

# 7th RGNUL Sports & Entertainment Law Mediation Competition

25<sup>th</sup> – 27<sup>th</sup> April, 2025

# GENERAL INFORMATION



## QUARTER-FINAL ROUND



## **7<sup>th</sup> RGNUL Sports & Entertainment Law Mediation Competition 2025**

### **Quarter-Final Round: General Information**

#### **Come Hell Or High Water: Breaking The League, Making Waves**

##### **BRIEF ON THE PARTIES**

The International Motorboating Union (hereinafter 'IMU') is the governing body of the prestigious H2O World Championship (hereinafter 'the Championship'), an annual international motorboat racing competition for powerboats, the highest class of inshore powerboat racing in the world. As the regulatory body, the IMU is responsible for overseeing all aspects of the Championship, including the administration of broadcasting rights, sponsorship agreements, and compliance with technical and sporting regulations by participating teams. The Championship has gained a reputation for upholding the highest standards and setting industry benchmarks in powerboating.

The IMU shares a long-term contractual relationship with Surfing Excel Technologies Pvt. Ltd. (hereinafter 'Surfing Excel'), the largest powerboat manufacturer in the world. As a part of their deal, all participants of the H2O World Championship, regardless of their country of origin, are required to compete using powerboats manufactured by Surfing Excel. This partnership has brought major gains to both parties, with an increased intermingling of key resource persons between the two organizations.

Thunderbolt Motors (hereinafter 'Thunderbolt'), a leading team from India, has swiftly risen to prominence with its dominance on the waves and a rapidly growing fan base. Despite being recently established in the championship, Thunderbolt has played a major role in enhancing the Championship's commercial success, especially in India where the sport gained a stronghold only after the team's ground-breaking victory in the 2024 edition. The team is particularly well-known for taking strong stands on gender and environmental issues.

##### **BACKGROUND OF FACTS**

Every year, the Championship brings together fifteen teams to compete in the one-design MarineKing foiling electric powerboat, engineered by Surfing Excel. In keeping with its commitment to inclusivity and player-centric ethos, the Championship mandates that each team include at least one male and one female pilot. This mandate has restricted the participation of certain countries but has largely been appreciated by fans worldwide.

In the last edition of the World Championship held in 2024, Thunderbolt, led by India's youngest motorsports sensations, Aanya Reddy and Veeraj Kapoor, powered their way to a historic first

victory. Their triumph not only brought immense prestige to the team but also earned them an unparalleled social media following. Known for their outspoken advocacy of not only player rights in motorsports but also allied issues such as environmental concerns, the duo's victory further amplified their influence. Since then, Thunderbolt has amassed a cult-like following in India, with millions of fans eagerly tuning in to support their favorite team. Naturally, the Championship's popularity has soared, as the duo's success has opened the Championship to a vast and dynamic new market. In recent interviews, Veeraj Kapoor has even hinted at ambitions beyond the racetrack, advocating for greater representation and unity among players globally.

As a result, the current 2025 edition of the World Championship is being held in Mumbai, India, in honour of Thunderbolt's victory in the last edition. Thunderbolt became a natural promotional partner for IMU, entering into a year-long sponsorship contract with the organisation and Surfing Excel. Under this agreement, Thunderbolt was required to exclusively use Surfing Excel-manufactured MarineKing powerboats in all televised practice sessions and social media appearances, and compulsorily participate in the subsequent edition in exchange for a multi-million dollar deal. The deal also ensured increased screen time for Thunderbolt during the Championship's broadcasts, which significantly contributed to their rising visibility.

The triangular deal proved to be mutually beneficial for all parties in the first half of the contractual term. In late 2024, the President of IMU, Ms. Tanya Karter, who had largely been responsible for the player-centric approach of the Championship, stepped down due to health concerns. She was succeeded by Mr. Max Driftwood, a prominent businessman with close ties with Surfing Excel. This widely televised change of leadership was expected to bring a change in IMU's policies.

This move was widely criticized by fans and players alike, who raised concerns about the monopolization of Surfing Excel in the powerboat market, and the rise of corporate influence in the decision making of regulatory bodies. Amidst criticism from all over the world, Thunderbolt's Aanya Reddy and Veeraj Kapoor were the loudest critics of the new leadership, and posted multiple videos on social media discussing the challenges that players are likely to face with this decision. These posts were widely viewed and seen by some as part of a broader movement for reform within motorsports governance.

### **DISPUTE AND THE CALL FOR MEDIATION**

Not long after the takeover by Mr. Max Driftwood, IMU released a new set of regulations that revoked the previous regulations requiring the participation of at least one male and one female player in every team. The new rules for the 2025 edition made the Championship exclusive for

male athletes, basing its decision on the lack of participation by certain countries due to the mandatory requirement of a female player on the team.

In a bold act of defiance against the barring of Aanya Reddy from competing solely due to her sex, Thunderbolt released a statement indicating their intent to withdraw from the 2025 Championship if the new regulations came into effect. Adding fuel to the fire, the team released videos of their practice sessions in MarineKing vehicles with the Surfing Excel logo conspicuously blacked out, a not-so-subtle jab at IMU's recent decisions. When questioned about the controversy, a Surfing Excel representative tersely remarked that IMU was contractually bound to penalize Thunderbolt if the videos weren't taken down before the Championship kicked off next month. Brushing off the uproar, he added, "The buzz will die soon. There aren't that many female players in the game anyway."

These statements caused a massive social media outrage, with Ms. Tanya Karter posting an emotional message from the hospital condemning such actions. Tensions surfaced as Thunderbolt Motors felt increasingly constrained by IMU's new policies. The team believed that the new regulations undid the brand of inclusivity, and the barring of female players would only stifle its commercial and competitive growth. IMU has consistently maintained that the previous rules led to commercial losses for the organization and that it was necessary to amend them.

The conflict reached a tipping point when Thunderbolt secured a sponsorship deal with a new commercial partner, which IMU deemed incompatible with its existing contract. The controversy arose because the new sponsor, HyperFuel Industries, a prominent alternative energy brand, had launched an aggressive marketing campaign touting their hydrogen-powered boats as the 'future of sustainable racing,' subtly undermining Surfing Excel's electric-powered MarineKing boats. IMU viewed this as a direct challenge to its exclusive partnership with Surfing Excel, arguing that allowing the sponsorship would create mixed messaging and devalue its primary commercial relationships.

As frustration grew, Thunderbolt began exploring the possibility of boycotting the Championship, engaging in preliminary discussions with other teams about forming a breakaway competition with other organizations. Unlike past disagreements, influential teams within the championship have shown interest in the idea this time. Complicating matters, third-party stakeholders, including major broadcasters and corporate sponsors, have started expressing concerns about the growing discord within the Championship. Several sponsors have warned that an unresolved conflict could affect their future investments in the Championship. Some broadcasters have reportedly been in informal talks with top teams regarding alternative formats, should the conflict escalate. Although

no formal commitments have been made, news reports suggest that independent broadcasters and alternative sponsors have shown interest in backing such a new league, making a split more tangible than ever.

For IMU, this threat is particularly alarming. While it has always maintained strict governance to ensure a unified and stable championship, it now faces a real risk of fragmentation. The organization has also invested significant resources in promoting the Championship as a premier global event, and a breakaway movement could diminish its prestige and financial viability. However, some influential corporate groups have publicly hailed the IMU for its new regulations, and the new rules have led to a sharp increase in the number of countries willing to compete for the selection of the top fifteen teams. This external pressure on both sides has heightened the urgency for resolution, with neither IMU nor Thunderbolt being in a position to risk financial or reputational damage.

Recognizing that prolonged conflict could undermine the integrity of the Championship and adversely impact both parties, IMU has invoked the multi-tiered dispute resolution clause in its contract with Thunderbolt and has invited the team to a mediation session. Thunderbolt has accepted the request and will be represented by Ms. Aanya Reddy, alongside her legal counsel Mr. Tariq P. Tarikh. IMU will be represented by Mr. Max Driftwood and his legal representative, Ms. Sue Yu. With the Championship set to take place next month, resolving the dispute at the earliest is of utmost urgency for both sides.