ABC is a company that markets athletic footwear. It owns a two-story building from which it operates its business. In an effort to maintain good employee relations and foster a healthy work environment, ABC provides a lounge and exercise area for employees to use, if they wish, on the first floor of the building. The area has a high definition television and exercise equipment, including a treadmill. ABC strictly insists that the area is to be used only when the employee is on his or her scheduled lunch time.

Craig and Jessica are employees of ABC. They each have different scheduled lunch times. Because Craig is romantically interested in Jessica, he would occasionally leave his work area during Jessica's lunch time to join her in the lounge and exercise area. While joining Jessica there during her lunch time one day, Craig tried to impress Jessica with how fast he could run on the treadmill. While running on the treadmill, he unfortunately fell and injured his knee.

Craig believes his injury should be considered an injury covered by Michigan's Worker's Disability Compensation Act.

What are Craig's best arguments that the injury is covered by workers' compensation? What are the employer's best arguments that the injury is not covered? What is the likely outcome if the issue is litigated? Explain your answer.