

## Tithing to RNGesus

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### TL;DR

Loot-boxes are now extremely popular and are easily accessible by kids. They work off of the same psychological principle as gambling. Most parents don't pay enough attention, and current protections are lacking. While gambling in Canada is regulated provincially, a provincial scheme would not be practicable. The best way to fix this expanding problem would be a blanket prohibition on loot-boxes via an amendment to the *Canadian Criminal Code*. The proposed law could easily be crafted in such a way to be backed by the Criminal Law Power.

### The Basics

Back in my day, I remember having to actually *play* the video game to unlock that cool new character or level. Kids nowadays can embrace reality outside of the games and just pay to get ahead. Even then, they may only get a *chance* to do this. Herein lies the problem. However, before we can discuss the problem, we need to lay down a few basics for the uninitiated.

Over the years, video games have shifted from a basic "Dungeon Crawling" model, which would involve the player progressing the game through going into a "dungeon", solving a few puzzles, getting a new, specific item that brings in new gameplay mechanics, which will in turn allow more puzzles to be solved, and a new boss to be slayed. Rinse and Repeat – a time-honoured and well-loved formula. A popular example of this would be retrieving a new shield (Mirror Shield) in the Legend of Zelda games to help you clear a dungeon.

In some cases, games have shifted to bosses dropping "loot" or gameplay items from a designated pool of potential items. What the boss drops is random within the pool. A prime example of this style of game is Destiny or Borderlands. Sometimes this is not in the player's favour and is rather irritating (Looking at you Oryx). This is said to be RNG or "Random

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Number Generated" because you never know what you are going to get. A tongue-in-cheek refrain is "Praying to R-N-Gesus", hoping that you finally get that item you are lusting after.

An increasingly common occurrence in videogames is the "loot-box". A typical scenario as a player progresses through a game is that they gather experience points for progressing through the levels, matches played, zombies killed, etc. and they level up. When this occurs, the player is given a loot-box which contains items of various rarity that a player can collect. This can be items that help the player to actually play the game or items that change the character's appearance or the player's profile and have no bearing on gameplay (Cosmetics). These Cosmetic items brought about a considerable amount of uproar to the gaming community when they started to gain traction. A memorable example of the uproar is when Bethesda Software first implemented "Horse Armour" that had no other purpose than to make your horse in-game look cool for \$2.50.<sup>1</sup> I recall being online and people being *furios* that Bethesda had the gall to pull this off.

The interesting part is that loot-boxes are typically RNG as well – could be a common item, could be a rare one – you don't know until you open it. In many franchises currently available, loot-boxes are available not only as a reward for progressing in-game but are also available for purchase for real-world coin. Current Franchises that operate with this model include *Overwatch*, *Fortnite*, *Destiny*, *Call of Duty*. This also includes some of the most popular EA games (NHL, FIFA, Madden) and their "Ultimate Team" modes.

Some of these franchises are wildly successful, with *FIFA 18* having 24 million copies sold and *Fortnite* having 200 million players in November 2018.<sup>2</sup> For a bit of context, *Fortnite's* developer Epic Games netted a 3 Billion profit in 2018.<sup>3</sup> This is big money.

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<sup>1</sup> Mike Fahey, "Never Forget Your Horse Armour" (3 April 16), online: *Kotaku* <<https://kotaku.com/never-forget-your-horse-armor-1768813271>>

<sup>2</sup> "EA SPORTS FIFA is the World's Game" (5 Sept 2018), online: *Business Wire* <<https://www.businesswire.com/news/home/20180905005646/en/>> ; "Number of registered users of Fortnite worldwide from August 2017 to November 2018 (in millions)" (Nov 2018) online: *Statista* <<https://www.statista.com/statistics/746230/fortnite-players/>>

<sup>3</sup> John Russel, "Epic Games, the creator of Fortnite, banked a \$3 billion profit in 2018" (27 December 2018) online: *Techcrunch* <<https://techcrunch.com/2018/12/27/epic-fortnite-3-billion-profit/>>

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Now, if you are wondering why this warrants a blog post in a criminal legal blog; let's recap briefly: a game is played, which you can pay real Canadian Dollars in order to get a *chance* at receiving something. Doesn't that sound a little familiar? It's almost as if you are gambling.

## Full Disclosure

Now, in the interests of full disclosure: I am not a fan of gambling. I have bought one lottery ticket in my lifetime, didn't win anything, felt ripped off and feel as though I learned my lesson. There is a reason the casinos are still in business – a fool and his money are easily parted. For adults who can set a budget knowing they will walk into a casino, lose \$100 on the evening, and leave smiling, more power to them. Everyone has a vice or a pastime and if you are willing to pay someone to take your money for a staggeringly minuscule chance to win much more, be my guest. Society generally hopes that these cognizant adults can play the game responsibly and not go overboard, becoming sucked into the adrenaline rush of running hot.

## Hook, Line, and Sinker – Why Is It Addictive?

What if I told you, oh reader mine, that the people with access to loot-boxes are being targeted indiscriminately by the publishers to buy them? A shotgun blast across the age range of video-game players, many who are below the age of majority.

Looking into what actually makes gambling deadly; it is a very specific form of Operant conditioning (associating your own actions within the environment with a positive or negative consequence). Brushing off *Psychology 10<sup>th</sup> Edition in Modules*, Dr. Myers relays that gambling is the product of a very specific type of operant learning.<sup>4</sup> Namely, the variable-ratio reinforcement schedule. How this works is by having a partial/ intermittent schedule of reinforcement. Namely, every time you do an action, you *may* get a response. Learning is slow to appear but extremely difficult to remove or let go extinct. Because it is also a ratio, the more you

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<sup>4</sup> David Myers, *Psychology in Modules* (New York: Worth Publishers 2011) at 289 [Myers].

do the action, the greater the likelihood that you have of getting the response (as opposed to a given time). The more you put in, the more you get.

Myers opines on an experiment with pigeons; legendary psychologist B.F. Skinner came to understand the power of variable ratio reinforcement schedules:

“Imagine a pigeon that has learned to peck a key to obtain food. If you gradually phase out the food delivery until it occurs only rarely, in no predictable pattern, the pigeon may peck 150 000 times without a reward (Skinner, 1953). Slot machines reward gamblers in much the same way – occasionally and unpredictably. And like pigeons, slot players keep trying, time and time again. With intermittent reinforcement, hope springs eternal.

*Lesson for parents:* Partial reinforcement also works with children. *Occasionally* giving in to children’s tantrums for the sake of peace and quiet intermittently reinforces the tantrums. **This is the very best procedure for making behaviour persist.**<sup>5</sup> [Emphasis Added].

Using an example with another slippery activity: fishing. “The charm of fishing is that it is the pursuit of what is elusive but attainable, a perpetual series of occasions for hope”.<sup>6</sup> Sadly, the part about crushing disappointment is left out. This is not open to debate; this is a highly effective method for teaching people how to respond to a stimulus.

Does something smell fishy yet?

This is not to say that within video games there are no variable-ratio reinforcement schedules. This is a common occurrence in loot-based shooters or RPGs. This not to say that variable-ratio reinforcement schedules are demonic and people who utilize them have nothing but malice and scorn in their hearts, but that when used in specific contexts they lead to easily anticipable behaviours. Playing a video game to shoot an alien which drops RNG loot as the main objective

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<sup>5</sup> *Ibid* at 290.

<sup>6</sup> John Buchan as cited in *Myers, supra* note 4 at 291.

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in the game is one thing, getting kids to use real currency to *purchase* RNG loot is another.

Operant conditioning is the same as gambling. I argue that this is akin to tricking children into gambling.

## The Research

It is argued by Jayson Hilche and the Electronic Software Association that videogames are not gambling.<sup>7</sup> This is because "You're always guaranteed to get something from a loot box, unlike a casino, where you put money in and you're not sure what you're going to be able to get back."<sup>8</sup> The problem, in this case, is while that may be true, the "worth" of what you get in a loot-box is often of negligible value in the game. People don't open up loot-boxes lusting after seven of the same common skins they already have, they want the one extremely rare cool looking one. I propose a hypothetical: If the casino's slot machine dispensed a mint or a thank-you card every time you pulled the lever, while not altering the end payout probability, are you still gambling? Yes, because no-one cares about the token gift, and it is disingenuous to propose as much. That gift isn't worth the paper it's printed on.

In a study entitled "*Video game loot boxes are linked to problem gambling: Results of a large-scale survey*", Zendle and Cairns determined that there is a statistical correlation between problem gambling and video game loot-boxes:

"This research provides empirical evidence of a relationship between loot box use and problem gambling. The relationship seen here was neither small, nor trivial. It was stronger than previously observed relationships between problem gambling and factors like alcohol abuse, drug use, and depression. Indeed, sub-group analyses revealed that an individual's classification as either a non problem gambler or a problem gambler accounted for 37.7% of the variance in how much they spent on loot boxes.

These results may confirm the existence of the causal relationship between buying loot boxes and problem gambling that was theoretically proposed in [20]. Due to the formal features that loot boxes share with other forms of gambling, they may well be

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<sup>7</sup> Liam Britten, "Richmond Addiction Group raises concern over 'loot boxes' in video games" (26 January 2019) online: *CBC News* <<https://www.cbc.ca/news/canada/british-columbia/loot-boxes-gambling-1.4990724>>

<sup>8</sup> Ibid.

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acting as a ‘gateway’ to problem gambling amongst gamers. Hence, the more gamers spend on loot boxes, the more severe their problem gambling becomes.”<sup>9</sup>

This article is that the majority of responses were gathered from a number of different countries, including Australia, the UK, the USA, and Canada.<sup>10</sup>

Two caveats exist in this research as applicable to the topic at hand. It is also relayed by the authors that the results are inconclusive regarding causation; only correlation is proven. It may be the case that loot-boxes lead to problem gambling, or vice-versa, or a combination of both. The authors address this point head-on:

“However, in either case, this research provides industry bodies such as the ESRB with crucial evidence to use when determining whether there is still insufficient evidence of links between problem gambling and loot box use.

This study shows a relationship between loot box spending and problem gambling. We believe that the strength and direction of this relationship indicates that regulation of loot boxes is appropriate and necessary.”<sup>11</sup>

The other aspect that might cause an issue in this research is that individuals under the age of 18 were omitted from the survey's results due to ethical reasons.<sup>12</sup> This is obviously of concern in a piece directed towards children and loot-boxes. Despite this, the research still holds valuable meaning. In Canadian society, we regulate gambling based off of age due to the belief that those under the age of majority are more vulnerable than adults to being taken advantage of by gambling. If the results of this study are showing that *adults* are being negatively linked with loot-boxes, wouldn't this concern extend to the more vulnerable children as well? I certainly believe so.

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<sup>9</sup> Zendle D, Cairns P (21 November 2018) “Video game loot boxes are linked to problem gambling: Results of a large-scale survey”. *PLoS ONE* 13(11): e0206767. <https://doi.org/10.1371/journal.pone.0206767>

<sup>10</sup> *Ibid* at Participation.

<sup>11</sup> *Ibid* at Conclusion.

<sup>12</sup> *Ibid* at Participation.

## The Current State of Affairs – As Depressing As They Are

In these games, the Entertainment Software Ratings Board (more commonly known as the ESRB) does not label them as having gambling. While the ESRB does have a provision in its arsenal of descriptors which can label games as “Real Gambling = Player can gamble, including betting or wagering real cash or currency” and they do have an “Interactive Element” descriptor regarding In-Game Purchases which states:

“In-Game Purchases - Contains in-game offers to purchase digital goods or premiums with real world currency, including but not limited to bonus levels, skins, surprise items (such as item packs, loot boxes, mystery awards), music, virtual coins and other forms of in-game currency, subscriptions, season passes and upgrades (e.g., to disable ads)”<sup>13</sup>

The popular game *Overwatch* currently has a “Teen” rating, including the In-game Purchases tag.<sup>14</sup> *FIFA 19* is rated “Everyone” with an In-game Purchases tag.<sup>15</sup> The ultra-popular *Fortnite* is rated “Teen” and only has the tag which states that online interactions are not rated by the ESRB.<sup>16</sup> In a parenting blog, they discuss *Fortnite* and the fact that the loot-box aspect of the game can be cause for concern if parents don't set up proper controls.<sup>17</sup>

Even if we are to assume that ESRB plastered these games with “Loot-boxes = Dangerous & Addictive” we ignore the elephant in the room; parents often don't pay attention to these ratings.<sup>18</sup> Over two-thirds said they don't bother with the ratings. I have seen this on a personal

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<sup>13</sup> “ESRB Ratings Guide” (Last Accessed: 15 March 2019) online: *Entertainment Software Rating Board* <[https://www.esrb.org/ratings/ratings\\_guide.aspx](https://www.esrb.org/ratings/ratings_guide.aspx)>

<sup>14</sup> “playOverwatch.com” (Last Accessed: 15 March 2019) online: *Blizzard Entertainment* <<https://playoverwatch.com/en-us>>

<sup>15</sup> “FIFA 19 Rating” (Last Accessed: 15 March 2019) online: *Entertainment Software Rating Board* <<https://www.esrb.org/ratings/Synopsis.aspx?Certificate=35773&Title=FIFA+19>>

<sup>16</sup> “Fortnite Rating” (Last Accessed: 15 March 2019) online: *Entertainment Software Rating Board* <<https://www.esrb.org/ratings/Synopsis.aspx?Certificate=34948&Title=Fortnite>>

<sup>17</sup> Kelli Catana, “Parents Guide to Understanding Fortnite: Battle Royale” (11 October 2018) online: *Moms.com* <<https://www.moms.com/parents-guide-fortnite-battle-royale/>>

<sup>18</sup> Kate Cox, “Two-Thirds of Parents Admit They Don't Bother Checking Video Game Age Ratings” (13 April 2012) online: *Kotaku* <<https://kotaku.com/two-thirds-of-parents-admit-they-dont-bother-checking-v-5901395>>

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level. Even if they do, it is not to say that they will read the specific indicators, not just the rating. Further, with the advent of digital downloads, many people can download games straight to their devices. This bypasses the marketing aspect of this plan. This also ignores the fact that even with potential parental controls in place, such as a limit on the amount spent, the kids are still exposed to the variable-ratio reinforcement scheme. Last I checked gambling can still become addictive if you have \$5 to spend or \$500.

## As It Relates To The Law

It is because of this lack of awareness that I propose we need legal action from the legislature.

As an aside, gambling is controlled on a provincial level. Thus, the corresponding ages of majority differ from province to province. There are two potential paths here. First, legislating age restriction compliance into video games by way of software account locking (if you put the game into a game console with an account under the age of majority it won't work). However, due to the ease of creating an account without these restrictions, this would not be wise. If you don't believe me, go look up your kid's browser history. Additionally, online stores are set up on a national scale. The second option would be a blanket ban. Here, in order to comply with regulations, developers could just disable paid loot box features in the game based on geographic area (which is possible to get around, albeit more difficult). This would prevent kids from having access to these features of the games while still letting them play the game normally.

Therefore, it is unlikely that provinces would be able to tackle the problem by themselves. Thankfully, the Supreme Court of Canada (SCC) has helped provide a solution. Step in the Criminal Law Power (CLP).

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Starting from the beginning, a criminal law must possess the three P's: "Penalty", "Prohibition" and "Public Purpose".<sup>19</sup> As the jurisprudence has been expanded since confederation, the CLP has been given very broad interpretations and is said to be plenary.<sup>20</sup>

"Penalty" is typically easy to ascribe – make a violation's punishment in line with other gambling offences. Prohibition is straight forward – make loot-boxes illegality a blanket prohibition. Finally, "Public Purpose", here is where the rubber hits the road. The proposed law must be in enacted in order to stop evil, injurious, or undesirable (among other things) effects on public health, safety, security, morality, etc.

Drawing from *RJR-MacDonald v Canada (Attorney General)*, public health was deemed to be a sufficient basis to ground the CLP.<sup>21</sup> I would argue that protecting the public health of children from an avenue of addictive behaviour certainly falls under that purview. RJR also informs us that what is considered criminal behaviour does not remain set in stone and can adapt over time.<sup>22</sup> If Parliament should decide that loot-boxes are considered a public health threat to children, they will likely have the power to legislate over it.

The roots of for how to approach these two problems (of tobacco advertising and Loot-boxes) are intertwined. At the heart of comparing the problem of loot-boxes with advertising for tobacco companies in RJR is a policy implication.<sup>23</sup> In RJR, it was realized that smoking has long been entrenched in Canadian society and it would be unrealistic for Parliament to utilize a blanket prohibition.<sup>24</sup> Chaos would likely ensue in that scenario. Hence, it was permissible for Parliament to legislate against an ancillary of that evil, not directly against the evil itself. A similar approach can be taken in this circumstance. The likelihood that gambling is targeted completely via blanket prohibition, even with the known unhealthy and addictive behaviours

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<sup>19</sup> *Re Margarine Reference*, [1950] UKPC 31, [1951] AC 179.

<sup>20</sup> *RJR - MacDonald Inc v Canada (Attorney General)*, [1995] 3 SCR 199, 127 D.L.R. (4th) at para 28 [RJR].

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid* at para 34.

<sup>24</sup> *Ibid.*

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associated with it is minimal. Therefore, it is more promising to specifically target the ancillary effects of the behaviour.

In *RJR*, it was held that the “contouring” of a law does not change its character from criminal and chiefly prohibitory to something regulatory in nature (and therefore under provincial powers).<sup>25</sup> In the words of the court “On the contrary, the exemption helps to define the crime by clarifying its contours”.<sup>26</sup> With loot-boxes, we have a similar approach. By clarifying the boundaries of what is a legal activity with what is considered predatory and illegal, Parliament is helping to demonstrate what the exact behaviour that is undesired is. Additionally, the encroachment afforded to federal Parliament and criminal law is wide-reaching. There is a strong likelihood that the *Double Aspect* doctrine can allow overlap in this particular circumstance.

A divergence seen between loot-boxes and gambling is that the advent of loot-boxes is a relatively recent invention while tobacco products have been around long before Canada was even a country. Therefore, loot-boxes are not as entrenched in Canadian society. This is a beneficial perspective for pro-loot-box regulation, as it implies that there is not the same level of inertia preventing legislation due to policy considerations.

Looking to another applicable case: *R v Malmo-Levine*, where the SCC helped to clarify the CLP on the subject of another potentially addictive substance, Marijuana.<sup>27</sup> Additionally, ML helped to look at the relationship between various lifestyle choices and section 7 of the Charter of Rights and Freedoms.<sup>28</sup> There are 3 main aspects relating to the applicability of fundamental justice to the topic at bar, the Harm Reduction principle, the Pleasure principle, and the Harm Principle.<sup>29</sup>

As mentioned previously, there are serious concerns regarding the potential for abuse by loot-boxes. The Harm Reduction principle comes into play here. In ML, the subject of marihuana

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<sup>25</sup> *Ibid* at para 56.

<sup>26</sup> *Ibid*.

<sup>27</sup> *R v Malmo-Levine*, 2003 SCC 74 [ML].

<sup>28</sup> *Canadian Charter of Rights and Freedoms*, s 8, Part 1 of the Constitution Act, 1982, being Schedule B to the Canada Act 1982 (UK), 1982, c 11.

<sup>29</sup> ML, *supra* note 26.

legalization was put forward that careful use can mitigate or minimize harmful effects.<sup>30</sup>

However, it was deemed that it is within parliament's authority to make the assumption that a psychoactive drug can be misused, and that chronic users and vulnerable groups cause harm to themselves.<sup>31</sup> Here, a connection and comparison can be made. While gambling activities can be done in a responsible manner, there is evidence to suggest it can be abused (as discussed above). There is divergence where consideration of vulnerable groups come in, as in this case loot-boxes are targeted specifically due to their ease of access for youth. Specifically, there is a wide societal consensus that children are not capable of utilizing potentially addictive substances and behaviour responsibly (see alcohol, gambling, or now marijuana). This is opposed to both chronic users and various vulnerable groups as mentioned in ML. Therefore, it is acceptable for Parliament to legislate against this, and the Harm Reduction principle cannot be utilized to save loot-boxes.

The next aspect discussed in ML is the Pleasure Principle. It centres around a utilitarian argument that the relatively minor harm to a minority of people should not prevent the majority from enjoying the prohibited activity.<sup>32</sup> However, the SCC was keen to point out that the applicability of utilitarian arguments for a prohibited activity as it relates to section 7 of *The Charter* is limited to a section 1 analysis. The problem in this circumstance (as relayed by the SCC) is "The appellants must first of all establish a violation of their s. 7 rights. Only if they are able to do so is the government then required to show that the purported limitation is demonstrably justified in a free and democratic society." While there may be many people that derive some enjoyment from paying for loot-boxes, unless they can demonstrate that their constitutional rights are infringed upon by government action, any utilitarian argument will not hold water. This is extremely unlikely. In ML a right to gambling as a lifestyle choice is specifically addressed in the same vein as marijuana:

"While we accept Malmo-Levine's statement that smoking marijuana is central to his lifestyle, the Constitution cannot be stretched to afford protection to whatever

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<sup>30</sup> *Ibid* at para 100.

<sup>31</sup> *Ibid*.

<sup>32</sup> *Ibid* at para 101.

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activity an individual chooses to define as central to his or her lifestyle. One individual chooses to smoke marihuana; another has an obsessive interest in golf; a third is addicted to gambling. The appellant Caine invokes a taste for fatty foods. A society that extended constitutional protection to any and all such lifestyles would be ungovernable. Lifestyle choices of this order are not, we think, “basic choices going to the core of what it means to enjoy individual dignity and independence” (Godbout, *supra*, at para. 66)... There is no free-standing constitutional right to smoke “pot” for recreational purposes.”<sup>33</sup>

The final aspect, the Harm Principle is centred around the belief that in the absence of demonstrated harm, Parliament is deprived of the power to impose criminal liability.<sup>34</sup> Essentially, unless the harm is affecting someone else, the activity should be allowed. The SCC found that it is not a principle of fundamental justice. However, it can be used in understanding how it relates to the CLP. For the sake of mental exercise, a brief examination of why the harm principle is applicable follows.

Namely, the SCC agreed with the viewpoint of John Mill, specifically that while the Harm Principle is not intended to be paternalistic, it:

“At the same time, Mill acknowledged an exception to his requirement of harm "to others" for vulnerable groups. He wrote that "this doctrine is meant to apply to human beings in the maturity of their faculties. . . . Those who are still in a state to require being taken care of by others must be protected against their own actions as well as against external injury" (p. 9).”<sup>35</sup>

There lies the link needed to examine loot-boxes. As the main thrust behind the proposed CCC amendment is to prohibit loot-boxes for purposes of preventing youth from accessing them, this fits perfectly with the exception as mentioned by Mill. Youths are (typically) not yet fully

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<sup>33</sup> *Ibid* at paras 86-87.

<sup>34</sup> *Ibid* at para 103.

<sup>35</sup> *Ibid* at para 108.

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mature. This is referenced numerous times and places across the CCC. Therefore, should the Harm Principle be invoked, legislation prohibiting loot-boxes passes muster.

Overall, the proposed principles of fundamental justice proposed by ML are met. Yet, consideration must be given to the facts of the case. After decades of prohibition, on October 17th, 2018, Marijuana was legalized in Canada. The inverse scenario currently affects loot-boxes; they are currently legal but the aim (as proposed in this blog at least) is to render them illegal. This inertia may complicate the subject at hand; it is usually easier to keep what is on the books than to change them. It would also be disingenuous to not mention that the substantive aspect of the harm (Marijuana) that was determined to be criminal in ML is outdated. Nonetheless, the procedural aspect of what constitutes a principle of fundamental justice and how the CLP is upheld is still relevant for the purpose of contextual analysis.

## Elsewhere around the globe

Currently, this stance against loot-boxes is gaining traction around the globe. Belgium has started to stand up to loot-boxes and their effect on children.<sup>36</sup> Additionally, the United States has started to look into loot-boxes, commissioning the FTC to investigate and report back to Congress.<sup>37</sup> Should Canada become involved, they would not be alone.

In Australia, loot-boxes and their link to gambling have become a topic of a public joint governmental agency public inquiry.<sup>38</sup> This stems from a senate standing committee. The report

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<sup>36</sup> Andy Chalk, “Belgium's Justice Minister calls for loot box ban in Europe (Updated)” (22 November 2017) Online: *PC Gamer* <<https://www.pcgamer.com/belgium-says-loot-boxes-are-gambling-wants-them-banned-in-europe/>>

<sup>37</sup> Colin Campbell, “FTC loot box investigation: What happens next?” (29 November 2018) Online: *Polygon* <https://www.polygon.com/2018/11/29/18118164/ftc-loot-box-investigation-legal-analysis>

<sup>38</sup> Ryan Whitwam, “Study: Loot Boxes Are ‘Psychologically Akin to Gambling’” (18 September 2018) Online: *Extreme Tech* <<https://www.extremetech.com/gaming/277317-study-loot-boxes-are-psychologically-akin-to-gambling>>

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in question is systematic in its review of loot-boxes and gambling (would make great further reading on this topic if you are interested).<sup>39</sup>

A case study has emerged from Hawaii. This was in particular response to the “Star Wars Battlefront II” game, where the entire game’s progression system was tied to loot-boxes.<sup>40</sup> This inflamed the gaming community over the importance given to loot-boxes and the gameplay progression system. A Hawaiian state representative had a *very* strong stance: “This game is a Star Wars themed online casino designed to lure kids into spending money. It’s a trap.”<sup>41</sup> This situation poses interesting questions into how loot-boxes might be controlled on a localized level and the impacts of precisely how laws are structured to prevent them.

## Future Considerations

While digging into this topic, my foremost desire would be to find more social sciences evidence. Specifically, a more nuanced look into examining a potential causal link of exposure to loot-boxes to gambling behaviours than just relying on a correlation. While conclusive proof is not needed to enact legislation, more information may allow Parliament to better understand how to tailor the law if need be.

On a broader note, systemic review of the impact of loot-boxes included *in* games as part of gameplay is another potential avenue of exploration. While this blog specifically looked at the interplay of micro-transactions and loot-boxes, the wider effect of variable-ratio reinforcement conditioning in video games *as a whole* is a potential matter for concern as well. This can spark and fuel addictive behaviour as discussed above. However, as the only money being exchanged is the initial cost of the game the argument is less about gambling and more about how kids

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<sup>39</sup> Senate Standing Committees on Environment and Communications, “Gaming micro-transactions for chance-based items” (27 November 2018) Online: *Government of Australia* <[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communication/s/Gamingmicro-transactions/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communication/s/Gamingmicro-transactions/Report)>

<sup>40</sup> Joel Hruska, “Battlefront II Loot Crates Declared Gambling, Investigated in Hawaii” (27 November 2017) Online: *Extreme Tech* <<https://www.extremetech.com/gaming/259503-battlefront-ii-loot-crates-declared-gambling-belgium-attacked-hawaii>>

<sup>41</sup> *Ibid.*

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should be exposed to activities that have the potential for abuse. This is a multi-faceted problem that I do not have an answer for, and only posit that it may be wise to have a further conversation about it.

## Conclusion

This dive into Loot-boxes turned out to be a bit like them. You start with a piqued curiosity; you don't quite know what to expect. You then dive into them and resurface disappointed by what you actually receive. You keep probing further, hoping something will change this time; that you'll be satisfied with what you find, but you only find disappointment.

The actions currently being taken by the independent body responsible for protecting children is woefully inadequate. Parental controls are often ignored as well. This ignorance and lack of involvement create a veil of darkness which allows predatory behaviour on children to flourish. However, we do have a potential remedy in sight, and it is up to us as Canadians to push for it.

On a more practical level, what can *you*, oh reader mine, do about this? I would be loath to tell you, *dear reader*, nothing which can be constructively put to use after this wall of text. In my humble opinion, it would be *to talk with your kids* (or with family members that have them). I'm completely aware of the irony in me lambasting this fact earlier. It sounds cliché, but if the conversation isn't happening, then the shadow cast by ignorance which permits loot-boxes to exist may grow and fester. Ask your kids if they understand that loot-boxes are like gambling and that it is designed to be addictive. If they're going to be doing an adult activity, let them prove their maturity to you in talking it out. Another avenue is to consider placing parental controls restricting onto virtual stores. This may be more suitable for younger minds that are targeted. While both of these suggestions do not solve the problem completely, it can help reduce it. Some damage control is certainly preferable to none.

Ultimately, it was repeated gambling behaviours and disappointment you were rewarded with when you pried into loot-boxes. Now, I pray to RNGesus one last time, hoping to receive the most sought after of all loot – developers of our nation wielding the banhammer on a public enemy.