

BLOG



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In another blow to plaintiffs suing game developers and publishers over loot boxes, a district court in the Western District of Washington granted summary judgment in favor of Valve Corporation. The case concerns the use of loot boxes in Valve's Counter-Strike: Global Offensive, Defense of the Ancients 2, and Team Fortress 2 games. Plaintiffs claimed that these games violate the Washington Consumer Protection Act because their loot boxes constitute online gambling, which Valve failed to disclose. Plaintiffs attempted to certify a class of *parents* of children who purchased loot boxes in the games after an <u>arbitration determined that the children themselves had no such claim</u>.

The plaintiff's parents' claims stumbled on the element of causation. Although they alleged that Valve failed to disclose gambling elements in Defense of the Ancients 2 and Team Fortress 2, plaintiffs admitted that their children never purchased any loot boxes in those games, and for that reason, the Court dismissed the claims. As for Counter-Strike, the claims depended on a showing that plaintiffs relied on Valve's affirmative misrepresentations or omissions about the loot boxes in Counter-Strike. But the plaintiff's parents failed to present any evidence that they ever visited a Valve or Steam website, ever played Counter-Strike, or ever read or heard anything about loot boxes in that game. Thus, even if the plaintiff's parents were correct that Valve should have made a more fulsome disclosure about loot boxes, the plaintiff's parents would not have seen those statements, and thus their children's purchase decisions would not have been different. Because plaintiffs could not establish causation, the court dismissed their claims.

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About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, David Enzminger formed and leads Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies to establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence.

Our offices in New York, Silicon Valley, Los Angeles, Shanghai, and Hong Kong provide gaming clients with a global platform for their complex and evolving legal needs.

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