THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

IN THE COURT OF FIRST INSTANCE

BETWEEN

(1) KLESTA ESHJA
(2) HAIR CREATORS SALON LLC

Claimants

and

(1) SALAH MASRI aka SALAH MOHAMED ADEL AL MASRI
(2) HAIR CRAFTERS COMPANY LTD (TRADING NAME THE GROVE SALONS) aka HAIR BY SALAH
(3) LULIIA VALIULLINA
(4) HAIR BY ROJIN SALON LTD

Defendants

ORDER WITH REASONS OF H.E. JUSTICE THOMAS BATHURST

UPON hearing counsel for the Claimants and counsel for the Defendants at the Case Management Conferences held before H.E. Justice Thomas Bathurst on 3 March 2025, 17 July 2025 and 31 July 2025

AND UPON the Second and Third Defendants' Amended Defence dated 4 August 2025

AND UPON the First Defendant's Amended Defence with Counterclaim dated 5 August 2025

AND UPON the Order of H.E. Justice Thomas Bathurst dated 7 August 2025, granting the First, Second, and Third Defendants leave to amend their respective Statements of Defence (the "Order")

AND UPON paragraph 2 of the Order for the First Defendant to pay the Claimants their wasted costs arising from the amendment to the First Defendant's Statement of Defence

AND UPON the Defendants' Application No. CFI-066-2024/6 dated 12 August 2025, seeking permission to file an amended statement of defence

AND UPON the Claimants' Application No. CFI-066-2024/7 dated 25 August 2025, seeking permission to (i) strike out the Amended Defence and Counterclaim of the First, Second and Third Defendants (the "Strike Out Application") and (ii) security for costs (the "Security for Costs Application")

AND UPON hearing counsel for the Claimants, counsel for the First, Second and Third Defendants, and counsel for the Fourth Defendant at the Case Management Conference before H.E. Justice Thomas Bathurst on 28 August 2025

AND UPON the Order of H.E. Justice Thomas Bathurst dated 4 September 2025, granting the Strike Out Application and deferring the Security for Costs Application (the "4 September Order")

AND UPON review of all submissions on the Court file

AND UPON reviewing the Rules of the DIFC Courts

IT IS HEREBY ORDERED THAT the First, Second and Third Defendants pay the costs ordered by the Court in the Order of 7 August 2025 and the 4 September Order assessed in an amount of **AED 343,953.75**.

Issued by:
Hayley Norton
Assistant Registrar
Date of issue: 24 March 2026:
At: 11am

SCHEDULE OF REASONS

1. On 7 August 2025 following a Case Management Conference ("CMC") on 31 July 2025 I granted leave to the First, Second and Third Defendants to amend their respective Statements of Defence in accordance with draft amended pleadings filed on 28 July 2025.

2. I also ordered that the First Defendant pay the Claimants their wasted costs arising from the amendment to the First Defendant's Statement of Defence including any costs incurred by the Claimants in connection with procedural steps taken and applications filed pertaining to such amendments. I made similar costs orders against the Second and Third Defendants.

3. Following the filing of those defences the Claimants discovered that the defences had been prepared substantially with the assistance of artificial intelligence which contained a number of false references and other misleading material. As a consequence, the Claimants sought to strike out the amended defences and counterclaims of each of the Defendants. The Claimants also sought security for costs.

4. At a CMC on 28 August 2025, and by way of the Order dated 4 September 2025, I ordered those defences be struck out. I ordered that the First, Second and Third Defendants pay the Claimants' costs of the Strike Out Application. I granted the Defendants leave to replead their case on certain conditions but refused the Security for Costs Application.

5. On 9 September 2025, the Claimants filed a Statement of Costs claiming a total amount of AED 735,299.25 comprising AED 722,275.50 for professional fees and AED 12,953.75 for disbursements.

6. By an application dated 23 September 2025, the First Defendant filed its objection to the Claimants' Statement of Costs. It submitted in essence first that the Claimants' bill far exceeded the scope of the applications and "may incorporate the entirety of the Claimants' legal representation and general conduct of the litigation". He contended that the assessment needs to be strictly confined to costs directly incurred as a result of the Strike Out Application and amendments.

7. The First Defendant also pointed out that in its Skeleton Argument of 22 August 2025 in support of the application to strike out the amended defence, the Claimants sought an order that the Defendant pay AED 300,000 into court on deposit of such costs within 7 days by way of security until the wasted costs have been assessed.

8. A number of things may be noted at the outset. First, there was no order that the costs be paid on an indemnity basis. Second, in assessing the costs, the Court is required by Rule 38.18 of the Rules of the DIFC Courts 2014 ("RDC") to only allow costs which are proportionate to the matters in issue and to resolve any doubts which it may have as to whether the costs claimed were reasonably incurred or reasonable and proportionate in amount in favour of the paying party. It should also be noted that RDC 38.21 provides if the Court is assessing costs on the standard basis it is to have regard to all the circumstances in deciding whether such costs were proportionately and reasonably incurred and proportionate and reasonable in amount.

9. It should also be noted the orders which were made did not relate to the whole of the litigation but only to the wasted costs caused by the application to amend dealt with by the Order of 7 August and the Strike Out Application of 4 September. Although the Order of 7 August 2025 was widely framed to include procedural steps taken and applications filed pertaining to the amendments, it did not cover the costs of the various applications made by the Claimants in respect of deficiencies in the Defendants' discovery and production of documents or the myriad of complaints made by the Claimants in respect to the Defendants' conduct of the litigation.

10. In that context, an amount of costs of AED 722,275.50 seems on its face inordinately high for costs in respect of the applications the subject of the two orders. My concern that that was the case is highlighted by the time said to be spent on the applications in the schedule of costs. It is claimed the partner spent in excess of 90 hours somewhat more than two weeks on the applications. The legal trainees engaged to assist the partner spent a little over 150 hours on the applications. It seems to me difficult to suggest that the expenditure by the partner of something in excess of two weeks on relatively straightforward strike out applications could possibly be said to be proportionately and reasonably incurred. The same may be said of the time spent by the legal trainees who were charged out at a rate of AED 1,800 per hour. The costs sought related to costs incurred in respect of litigation overall and not solely to those costs the subject of the two Orders. Indeed, it is difficult, if not impossible, to discern from the Claimants' submissions what was in fact incurred in respect of the Strike Out applications and what was otherwise incurred.

11. Nevertheless, doing the best I can, I make the following findings by reference to the headings in the Claimants' submissions.

12. Period 1 (10-15 July 2025) was well before the CMC at which the Defendants sought leave to amend its defence and thus on its face is somewhat remote from costs relating to those amendments. Nevertheless, having regard to the relative width of the Order of 7 August 2025 I would allow the amounts claimed in paragraphs 17 and 18 of the submissions, namely, 15 hours of the partner's time and 3 hours of the legal trainee's time.

13. In relation to Period 2, I make no allowance for the work referred to in paragraph 23 of the submissions, it does not seem in any way to relate to the amendments. However, I would allow the 3 hours claimed for attending the second CMC.

14. In relation to the third period, having regard to the costs already incurred I do not think a time of 15 hours researching and drafting a detailed skeleton argument referred to in paragraph 26 is reasonable and proportionate to the costs incurred in relation to the amendments. I would allow 7 hours in respect of that matter. There were 3 hours for attending a CMC which should be allowed.

15. Periods 4 and 5 referred to in the Claimants' submissions cover the period leading up to the Strike Out Application which I dealt with on 28 August 2025 and made Orders on 4 September 2025. The amount of partner's time claimed in respect of this period, namely 68 hours, seems to me totally disproportionate to what was involved in the Strike Out Application and I would not allow it. The same could be said of the time spent by the trainees, namely 70 hours.

16. Doing the best I can, it seems to me in the particular circumstance a total of 28 hours of partner's time should be allowed in this period together with 50 hours of the legal trainees' time.

17. In the circumstances, I would assess the costs payable under the two costs orders in a total amount of AED 331,000 comprised of AED 196,000 in respect of the partner's time at AED 3,500 per hour and AED 135,000 in respect of the legal trainees' time at AED 1,800 per hour. I would also allow the disbursements claimed in an amount of AED 12,953.75 thus making a total of AED 343,953.75.

18. I am appreciative of the fact that this amount is substantially less than the amount sought by the Claimants. Nevertheless, after carefully considering the submissions and taking into account the procedural steps which have occurred, in my view, any further amount could not be said to be the costs which were either proportionally and reasonably incurred or proportionate and reasonable in amount. In the result I would make the following order:

(a) Order that the First, Second and Third Defendants pay the costs ordered by the Court on 7 August 2025 and 4 September 2025 assessed in an amount of AED 343,953.75.