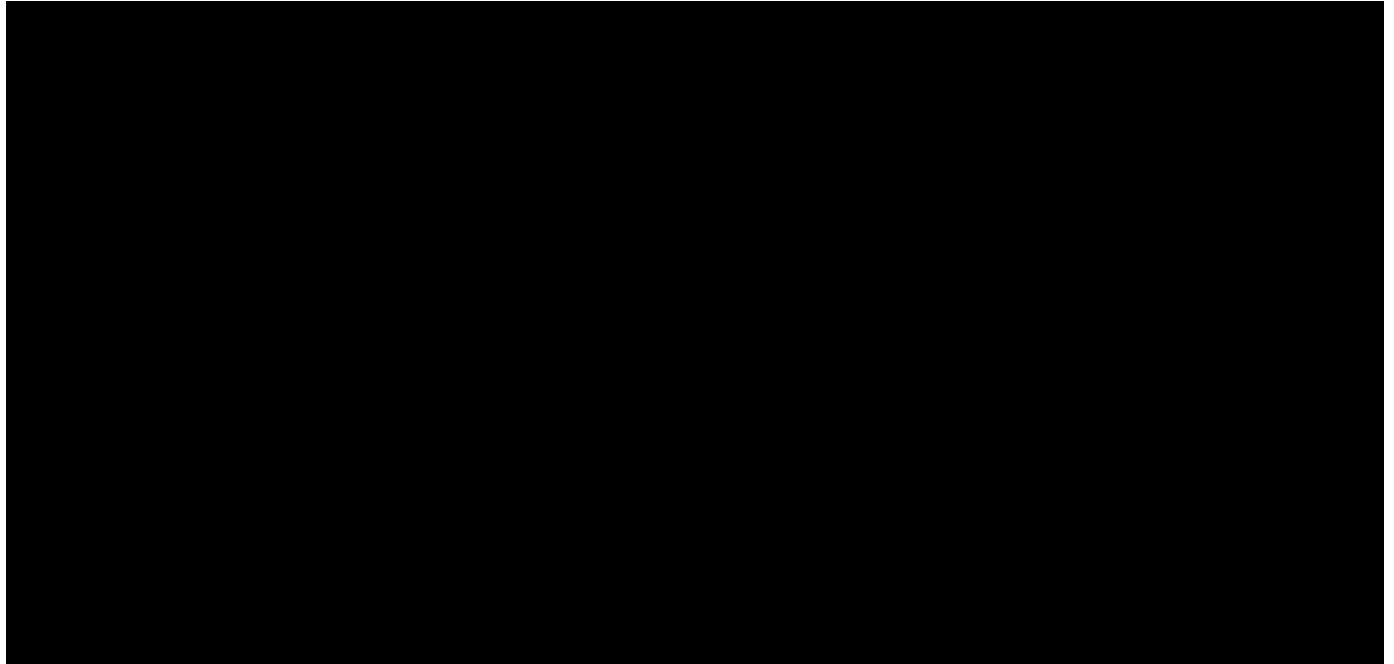


# Doubling Down on Loot Boxes

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**Steven Blickensderfer**



Since Steve and Nick first explored the issue of loot boxes on this podcast, the world has taken note, and the loot box debate has exploded. In this episode, we cover the ensuing twists and turns in the loot box saga and explain how their treatment and regulation have developed on a global scale.

## Transcript:

**Steve Blickensderfer:** Hello and welcome to another episode of the LAN Party Lawyers podcast. My name is Steve Blickensderfer. I'm joined by my colleague and cohost, Nick Brown. Through debate, discussion, and interviews, we tackle issues at the intersection of video games, law, and business. Remember, nothing we say is legal advice.

So, today, Nick, we're going to be revisiting an issue that is very near and dear to my heart. Some people call me a nickname that is on the topic that we are going to be talking about today. What is that topic?

**Nick Brown:** I can't say that nickname on the air.

**Steve Blickensderfer:** *[laughter]* It's the other one. It's the other one.

**Nick Brown:** Oh, oh, oh. *[laughter]* Right, OK. So, today we're going to talk about loot boxes, which believe it or not, we talked about as the very first episode of our very first season of this podcast. And, you know, why did we decide to lead the entire podcast with that episode, and that issue? It's because we knew, we could see it coming down the pike. Loot boxes were going to be a big deal and we wanted to get out ahead of it, and we wanted to put it on people's radar so that they would know that this big stuff was coming. I don't want to say we told you so...

**Steve Blickensderfer:** We told you so.

**Nick Brown:** ...but boy, *[laughter]* did we tell you. Because since that episode there has just been so much going on, not just in the United States but around the world, with respect to loot boxes and the different and varying approaches to regulation. And I, as a logical individual, I can only conclude that's because of our enlightening, wonderful podcast discussion that really got the discussion going. It got on people's radars and it produces some change. That's what I think.

**Steve Blickensderfer:** Yeah, yeah exactly! You know, not for nothing. Seriously, it was incredible to see the timely discussion on loot boxes right after our episode aired last season, which is still...

**Nick Brown:** Yeah!

**Steve Blickensderfer:** ...very relevant. By the way, we're not going to be re-hashing too much. If anything, this is an update on last season's episode because so much content and so much news developed from last season. So, with that, why don't you, Nick, give us a recap on what are loot boxes and catch people up.

**Nick Brown:** Sure. So for the, I don't know, dozen or so people out there that haven't heard...

**Steve Blickensderfer:** Half a dozen.

**Nick Brown:** ...our first episode on this...

**Steve Blickensderfer:** Half a dozen.

**Nick Brown:** Half a dozen. That's probably more accurate. What are loot boxes? So loot boxes are essentially a form of in-game micro-transaction and it works a lot like the pull of a slot machine. Players can pay real or in-game currency for the chance to obtain randomized in-game items of various worth. So, the mechanism, it differs game by game and ecosystem by ecosystem, but usually the player is guaranteed to get something. You just don't know the quantity or quality or rarity of the things that you're getting. It's completely subject to chance. Your loot box that you paid for might end up containing the best item in the game or it could just hold junk. You don't know until you open it up and after you've paid.

And what we kind of touched on in our last episode was that there's different approaches to regulation with respect to how different countries and jurisdictions handle loot boxes. And most of the different flavors and the different paths are due to the determination by each entity of are loot boxes gambling or are they not gambling? And then they're either regulated as gambling or not regulated as gambling depending on how that jurisdiction tackles those issues.

**Steve Blickensderfer:** Right. It's a question of is this problematic, or is it seen as a problem by a particular jurisdiction. Right?

**Nick Brown:** Right.

**Steve Blickensderfer:** So video games are an international phenomenon. We have to be concerned if you're in the industry of how Japan regulates these forms of micro-transactions. And in Japan, for example, right, their concern was you had to buy five different things and then combine it into this ultimate - Gacha ...

**Nick Brown:** Gacha.

**Steve Blickensderfer:** ...which is what they were called.

**Nick Brown:** Gacha.

**Steve Blickensderfer:** So those are illegal, but the concept of loot boxes in general isn't illegal in Japan. But that's not to say it's not illegal in another jurisdiction like Belgium where you cannot sell loot boxes with a loot box mechanic in games because that's illegal. And other countries will determine that they're a form of gambling and so they'll say you need to be a regulated...you know, so on and so forth.

**Nick Brown:** Right. So, with that as the landscape, we're here today to tell you about some of the crazy things that have happened in this sphere since our last episode, which we hope you will go back and listen to, the six or eight of you who haven't heard it yet.

**Steve Blickensderfer:** Right.

**Nick Brown:** So, Steve, what's one big thing? Let's start global.

**Steve Blickensderfer:** Well, first it's important to know the backdrop of this. Right? The World Health Organization recently added video game addiction to their list of recognized diseases. And so why is that important when we're talking about loot boxes? That's because if you are in the camp that loot boxes should be regulated, you often are pointing to that classification as a source as to why this needs to be regulated. It's just...

**Nick Brown:** Yeah, we've seen this cited...

**Steve Blickensderfer:** Often.

**Nick Brown:** ...over and over again ever since it happened.

**Steve Blickensderfer:** Right. So, that's one development. Another development, and this one is probably the biggest of the developments since the episode, is the US has gotten into the game. Right? We've had a senator from Missouri, Senator Hawley, has introduced legislation called the Protecting Children from Abusive Games Act.

**Nick Brown:** And why is this important, just to kind of start at a high level? This is the first United States legislation that has ever been proposed that specifically regulates loot boxes and specifically regulates video games that involve loot boxes. And that's really important because, you know, without this legislation - it hasn't passed yet - but, you know, without this legislation games are only regulated under laws of general applicability. And, like we discussed before, mostly under the FTC Act,

which said you can't have unfair or deceptive trade practices.

**Steve Blickensderfer:** Right. This specifically calls out the use of pay-to-win micro-transactions, which are micro-transactions you have to pay for a particular gun because it impacts the game play and makes you better. Right? And the sale of loot boxes as it's defined in the bill.

And so, just, again, more backdrop on this bill. It had, when it was introduced, bipartisan support. And it hasn't really progressed anywhere. It's actually seen no action since May of 2019. But, it's notable in terms of what it's done already in the industry and what it attempts to do...

**Nick Brown:** Bipartisan support is a big deal nowadays.

**Steve Blickensderfer:** Exactly. So, let's just really kind of high level points about this bill that I kind of wanted to get into. It targets minor-oriented games. So, Nick, really, it shouldn't be that much of a concern, right? Because minor-oriented games, those are pretty easy to spot and put into a box. Right?

**Nick Brown:** You'd think so, Steve, but the way it's written it really appears to be an extraordinarily broad definition of the games that are regulated. The standard that it provides is a game that is targeted at kids. Right? But the way it's written, nearly anything can demonstrate that a game's target audience is kids. For example, one of the criteria is animated characters or activities that appeal to kids. Well, every game I've ever played has animated characters and pretty much all of them appeal to kids.

**Steve Blickensderfer:** Because you play kid games, Nick. Kid games. Minor-oriented games.

**Nick Brown:** Yeah, I, I...

**Steve Blickensderfer:** That's all you play.

**Nick Brown:** *[inaudible]* minor-oriented?

**Steve Blickensderfer:** *[laughs]* I don't know. I don't know anymore. That's the problem.

**Nick Brown:** *[laughs]* Well, the point here is, it's an extremely broad definition. So it probably will affect more games than games that it doesn't affect.

**Steve Blickensderfer:** And it's also incredible, the scope of this bill, because it makes every sale, every sale of a transaction involving loot boxes or pay-to-win micro-transactions in minor-oriented games an unfair trade practice, which is subject to fines by the FTC. So, basically what you would have, in the absence of this bill, would be an argument, you know, whether it be by the FTC or otherwise, that says, you know, when you sell, you know, this particular game involving this type of micro-transaction, this loot box, it's an unfair trade practice. Right? Well, now you have a bill that just flat out says it. And so the FTC or whoever wouldn't have to prove that because there's a law that now says it's an unfair trade practice, which is effectively what the bill does.

The bill also has a provision where it talks about studying loot boxes, which you'd think would be the first step. Right? Study it first, regulate it later?

**Nick Brown:** *[laughs]* Yeah. Ban them now and then study them.

**Steve Blickensderfer:** Right, right. So, maybe that's in an effort to - and if this whole thing got tossed, they can at least study it, right, and keep that portion of the act. I don't know what the purpose was other than that.

It also impacts the use of virtual currency. So you can't kind of get around it by saying well, I'm not using money in the traditional sense to fund these loot boxes. Nope, that doesn't work either because it extends to in-game proxy for money such as virtual currency. It's actually straight up written into the law. So, it's a fascinating read if you have the time to just read through this Act. It's incredible.

**Nick Brown:** One of the big takeaways that we see in the Act is really interesting because remember like I said earlier, these have already been regulated under the big umbrella of the FTC's jurisdiction, right, by virtue of the fact that it's interstate commerce. And if someone wanted to prove that there was something wrong with it, they'd have to come in and prove it's an unfair or deceptive trade practice, the loot box. But the way that this bill handles it, it treats any violation of this Act, which is not hard to establish, as an unfair or deceptive trade practice. And so it is now a lot easier for people to establish in a court of law, assuming the law would pass. Under this legislation it's a lot easier to establish that it's an unfair and deceptive trade practice because you don't have to prove that it is. All you have to prove is that it violated this narrow, specific law. And so it really exposes the companies to a lot more liability than exists currently because it's a lot easier to prove a violation.

**Steve Blickensderfer:** So that's the loot box act, Nick, that made shockwaves and sent shockwaves through the industry.

At the same time, another development occurred in the US and that is the FTC held its loot box workshop, for lack of a better word. And we actually noted that that was forthcoming in our last episode. Well, it's happened. And so, what happened at that workshop? Industry folks, lawyers, academics got together and basically put on presentations for the FTC and the public to basically discuss the use of loot box in games, what it looks like, what the current - I didn't hear as much on the regulatory landscape but they went over what it was, whether it was problems...

**Nick Brown:** Well, it's because they were trying to figure out whether and how to jump in and regulate, right?

**Steve Blickensderfer:** Right, right. It was less about what others are doing, which I thought would have been interesting. But, regardless, some interesting takeaways from it, we did hear that some game companies have been so aggressive with loot boxes that they've even made it so that when someone is, like, an influencer is playing a game, they would ramp up the probabilities of getting a good product in a game when that really wasn't the case. Right? It's like a terrible predatory practice that was disclosed at this loot box workshop.

**Nick Brown:** Sounds a little deceptive to me.

**Steve Blickensderfer:** Sounds a little deceptive. Obviously it wasn't the norm, but it was disclosed at the workshop, which was interesting. So, we don't know what the result of that workshop is just yet. That's kind of to be continued. What happened, though, at the workshop from an industry perspective was more important than the workshop happening itself. And that is that the game industry announced major changes, kind of in a coordinated effort. Great PR strategy, whoever was behind it. A bunch of game companies, Microsoft, Ubisoft, Nintendo, Take-Two, I think there were some others announced...

**Nick Brown:** And Sony.

**Steve Blickensderfer:** ...and Sony announced that they would publish...

**Nick Brown:** So, from all the big camps.

**Steve Blickensderfer:** Right, yeah. You have all the huge game companies announcing that they were going to start publishing their micro-transaction and loot box odds. You know, I don't know how exactly they're going to publish it, but when you're in game you can see that you have X% to get a loot box or whatever.

**Nick Brown:** Right. They've got until 2020 to figure that out. So they've got this year...

**Steve Blickensderfer:** Right.

**Nick Brown:** ... to figure that out. They promised that they would start disclosing in this year. So, that'll be interesting to watch and see where that goes and how they decide to do that.

**Steve Blickensderfer:** And this was one of the methods that we recommended in our last episode that if you were a game company one of the ways you could avoid regulation or avoid trouble here is you could disclose the odds of the loot boxes in your game. How you do it is entirely up to you, but disclosure is just the point. Right? And that's something that the publishers announced that they're going to do. Looking forward to seeing that in action.

But that's not all that happened, Nick. Another trend that we saw immediately right around the time of this FTC workshop and after is the industry and some games are actually moving away from loot boxes entirely. Right? You have in Rocket League, for instance...

**Nick Brown:** Right.

**Steve Blickensderfer:** ...they actually took away the whole classic, you know, the loot box and you have to buy the keys to unlock the loot boxes to crates that you can see what's inside and you had to buy the crate. So that actually caused a big uproar in the Rocket League community because then you could buy the individual items, and it was super expensive. And so people were like, "I'd rather have the loot boxes than have this store system where I could just buy the individual items." So...

**Nick Brown:** What a time to be alive.

**Steve Blickensderfer:** Oh, it's incredible.

**Nick Brown:** There's also other people complaining that they have to use loot boxes in games because it's, you know, supposedly so predatory.

**Steve Blickensderfer:** Who do you listen to, Nick?

**Nick Brown:** Uh, depends on, I guess, how good items I get.

**Steve Blickensderfer:** *[laughs]*

**Nick Brown:** The chances, right?

**Steve Blickensderfer:** And that's not the only game. PUBG also moved away from loot boxes. And CS:GO, another example, in France. They moved to an x-ray scanner model that allowed the player to preview - preview! - the contents. It's almost like you're putting it in an actual x-ray to see what's inside.

**Nick Brown:** OK. That sounds pretty cool.

**Steve Blickensderfer:** Yeah, no. It is pretty neat. And maybe they're going to incorporate it into more games. It kind of depends. Right? Although it is kind of weird because it's almost like you're putting a quarter in the slot machine, but if you don't like what the slot machine's going to pay out, you have to throw out your whole thing so you can move on to the next crate, right, which makes this x-ray system, I don't know if I like it so much.

**Nick Brown:** So it's still kind of like gambling.

**Steve Blickensderfer:** It's almost like - right.

**Nick Brown:** *[laughs]*

**Steve Blickensderfer:** You can pay for it if you like it, but if you don't like it then you just lose the whole thing. Anyway, so that's not the only trend. Nick, why don't you talk about a little bit other trends we are seeing in the industry.

**Nick Brown:** Well, you know, there's a whole lot of interest brewing over across the pond in the United Kingdom, which is another huge video game market. The United Kingdom, you know, previously as we discussed on the first loot box episode, the gambling regulators there said loot boxes weren't gambling and they really decided not to do much about it.

**Steve Blickensderfer:** Right, because remember we went through the whole thing of one of the ways you can regulate it is with your existing gambling laws. Right?

**Nick Brown:** Right.

**Steve Blickensderfer:** And that's one of the ones that were looking at that, the UK fell on the side of well, it's not gambling.

**Nick Brown:** Right. But, obviously they're all avid listeners of the LAN Party Lawyers podcast and after they heard our debate last season, they took another look at it. And in September of 2019, the UK House of Commons Digital Culture, Media, and Sport committee published a sprawling report on what they called immersive and addictive technologies. I'm sorry - immersive and addictive technologies.

**Steve Blickensderfer:** It was an immense report.

**Nick Brown:** It was an immense report! I was close. And basically, why do you care? One big part of it focused on loot boxes. And it basically came out and said, yes, we recognize that there's no evidence that loot boxes harm children. But, you know what? We think it does, that they do harm children, and so we recommend not permitting loot boxes in games until evidence comes out that proves that it doesn't harm kids. So it's basically going to kick them out, no loot boxes, unless someone comes in and proves that they're safe.

**Steve Blickensderfer:** That's if game companies accept the report or that legislatures or lawmakers in...

**Nick Brown:** Right. This was a recommendation. That's correct. But, you know, it's interesting. Around the same time they had that big meeting that made a lot of splash on the internet.

**Steve Blickensderfer:** That actually pre-dated the report. That's actually, their findings from the meeting is what led into a report. Right?

**Nick Brown:** Right.

**Steve Blickensderfer:** So, and I was going to say, you almost skipped the best part. That's the hearing where representatives from big game companies like EA and Epic were present and talked about the use of loot boxes and we heard that they were like Kinder eggs, which that's a no-no because Kinder eggs are actually illegal in the UK, so you don't want to say that.

**Nick Brown:** Whoops.

**Steve Blickensderfer:** But it was just an interesting hearing. And so just the fact that...

**Nick Brown:** You may have also heard headlines about how they're just surprise mechanics.

**Steve Blickensderfer:** Right.

**Nick Brown:** That really spread like wildfire on the internet.

**Steve Blickensderfer:** There were a lot of useful soundbites that came out of that hearing, to say the least.

**Nick Brown:** Yes, that all came out of the same event.

**Steve Blickensderfer:** Right.

**Nick Brown:** And it resulted in this recommendation saying that they be cut and banned until they're proven to be safe.

**Steve Blickensderfer:** And it's not the only thing that's happened in the UK. The Children's Commissioner for England also is calling for the reclassification of loot box mechanics as a form of gambling and the introduction of spending caps, warning labels, and age verification, among other things. But interestingly enough, neither one of those camps are calling for the outright ban of loot boxes as a general matter. So, there's still hope. And if anything, what we do see, Nick, is that loot boxes are still prevalent and very much in use in the industry. Even with all the trends that we noted, 71% of the top games on Steam, according to some reports, use loot boxes in their game systems as a form of monetization.

**Nick Brown:** Wow.

**Steve Blickensderfer:** Yeah, it's incredible. And even so, just after, even despite all of this discussion and pressure from regulators, 2K, they released NBA 2K20 and that literally included classic use of loot boxes to the extent that it actually looked like a slot machine when you were using and engaging with it. And, if anything, it led to...

**Nick Brown:** Hey, if you don't want them to be deceptive, you know...

**Steve Blickensderfer:** Just straight up...

**Nick Brown:** ...come out...

**Steve Blickensderfer:** Right! Just come out and say it! [*laughs*]

**Nick Brown:** Put it out there.

**Steve Blickensderfer:** No, that led actually to 2K20 being review bombed until it was the second worst rated game on Steam. So you can see where those reviewers' loyalties lie.

**Nick Brown:** What was #1?

**Steve Blickensderfer:** It probably would have been Battlefield.

**Nick Brown:** [*laughs*] I don't know.

**Steve Blickensderfer:** I don't know. That's a great question. What's the worst rated game on Steam? Going to have to look it up after this.

**Nick Brown:** I bet it changes every week.

**Steve Blickensderfer:** Yeah, and there was also mention of - and this was an interesting little bit of news - EA had a micro-transaction patent that people found out about and ended up writing an article. If forget where the source was. But, it was basically a clock system that could make in game purchases like loot boxes less valuable for players who aren't the first to buy them...

**Nick Brown:** Oh, jeez.

**Steve Blickensderfer:** ...and rewards players who buy them right away while pressuring everyone else to pay up as quickly as possible. So, definitely seizing on the FOMO effect for use of loot boxes. But it ended up turning out to be all to do about nothing. Right?

**Nick Brown:** [*laughs*]

**Steve Blickensderfer:** There was a disclaimer that came out...

**Nick Brown:** Close!

**Steve Blickensderfer:** A lot ado about nothing? The article ended up coming out with a disclaimer that said EA wasn't intending on doing this, but it's still a scary thought that that's something that game companies are considering, probably less so these days with the whole push to regulate. You know, and then another interesting bit of news, top mobile game, Merio Kart Tour, is actually not being...

**Nick Brown:** Hold on, hold on, hold on. What kart tour?

**Steve Blickensderfer:** Mario, Mario Kart Tour.

**Nick Brown:** Oh OK, I've heard of that one.

**Steve Blickensderfer:** What did I say Merio?

**Nick Brown:** Merio.

**Steve Blickensderfer:** Mario, Merio. Tomato, tomahto.

**Nick Brown:** Mario Twins.

**Steve Blickensderfer:** I would like to know who, how many people say Mario? It's probably more than you think.

**Nick Brown:** We'll see.

**Steve Blickensderfer:** We'll have to do an entire episode on that, but until then. It's actually not being offered in Belgium because of its use of loot boxes. So, it's still very much impacting the industry. So, what are some of the things game companies can do? We talked about a lot of these already in our past episodes. So Nick, why don't you just breeze over them so we can get to the good stuff.

**Nick Brown:** Well, one of the interesting things we've seen is that, instead of just trying to retool the loot box mechanic to make it comply, you know, with the different jurisdiction. We've seen a movement over the battle passes or other type of game funding technique.

**Steve Blickensderfer:** So, considering other types of game monetizing techniques like, battle passes?

**Nick Brown:** Exactly, like other methods to get people paying money and happily to do so. That aren't likely to run a foul with any of these regulations. We have another episode of this season where we talk about games as a service. And, we encourage you to check that out, because that'll go a little more in-depth with this issue. But, one thing game companies can do is offer like a battle pass or a season pass. Where they offer a certain amount of progression, certain additional tasks to

complete, certain additional skins or items based on paying what amounts to almost a subscription fee, right; because, seasons only last for so long. And, you can pay to stay in or not, based whether or not you want to take part in that timed content.

And we've seen this really successful with a lot of games, most famously, Fortnite. Where it's got its battle pass that pretty much -everyone who plays the game gets and that has driven a lot of their financial success. Even without having to sell loot boxes.

**Steve Blickensderfer:** Yeah.

**Nick Brown:** So, one option would be to figure out other opportunities or other ways to make money and fund games that don't brush up on these regulatory issues or uncertainties that we're seeing from jurisdiction to jurisdiction.

**Steve Blickensderfer:** Well, that coupled with some of these other recommendations it makes it more palpable, right? So when we can disclose the odds of loot boxes, if you couple that with a battle pass, maybe it makes it more exciting. Because, then the user can see what they could get if they get to this part of the season, right? There's also making your loot boxes transparent, that's a function that was in Fortnite, before they got to the season pass functionality. So you can do it independent any of this, but basically like the X-ray scanner. That's the x-ray scanner thing we seeing CS:GO. It's already being used and it's exciting to see what else game companies are going to come up with to make a transparent loot box. And, there's also used warning labels, and that's required in some countries and it might be required here at some point, but it's an industry thing where they're saying that a game has in-game transactions. That's already a thing. So, continuing with that trend I don't think they call them loot boxes per se, but maybe that would be something the industry would go to.

But what are some of the others things we have thought about since that last episode. Maybe avoid putting loot boxes in games involving kids, that are clearly involving kids. That could be something that would maybe take some of the pressure off of the use of loot boxes. Because, it's really about protecting the kids. That's the genesis to Senator Hawley's bill. So, if you take those out of the ones that are obviously kid oriented, putting aside the definition of that statute, that's would be a big thing you can do.

**Nick Brown:** Right, I know we talked about how broad the definition is, that there's an argument it could apply to nearly every game. But, we all know there's kind of a spectrum of games and some of them may be slam dunks that they're designed for kids and some other games are going to be harder to argue that they're designed or aimed at kids. You know, it would be safe to at least keep the loot boxes out of the ones that most people are going to agree are designed for kids, and then you only have to argue about the edge cases.

**Steve Blickensderfer:** Right. You also could opt for parental controls. I think this is a great opportunity for game companies to increase and tinker with what parental controls look like. Maybe that involves caps on spending for kids where when you set up the account and you know it's a kid then there's a certain cap and they can't - that will then right there do away with all those articles and headlines you hear about how somebody's account, credit card was charged thousands of dollars because someone bought FIFA packs. Right? So that's something that seems so simple in context, probably hard to implement, but it's a challenge that...

**Nick Brown:** Yeah, the implementation side of that is tough, but at least you can give the consumers all of the tools that they could need to protect themselves.

**Steve Blickensderfer:** Right. Another tool, show the purchase history. Right? Maybe make that more and easily accessible to parents in a way that they will then be able to monitor their kids' use of in-game transactions and access to it. Right? So those are just a few different - we named a bunch of them right there - that game companies can do to help to take the pressure off of some of this use of loot boxes.

And, above all, know the regulations, be informed. I think that's a first step that we maybe inadvertently skipped. But that's what this whole episode's about. That's what the last episode was about, all about education and knowing those regulations.

**Nick Brown:** And, you know, as this demonstrates they change over time and they change over jurisdiction, and so it's not just enough to go figure them out one day because they might be different next month. If this legislation actually passes, then the landscape is going to be completely different. So it's important to keep in mind that these things change over time and what may be the regulations you're operating under when you launch your game development might be totally different by the time your game is done. Or by the time you buy a game, you know, it might be very different from when they made the game if you bought the game long after its released and so it may be operating under kind of a different rubric. It's really important to keep in mind how these things change over time. One great way to do that, I think, would be to listen to our season three episode on loot boxes.

**Steve Blickensderfer:** I was just going to say, I bet we're going to have a season three episode on this.

**Nick Brown:** [laughs]

**Steve Blickensderfer:** But time will tell, Nick. Only time will tell. So, be on the lookout for other episodes of our season two, before we even get to season three. We still got to finish season two. You connect with us on Instagram or on our webpage, lanpartylawyers.com. And, Nick, do you have anything else to add?

**Nick Brown:** I just wanted to say, you know, we're really, really proud to be probably the biggest reason that loot boxes are

in the news these days. And we're going to keep watching it so that hopefully we can, you know, stay on top of it the whole time.

**Steve Blickensderfer:** Wise words, Nick. Wise words. Thank you so much for listening. Be on the lookout for other episodes. And game on!

**Nick Brown:** Game on!

*[musical tones]*

**Nick Brown:** And we're back with a special segment we like to call the Extra Life where we update you on events that occurred after we originally recorded the episode. Now, this episode was already itself an update on the loot box situation, but after we recorded it the updates kept coming. So, we have a couple to share with you to keep you posted.

First, a parliamentary committee in Australia recently issued a report that it dramatically titled "Protecting the Age of Innocence." In that report, the committee recommended introducing significant loot box regulations in Australia. The report kind of lumps loot boxes in with online gambling and pornography, which tells you how the committee came down on the gambling debate that we've been describing. And it suggests regulations that include mandatory age checks for purchasing loot boxes and adding warnings to games that include any form of micro-transaction. So although this is no small regulation, it is somewhat less extreme than some of the others that we've seen proposed or imposed by other countries.

**Steve Blickensderfer:** And there's another update and that's in the self-regulation category. Bungie, the makers of Destiny 2, one of the most popular online shooters today, has announced that it is removing loot boxes from the game. Beginning with season 10, loot boxes, which have been a part of the game for a while now, will supposedly no longer be included. Recall earlier in this episode we mentioned how some game companies include loot boxes together or a part with their battle passes, but no longer for Bungie.

Well, that's the extra life that we have for this episode. We hope you enjoyed it. Be on the lookout for other episodes in season two and game on.

**Nick Brown:** Game on.

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