



## MEDIATION BOMBAY 2.0 PROPOSITION PRELIMS - 2



### BREAKING THE WIND

#### GENERAL INFORMATION

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Raghu Shastri is a first-generation entrepreneur. He hails from a very ordinary middle-class family. He is the Founder/Promoter and Managing Director of the Indian start-up company WINDERCOM (India) Pvt. Ltd. He is an alumnus of the Indian Institute of Technology (IIT) Kanpur, one of the most prestigious engineering and technology institutions in India and did his Masters in Electronics and Instrumentation in the USA. After returning to India, he joined as an Instrumentation Engineer in SYNERCON, a reputed wind turbine manufacturing company. After working for 6 years, Raghu founded WINDERCOM and started manufacturing control panels for SYNERCON's wind turbines.

During the course of his work as an Instrumentation Engineer with SYNERCON as well as, later, as the supplier of control panels, Raghu had to visit the wind farm sites where he observed the sufferings of the farmers doing agriculture, primarily because of lack of continuous & cheap source of power for pumping water for irrigation. Though the farmers were getting subsidized power from the government, the power supply was erratic and unpredictable.

During the course of his work with SYNERCON he also observed the sufferings of the poor farmers due to power shortages and lack of irrigation. Many farmers were facing poverty and were being forced to sell their lands to industrial houses and developers. India was always an agricultural country and he realised how important it was to develop a sustainable model of agriculture for India to remain food-independent. This can be done only by providing farmers with cheap and clean sources of power for pumping water for irrigating their farms.



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Raghu realised that, because of the huge sizes of the conventional wind turbines and the need for elaborate infrastructure, wind farms were highly capital intensive and would not suit the needs of the farmers. What was needed were smaller turbines based on simpler technology, which would neither require too much capital nor the huge space needed by conventional turbines. With the burning desire to serve the cause of the farmers, Raghu established an R&D section in WINDERCOM and recruited some very brilliant engineers and worked with them in designing wind turbines that would serve the needs of the farmers. The research was successful and resulted in the development of turbines which operated on a vertical axis instead of the horizontal axis of the conventional wind turbines. A vertical-axis wind turbine (VAWT) is a type of wind turbine where the main rotor shaft is set transverse to the wind (but not necessarily vertically) while the main components are located at the base of the turbine. This arrangement allows the generator and gearbox to be located close to the ground, facilitating service and repair. VAWTs do not need to be pointed into the wind, which removes the need for wind-sensing and orientation mechanisms.

Enthused by this development, Raghu continued the research to further reduce the size of the turbines and succeeded in developing turbines small enough to be installed on rooftops of houses and run even on mild breeze conditions and generate cheap and clean power. The potential application of this technology was phenomenal as it could become the source of cheap and clean power for agricultural and domestic consumption and provide a much cheaper alternative to even solar energy. There were still a few technological glitches to be addressed; but seeing the terrific potential and promise of the new technology, Raghu was confident that this product would be successful not only in India but in the markets of South East Asia, Africa and South America. The countries there too have similar problems i.e., of Power outages and average farm sizes per farmer were similar to India.

Raghu decided to patent this technology. Raghu was shocked to receive a legal notice from UNIWIND.



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UNIWIND is a company based in the Netherlands and has been a leader in the alternate energy sector with a huge presence in the European market. The company along with their customers, more than 25,000 employees are bringing the world sustainable energy solutions to power a bright future. UNIWIND is also known as the largest government contractor and known for its large-scale industrial production. The Company has made attempts in the past to capture the market share in South east Asia but has found it difficult to acquire the market share there.

UNIWIND claims that it holds a patent in VAWT technology and that the development of the VAWT turbines by WINDERCOM constituted an infringement of the patent. The Company had developed the Vertical Axis turbines a decade ago and had also got the technology patented in its name.

Seeing the turbines developed by WINDERCOM modeled on the lines of their patented technology, they wish to hold them accountable for the infringement of their intellectual property.

However, after a meeting with the legal and technology heads at UNIWIND, the CEO, Mr. Ben Janssen, grew sceptical of the claims he wished to make against UNIWIND. While he still wants to take this up with Raghu, a mediation turns out to be a plausible option to him, not just for the settlement of the claim of infringement, but also to discuss other business propositions with WINDERCOM.

UNIWIND therefore requested for a mediation session with WINDERCOM before resorting to any legal action. UNIWIND is represented by its CEO Mr. Janssen and the head of the legal department, Mr. Sergio. Correspondingly, WINDERCOM is represented by Mr. Raghu and the head of the legal team, Mr. Shyam.