

Press Release

Iconic Russian state-owned vodka brands auctioned in June

THE HAGUE, APRIL 24th, 2024 – Eighteen Russian state-owned Benelux trademarks, including those for the iconic vodka brands Stolichnaya and Moskovskaya, will be the subject of an auction on Monday June 17th, 2024 in The Netherlands. The trademarks were seized by the former Yukos majority shareholders to enforce partially their more than \$60 billion damages claim against the Russian Federation for the illegal, politically motivated expropriation of the Russian oil giant in 2003.

GML, through its wholly owned subsidiaries, Yukos Universal Limited and Hulley Enterprises Limited, together with Veteran Petroleum Limited were the majority shareholders of the former Yukos Oil Company. Around the turn of the century, Yukos Oil had grown into the largest and most successful oil company in Russia. But when its reform-minded CEO, Mikhail Khodorkovsky, exposed government corruption in 2003, Yukos was intentionally bankrupted by the Kremlin and Khodorkovsky sent to prison in Siberia after a show trial.

In 2014, the independent Arbitral Tribunal at the Peace Palace in The Hague unanimously agreed that *“The Russian authorities were conducting a ruthless campaign to destroy Yukos, appropriate its assets and eliminate Mr. Khodorkovsky as a political opponent”* and awarded its former majority shareholders more than \$50 billion in compensation. [The Hague Court of Appeal upheld the Awards](#) in February 2020 and declared that they were immediately enforceable. [The Dutch Supreme Court affirmed the substance of that ruling](#) in November 2021, referring a minor part of the case to the Amsterdam Court of Appeal on a procedural ground. On February 20th, 2024, the [Amsterdam Court of Appeal dismissed that last remaining issue](#) as well.

To date, the Russian Federation has refused to comply with the Awards and never responded to invitations to explore a settlement. This leaves the former shareholders no other option but to enforce the Awards by seizing the Russian Federation’s assets.

The former majority shareholders first seized the Benelux trademarks four years ago, but rejected a bid at the December 2022 auction because the bid didn’t meet their expectations. The Russian Federation continued to fight the seizure in the Dutch courts until the [Dutch Supreme Court dismissed Russia’s last remaining appeal](#) against seizure of the trademarks on March 22nd, 2024.

The seizure refers to eighteen Benelux trademarks (and international trademarks to the extent they apply to the Benelux region) together with related rights under the Dutch Copyright Act 1912 held by FKP Sojuzplodoimport (FKPS) on behalf of the Russian Federation. These include trademarks for the iconic vodka brands Stolichnaya and Moskovskaya.

The auction will be held by Equilibristen Bailiffs on Monday, June 17th, 2024 starting at 13:00 CEST in Nieuwspoort, Bezuidenhoutseweg 67 in The Hague, The Netherlands. The trademarks will be auctioned in one lot. Admission is subject to the discretion of the bailiff and will only be granted to parties that have registered in accordance with the auction conditions and paid the required deposit by 18:00 CEST on June 12th, 2024 at the latest. Prior accreditation is required for journalists. For more information and accreditation, please visit www.equilibristen.nl/auctions.

The auction was also advertised in the print and online editions of the Dutch business daily *Het Financieele Dagblad* on April 24th, 2024.

About GML

GML, through its wholly-owned subsidiaries, Yukos Universal Limited and Hulley Enterprises Limited, together with Veteran Petroleum Limited were the majority shareholders of the former Yukos Oil Company. In 2014, an independent Arbitral Tribunal in The Hague [awarded them more than \\$50 billion](#) in compensation for the illegal expropriation of their investments by the Russian Federation.

In its Final Award, the independent Arbitral Tribunal concluded that:

- *“Russian courts bent to the will of Russian executive authorities to bankrupt Yukos, assign its assets to a State-controlled company, and incarcerated a man who gave signs of becoming a political competitor”;*
- *“... [T]he State’s campaign of intimidation and harassment not only disrupted the operations of Yukos but also contributed to its demise”;*
- *“... [T]he primary objective of the Russian Federation was not to collect taxes but rather to bankrupt Yukos and appropriate its valuable assets.”*

The Russian Federation appealed the decision in the Dutch court system. In 2016, the District Court of The Hague set aside the Arbitral Awards on grounds of jurisdiction. In February 2020, the [Court of Appeal of The Hague quashed the decision](#) of the District Court, denied all other claims raised by the Russian Federation against the Awards and reinstated the Arbitral Awards.

The [Dutch Supreme Court affirmed the substance of that ruling](#) in November 2021, referring one minor remaining issue to the Court of Appeal in Amsterdam. The [Amsterdam Court of Appeal dismissed Russia’s final setting aside claim](#) on February 20th, 2024.

You can find more information on our website: www.gmllimited.com.