

GENERAL INFORMATION

8th RGNUL Sports and Entertainment Law Mediation Competition, 2026

8TH RGNUL SPORTS & ENTERTAINMENT LAW MEDIATION COMPETITION 2026

PRELIMINARY ROUND I: GENERAL INFORMATION

REWRITING THE MULTIVERSE: A DISPUTE AT THE EDGE OF INTERACTIVITY

BRIEF ON THE PARTIES

SandX Interactive Studios

SandX Interactive Studios ("SandX") is an independent game development studio known for mid-sized, narrative-driven titles released across PC and console platforms. SandX's works typically rely on branching storylines, player choice, and non-linear narrative progression. Over time, SandX has sought to move beyond conventional gaming formats and explore interactive cinema as a hybrid creative medium combining film and software-driven storytelling.

Mflix Inc.

Mflix Inc. ("Mflix") is a global streaming and entertainment platform headquartered in California, serving over 250 million subscribers worldwide. In addition to hosting traditional audiovisual content, Mflix has invested in interactive storytelling technologies and has positioned itself as a platform experimenting with immersive and choice-based entertainment. Mflix owns and operates a proprietary runtime engine enabling branching narratives, real-time user decisions, and state-based playback.

BACKGROUND OF THE FACTS

In 2019, SandX and Mflix entered into a Content and Technology Licensing Agreement for the global release of an interactive cinematic work titled *Multiverse*. The work combined filmed footage with a software-driven decision graph that allowed viewers to influence the direction of the story, with no single narrative path intended to function as the definitive version. The agreement licensed Mflix to stream and commercially exploit the work using its proprietary interactive engine, acknowledged the technological dependence of the experience on that engine, permitted technical adaptations necessary for compatibility, and restricted modifications that materially altered the work's expressive content.

Following its release, Multiverse achieved critical and commercial success and became one of Mflix's most prominent interactive titles. The work generated sustained viewership well above platform averages and was repeatedly showcased by Mflix as evidence of its leadership in choice-

based entertainment. For SandX, the title accounted for a substantial portion of annual revenue and served as the studio's primary credential when negotiating future interactive projects. Both parties therefore came to regard Multiverse not merely as a single production, but as a strategic asset closely tied to their respective brands. However, parallel developments in the wider interactive segment gradually began to complicate this trajectory.

Between 2023 and 2025, Mflix began scaling back its investment in interactive programming, citing rising maintenance costs linked to continual updates of the runtime engine, increased licensing expenditure for device-specific compatibility, and signs of declining engagement as audience preferences gradually shifted back toward passive streaming formats. Internal analytics indicated that while *Multiverse* itself continued to perform strongly, newer interactive titles were attracting shorter completion times and lower repeat viewership. Mflix sought to address these trends through platform-led initiatives, including promotional campaigns, simplified decision interfaces, and limited "guided play" modes intended to reduce user fatigue. These measures, however, failed to produce sustained improvements and were internally assessed by Mflix as insufficient to justify continued long-term support for the interactive engine. The growing fragmentation of operating systems and consumer devices simultaneously made it progressively more expensive to maintain a uniform interactive experience across regions, further reinforcing Mflix's concerns about the viability of the format.

In early 2026, Mflix discontinued support for its interactive runtime engine. Rather than removing *Multiverse* from the platform, Mflix released a linear film version created by selecting the most frequently viewed narrative path based on aggregated user data. The conversion required the removal of decision screens and unused branches and the restructuring of certain scenes so that the story could function as a continuous, non-interactive sequence. No additional footage was produced, and the presentation reflected material drawn from the existing interactive work, arranged for viewing in a single fixed form.

SandX states that during 2023-25 it was not involved in any structured consultations regarding these difficulties or potential alternatives, notwithstanding the contractual expectation of good-faith engagement. Although Mflix provided notice of the proposed transition shortly before the linear version was released, SandX maintains that such engagement was limited in scope and did not constitute the consultation envisaged under the Agreement. Clause 4.2 specifically required the Parties to consult in good faith where a technological change substantially impaired Interactive Functionality, a process SandX contends was never meaningfully undertaken. Mflix, however,

asserts that the discontinuation of the interactive engine left limited commercially viable options and characterises the conversion to a linear version as a necessary measure to preserve accessibility.

THE DISPUTE AND THE CALL FOR MEDIATION

SandX contends that the replacement of the interactive engine with a single linear sequence fundamentally altered the character of *Multiverse*. According to SandX, the Work was conceived as a plurality of co-existing narratives in which meaning emerged from user choice, and the removal of the interactive engine eliminated an essential expressive element rather than merely changing the mode of delivery. SandX therefore characterises the linear version as a materially different work requiring mutual approval under Clause 6, and not a "technical adaptation" permitted by Clause 3.2. SandX further argues that, by declining to provide any form of export or compatibility assistance, Mflix has effectively rendered the Work incapable of future interactive exploitation, undermining the commercial purpose of the licence and SandX's ownership in the narrative architecture.

Mflix maintains that its actions fall squarely within the licence granted to it to host and commercially exploit the Work on the Mflix platform. It asserts that the discontinuation of the interactive engine was a legitimate technological and business decision for which the Agreement expressly disclaims any obligation of indefinite support. In Mflix's view, the creation of a linear presentation through automated selection of an existing narrative path was a preservation measure intended to maintain accessibility for subscribers, and did not involve creative re-authoring of content. Mflix also emphasises that the Agreement excludes any right of access to Platform Technology, and that providing the runtime metadata would require disclosure of proprietary systems beyond the scope of the Agreement.

SandX responds that the licence was granted for an interactive audiovisual work, and that exploitation in a non-interactive format exceeds the parties' common intention. Mflix counters that the Agreement authorised exploitation of the Work as delivered on its platform. The parties further disagree on whether the duty to consult in good faith was satisfied.

With the dispute attracting public attention, both parties concluded that an adversarial litigation could erode the commercial value of *Multiverse* and damage future collaboration. In March 2026, SandX invited Mflix to a mediation session to reconcile their differences and to explore a mutually acceptable resolution concerning the status of the linear version and whether SandX is entitled to access the runtime metadata necessary for future interactive exploitation of the Work.

ANNEXURE-I

EXTRACTS FROM THE CONTENT AND TECHNOLOGY LICENSING AGREEMENT (2019)

1. Definitions

1.1 "Work" means the interactive audiovisual production titled *Multiverse*, comprising audiovisual assets and software-enabled narrative pathways.

1.2 "Interactive Functionality" means the presentation of variable narrative outcomes based on user input processed through Platform Technology.

1.3 "Platform Technology" means Mflix's proprietary runtime engine and associated systems.

2. Ownership

All intellectual property embodied in the Work, including narrative design and audiovisual elements, shall remain vested in SandX, except as expressly licensed, while ownership of the Platform Technology and associated systems shall remain vested in Mflix.

3. Grant of Licence

3.1 SandX grants Mflix an exclusive, worldwide licence to host, distribute, publicly perform, and commercially exploit the Work on the Mflix platform.

3.2 The licence includes the right to encode, transcode, format, and technically adapt the Work as reasonably necessary to ensure that it remains commercially and technologically viable.

3.3 Technical adaptations shall not materially alter the substantive expressive content of the Work.

4. Technological Dependency

4.1 The Parties acknowledge that delivery of the Work depends on Platform Technology.

4.2 Where a material technological change substantially impairs Interactive Functionality, the Parties shall consult in good faith to explore commercially reasonable alternatives.

5. Access and Portability

5.1 Nothing in this Agreement grants SandX access to Platform Technology or runtime metadata.

5.2 Upon termination or expiry, Mflix shall provide a commercially reasonable export of the Work to ensure that Work is not rendered commercially ineffective.

6. Moral Rights and Attribution

6.1 Mflix shall credit SandX as the owner of the Work in all public presentations.

6.2 Neither Party shall engage in conduct reasonably likely to prejudice the artistic integrity of the Work or the reputation of the other Party.