



1ST RGNUL SPORTS & ENTERTAINMENT LAW NATIONAL MEDIATION COMPETITION

April 12-14, 2019

COMPETITION PROBLEM - PRELIMINARY ROUND I *

Out of my League

Karhadkar Group are one of the oldest family run businesses in India whose industrial lineage can be traced through steel and power, coming down to textiles and blossoming into modern technology in the 21st century. The Karhadkar Group are an old-school business who pride themselves in being the most stable investors in an otherwise tricky political market in India. Karhadkar Group are also the rights holders of the Premier Futsal League (PFL) in India, in collaboration with the Indian Futsal Confederation (IFC).

The Indian Futsal Confederation was established in the year 2012 under the aegis of the All India Football Federation (AIFF). However, after several years of organising tournaments and furthering the development of futsal in India, the IFC was granted NSF status by the Sports Ministry of India in the year 2017. It is at this juncture, and upon concluding successful negotiations with a variety of private business houses that the IFC decided to launch the PFL in collaboration with the Karhadkar Group.

The PFL was officially launched in the year 2018 under a 5 year Collaboration Agreement between the parties, and special care was to ensure that the schedule did not clash with the Indian Super League (ISL) to maximise consumer interest and the build a market for futsal in India. The Karhadkar Group also wanted to ensure that such an arrangement allowed for

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skilled and professional football players in India to have the opportunity to showcase their skills in futsal aside from the traditional format of the game.

The First edition in the year 2018 was a surprising success. The inclusion of well-known football players in India like Devang Suri and Subhash Tyagi proved to be game changing decisions that shot up advertisement and broadcasting revenues, resulting in an unprecedented return for the first ever season of a professional league in India, barring perhaps, the IPL. The second season was immediately announced and earmarked for June 2019.

In the first week of June 2019, and after completion of a quarter of the second PFL season, a Memorandum was signed between the IFC and the AIFF at the Annual General Meeting of the IFC. This Memorandum decided that no AIFF registered player would be allowed to participate in any professional futsal league in India. The Memorandum further detailed that any AIFF registered player who opted to participate in any professional futsal league in India would permanently forfeit the right to be registered with the AIFF.

This decision caused immediate furore among close to 60% of the PFL players who were already registered with the AIFF, and currently represented various clubs in the ISL and the I-League. All of these players immediately opted to preserve their AIFF registration and refused to participate in any more competitive games at the PFL.

As a result, the various franchises could only field players who were solely futsal players without AIFF registration. This resulted in massive losses incurred for the remainder of the PFL season by the Karhadkar Group. Broadcasting revenues fell through the roof, and multiple sponsors legitimately pulled out of the event due to the lack of online and television viewership. Massive debts were owed by the Karhadkar Group who further faced immediate 'breach of promise' notices from franchise owners and other rights holders in the league.

The Karhadkar Group got their highly experienced legal team together and devised a strategy of pursuing directed penalties from the IFC for breach of the Collaboration Agreement. In response to the same, the IFC decided to terminate the Collaboration Agreement citing the Karhadkar Group's failure to pay the collaboration fee upon conclusion of the second season, as the primary reason of the same.

As tensions were rising and both parties were adamant to seek judicial recourse, the parties decided to attempt to mediate the dispute as per the dispute resolution clause contained in the Agreement. The clause provided that in the event of the failure of the parties to mediate the dispute, the matter would be settled by arbitration.