



Brazil mulls measures for loot boxes

A loot box lawsuit launched by a non-profit may have mushroomed into a wider inquiry

Regulator: Judiciário do Brasil

RISK BAROMETER:



JURISDICTION RELEVANCE:

Brazil

TIMELINE:

Unclear

WHAT YOU SHOULD KNOW:

- Brazil's Association of Centres for the Defence of Children's and Adolescents' Rights (ANCED) is a non-profit subsidiary of the UN's Defence for Children International.
- Beginning with a lawsuit against the publisher, Garena, in respect of loot boxes in Free Fire, ANCED extended to seven 'public civil action' lawsuits against multiple international publishers and platforms including Brazilian subsidiaries of Activision Blizzard, EA Games, Nintendo, Riot Games, Ubisoft and Valve - and Apple, Microsoft, Google and Sony.
- ANCED's original lawsuit asked for Free Fire's loot boxes to be suspended until their use by children and adolescents can be rigorously valuated, with a daily penalty of \$4m real (£517k) for Garena if it fails to comply. It also asked for \$1.5bn real (£193m) in compensation from Garena, and individual compensation of \$1000 real (£130) for each child or adolescent user of its games.
- As of April 1st, the Brazilian Public Prosecutor's office has issued a supportive opinion confirming that the test for a public civil action is satisfied

and that there is an opportunity for the judiciary to consider whether new measures are appropriate, including gambling regulation. The opinion can be accessed [here](#).

- The matter now rests with the judiciary in an independent capacity. At this point, it is unclear as to whether there will be a consultation process.

MOST TELLING:

'The present action, and the other six associated with it by determination of this Court [...] are an opportunity for the Justice system to address the issue, with the possibility of opening measures that can expand the protection of children, adolescents and families [...]' (Prosecutor Luisa de Marillac Xavier dos Passos)

DELANY & CO HOT TAKE:

The prosecutor's opinion cautions that the damages sought by ANCED are unrealistic. However, it would appear that Brazil is yet another jurisdiction considering the application of gambling regulation to loot boxes. We await details of next steps.