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One Award, Two Precedents of Cassation of Dubai

One arbitration award came up with two precedents of the Cassation Court. The respondents of the arbitration case decided to file a case against the arbitrators, requesting compensation, in a series of hearings that led all the way to the Cassation Court. Later, the same respondent filed a case against the arbitrators' lawyers from the aforementioned case, claiming they had published details of the case, including names, on their website, with the Dubai Court of Cassation then ruling that there was no clear motivation or evidence of malicious intent on behalf of the legal team, and thus, rejecting the appeal.

Arbitral Liability

The Dubai Court of Cassation ruled that the arbitrators are only legally liable in the case of clearly evidenced conduct or instances displaying a lack of impartiality, gross negligence, fraud, collusion, or acting in bad faith. In the event of this case, the appellants were unable to provide sufficient evidence of the accused arbitrators acting in bad faith, suggesting that the errors committed by the arbitrators could simply be attributed to basic human error.

Following an initial purchase agreement, units of real estate were bought by a myriad of clients in a UAE real estate project, utilizing a financing company which in turn assumed the right to act on behalf of the clients. Upon viewing the units following project completion, the clients claimed they had been misled by the rental unit size, and thus, arbitration began. Upon the conclusion of the arbitration, the arbitrators ruled in favor of the financing company, representing the client's interest, ruling that the real estate company must pay compensation.



Lawyer Liability

In 2020, the same real estate company decided to pursue legal action against the opposing legal counsel from the previous case with the arbitrators. The company claimed the arbitrator's legal representation intentionally defamed them, harming their reputation and business dealings, by publishing details and names present in the previous case on their website, and insisted for compensation for the damages. Upon appealing their case to the Court of First Instances, as well as the Court of Appeals, the real estate company's claim was rejected, with this ruling upheld by the Court of Cassation, as it was deemed that the lawyers had not acted or operated in bad faith in regards to intentionally damaging or defaming the real estate company or their business prospects.

The Dubai Court of Cassation ruled that lawyers, in order to be considered legally liable, must be operating under bad faith intentions, engaging in fraud, collusion, beyond a reasonable doubt. In this case, the court ruled that the lawyers did not publish with harmful or defamatory intent, and were utilizing their right to publish, and thus, cannot be deemed legally liable.

Should you require any legal advice or assistance in relation to a litigation or arbitration case in the UAE, please do not hesitate to contact us. We would be pleased to assist you.