

Former Yukos shareholders seize Stolichnaya and Moskovskaya vodka trademarks as part of enforcement of Arbitral Awards against the Russian Federation

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The former Yukos majority shareholders have seized a number of alcohol drinks trademarks in the Benelux region, which are owned by the Russian Federation. The trademarks include the well-known Stolichnaya and Moskovskaya vodka brands.

The former Yukos majority shareholders are enforcing the Arbitral Awards, which order the Russian Federation to compensate them for the unlawful expropriation of their investment in Yukos Oil Company. In 2014, an independent, international Arbitral Tribunal awarded compensation of more than \$50 billion to the shareholders. In February 2020, The Hague Court of Appeal upheld the Arbitral Awards. Following that judgment, The Hague District Court granted the exequatur orders allowing the enforcement of the Arbitral Awards in The Netherlands.

Tim Osborne, Chief Executive of GML, said: “As long as the Russian Federation defies the international courts that have found it liable, we will seize Russian state assets in accordance with the law. The attachment of the trademarks in The Netherlands is just the start.”

The Russian Federation has repeatedly refused to pay the Arbitral Awards, and has never responded to the suggestions made by the former Yukos majority shareholders to explore a settlement in good faith. This leaves the shareholders with little option but to enforce the Awards by seizing the assets of the Russian Federation.

If the Russian Federation fails to pay the Arbitral Awards by 24 September 2020, the former Yukos majority shareholders will put the assets they have seized to a public auction.

Note to the editor:

In 2014, the independent, international Arbitral Tribunal, convened in The Hague under the Energy Charter Treaty, ruled unanimously that “Russian courts bent to the will of Russian executive authorities to bankrupt Yukos, assign its assets to a state-controlled company [Rosneft] and incarcerate a man [Mikhail Khodorkovsky] who gave signs of becoming a political competitor.”

In its Final Awards, the Tribunal awarded compensation of more than \$50 billion to the former Yukos majority shareholders – a measure of the company’s success and its status as Russia’s largest taxpayer.

On 18 February 2020, The Hague Court of Appeal upheld the 2014 Arbitral Awards. The former Yukos majority shareholders can enforce the Awards not only in The Netherlands where the arbitration proceedings took place, but also in more than 160 countries, which have joined the New York Convention. All contracting states must recognise arbitral awards as binding, and enforce them in accordance with their own national laws.

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