

# Former Yukos Shareholders Seize Vodka Brands in \$50Bln Legal Fight

The Russian government is fighting the group in the Dutch courts.

May 18, 2020



The brands will be put to a public auction if Russia does not pay former Yukos shareholders \$57 billion in damages. **Kirill Zikov / Moskva News Agency**

Former shareholders of the defunct oil giant Yukos have seized the local rights to the Russian vodka brands Stolichnaya and Moskovskaya in a Dutch court ruling — the latest saga in a \$50 billion legal battle between the ex-Yukos owners and the Russian government.

Yukos Oil was bankrupted and absorbed by state-owned Rosneft in the mid-2000s in the most high-profile battle between newly installed President Vladimir Putin and the Boris Yeltsin-era oligarchs who controlled swathes of the Russian economy. It was widely seen as a politically motivated hostile takeover designed to muzzle Yukos' former kingpin, oligarch Mikhail Khodorkovsky.

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Earlier this year a court based in The Netherlands ruled former Yukos shareholders who controlled around 70% of the firm, represented by the GML group, were due \$50 billion in damages, saying that the Russian government abused the justice system to force through the transfer of Yukos assets to Rosneft against international rules.

The trademark rights for Stolichnaya and Moskovskaya — brands owned by the Russian government — in the Netherlands, Belgium and Luxembourg were awarded to the group at a court ruling on May 7 as Russia is yet to pay the damages.

In a [statement](#) issued Monday, GML said it would auction off the rights if the Russian government did not pay the \$57 billion — the original ruling plus \$7 billion in interest — by September.

The Russian government has [lodged](#) an appeal against the original ruling with the Dutch Supreme Court, following a legal battle which started in 2014 with a ruling in favour of the former shareholders at the Permanent Court of Arbitration in The Hague. That was subsequently overturned by a Dutch court in 2016, before being reinstated by another appeals court earlier this year. A hearing before the Dutch Supreme Court would be the final step in the legal process.

Earlier this year, Russia announced plans to amend its constitution to give national law precedence over international laws. A vote to approve that move, among other changes to Russia's constitution, originally scheduled for April was postponed due to the coronavirus outbreak.

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