

On August 7, 2019, the Federal Trade Commission (FTC) will host a public workshop to examine consumer protection issues related to the sale of "loot boxes" in video games.

For those unfamiliar with the phrase, "loot boxes" are often in-game rewards that players can buy that typically contain a random assortment of virtual "loot" items for players to use in the game (e.g., to help them succeed or to customize their in-game avatars). Although loot boxes contain virtual rewards, they are purchased with real money and are becoming an increasingly popular revenue source for game developers. However, class action lawsuits, <u>U.S. senators</u>, and the <u>FTC</u> have questioned the techniques used to market loot boxes in video games and whether there is a risk that minors can become addicted or otherwise be exploited by these in-game offers. The FTC's workshop, "Inside the Game: Unlocking the Consumer Issues Surrounding Loot Boxes," will gather

representatives from the video game industry, consumer advocate groups, trade associations, and government officials to discuss in-game loot box purchases and the potential behavioral impact of these virtual rewards on young consumers. Discussion topics provided by the FTC include:

- The in-game transaction landscape (including origin and evolution of loot boxes);
- Research examining consumer behavior (including behavior of minors) in the context of video games and digital transactions; and
- Consumer awareness and education about in-game digital transactions (e.g., the mechanics, marketing, and financial commitments associated with loot boxes).

The free workshop open to the public will be held at the Constitution Center, 400 7th St., SW, Washington, D.C., on August 7, 2019 at 9:00AM ET, with a live webcast available. The FTC has invited the public to (a) submit suggestions on potential workshop discussion topics or potential workshop participants by sending an email to lootboxworkshop@ftc.gov by June 7, 2019; and (b) submit written comments on the issues discussed in the workshop through its online portal by October 11, 2019. For more information about the workshop, see the FTC event webpage.

Authors



Jason S. Howell

Partner

JHowell@perkinscoie.com 206.359.3134



Daniel J. Glenn

Counsel

DGlenn@Perkinscoie.com 206.359.3606

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