

Press Release

Former Yukos Shareholders Achieve Milestone with €1.6 Million Auction of Russian State-Owned Liquor Trademarks

THE HAGUE, JUNE 17, 2024 – The former Yukos majority shareholders successfully auctioned eighteen Russian-owned liquor trademarks in The Netherlands today for EURO 1.6 million. This landmark event marks the first successful enforcement by the former majority shareholders against Putin’s Russia worldwide, ten years after an independent Arbitral Tribunal unanimously ordered Russia to pay over USD 50 billion in compensation for the politically motivated destruction of the Yukos, once Russia’s largest and most successful oil company.

“For decades Putin’s Russia seemed untouchable, so the significance of today’s successful auction is that we reaffirmed the Western legal system is still the best instrument to hold kleptocratic countries like Russia accountable”, says GML CEO Tim Osborne. “That’s why this is not just a victory for us, but an encouragement to all victims of Russian aggression that you can hold Russia accountable in a court of law and win on the merits and that in the end there is nothing that Russia can do to escape it.”

At the auction, held at the International Press Centre Nieuwspoor in The Hague, the bidding started at EURO 50.000 and was bid up by three parties to a winning bid of EURO 1.6 million, approximately USD 1.7 million.

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, 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, [and] appropriate its assets”* and awarded its former majority shareholders more than USD50 billion in compensation. [The Hague Court of Appeal upheld the Awards](#) in February 2020 and declared them 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.

Since Russian Federation refuses to comply with the Awards, the former shareholders are left no other option but to enforce the Awards by seizing Russian state 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.

Sold at auction today were 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.

“Obviously the money we collected today pales in comparison to the over sixty billion Russia still owes us, but sic parvis magna: all great achievements come from small beginnings”, concludes Tim Osborne. “Today’s historic success emboldens us to take our enforcement fight for justice to every corner of the world where Putin is trying to hide his country’s state assets”.

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 USD50 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.