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Stem Cell Company Wins Biggest Damages in Russian Media History From Magazine

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Gemabank is Russia's largest umbilical cord blood bank.

A Moscow court has ordered the media holding behind weekly magazine Russky Reportyor to pay nearly $1 million in compensation to a biotechnological company over an article in what amounts to the largest fine handed down in Russian media history.

In the article "Money for Baby's Blood" published in January last year, Russky Reportyor (Russian Reporter) alleged that Gemabank — the country's largest umbilical cord blood bank — had disseminated false information about the healing powers of umbilical cord blood while aggressively promoting its services in maternity wards, legal news site Pravo.ru reported Wednesday.

The Human Stem Cell Institute (HSCI), an open joint-stock company that owns Gemabank,

asked Russky Reportyor to remove the article from its website, but their request was refused at the time, the report said.

HSCI said in an online statement that it had suffered both reputational and financial losses as a result of the article, and was seeking 75.9 million rubles ($1.6 million) in compensation from the Expert media holding, which owns Russky Reportyor.

HSCI filed a complaint last June, and last week Moscow's Arbitration Court ruled in favor of the plaintiff, ordering Expert to pay 46.5 million rubles ($977,000) in compensation — reportedly the largest fine handed down in Russian media history, various publications reported.

HSCI itself said in a statement that it had been awarded 44.4 million rubles ($941,000). The reason for the discrepancy was not immediately clear. In addition, Russky Reportyor was ordered to remove the offending article from its website.

"We are pleased with the court decision ... [which] is very important not only for Gemabank and the development of umbilical blood cell usage in the medical practice, but also for journalism and business in general. Journalists will become more aware of their responsibilities, [and] the power and price of their words," HSCI director Artur Isayev was quoted as saying in a statement on his company's website.

Russky Reportyor was launched in 2007 and covers topics ranging from politics and economics to culture and sport. Since 2010, it has also had the right to publish cables taken from the WikiLeaks website, which was set up by political activist Julian Assange to publish classified information.

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