

Dutch Court Rules Stolichnaya Vodka Brand Belongs to Russian State

By [The Moscow Times](#)

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Spirits International has been ordered to hand control of the brands to Russia's state-owned Sojuzplodoimport within three months or face fines of 50,000 euros (\$55,000) per day.

The rights to Stolichnaya and two other Russian vodka brands must be returned to Russian state hands, a Dutch court ruled Wednesday, ordering the company using the brands — Spirits International — to pay unspecified damages.

The ruling by Rotterdam's District Court ordered Spirits International to hand control of the brands to Russia's state-owned Soyuzplodoimport within three months or face fines of 50,000 euros (\$55,000) per day.

The ruling extends only to the Benelux countries, but the ruling could set a precedent in other European countries. Spirits International was based in the Netherlands until 2013, and its parent company, SPI Group, is registered in Luxembourg.

The case, which has been running since 2003, centered on whether rights to use the brands were properly acquired by Russian businessman Yury Shefler in a 1997 privatization after the breakup of the Soviet Union.

"The brands were not legally transferred," the court wrote in a summary of the decision published on its website. "So the brands still belong to the previous owner: the Russian state."

The ruling covers the Stolichnaya, Moskovskaya and Na Zdorovye brands, and also specifies that Spirits International is no longer allowed to say its vodka is "Russian" or produced in Russia. However, the court rejected claims by Soyuzplodoimport to the nickname "Stoli."

Soyuzplodoimport lawyer Joris van Manen said he believes courts in other European Union countries will now presume his client is the rightful owner of the brands in other disputes, given that the Netherlands' Supreme Court ruled in its favor on key elements of the case in a 2013 decision.

A United States appeals court in 2013 rejected a similar suit by Soyuzplodoimport against SPI Group and its U.S. distribution partners on the basis that Soyuzplodoimport did not have standing to represent the Russian Federation.

Documents in the Dutch Chamber of Commerce showed Spirits International had net profit of more than 100 million euros (\$109.70 million) in 2011 and 2012 before it moved offices to Curacao.

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