



In the name of His Highness Sheikh Tamim bin Hamad Al Thani,
Emir of the State of Qatar

Neutral Citation: [2025] QIC (A) 11

IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
APPELLATE DIVISION

[On appeal from [2025] QIC (F) 46]

Date: 27 November 2025

CASE NO: CTFIC0026/2025

SPINE LLC

Claimant/Respondent

v

LAMAISON HOTEL LLC

Defendant/Applicant

JUDGMENT

Before:

Lord Thomas of Cwmgiedd, President

Justice Her Honour Frances Kirkham CBE

Justice Dr Talal El-Emadi

Order

1. Application for permission to appeal is refused.

Judgment

1. The Applicant (**‘Lamaison’**) applies by an application dated 5 October 2025 to appeal from the judgments of the First Instance Circuit (Justice Fritz Brand):
 - i. dated 5 August 2025 granting judgment in default under article 22 of the Rules and Procedures of the Court (the **‘Rules’**) in favour of the Respondent (**‘Spine’**) for QAR 231,919 together with interest and costs ([2025] QIC (F) 46); and
 - ii. dated 22 September 2025 refusing Lamaison’s application to set aside the default judgment ([2025] QIC (F) 46).

The background and the course of the proceeding

2. As set out in the Claim Form dated 30 June 2025, Spine claimed:
 - i. Spine had entered into a written agreement (the **‘Agreement’**) with Lamaison on 25 January 2023 for the provision by Spine to Lamaison (which operated a hotel) of marketing and related services at a fixed fee of QAR 29,000 per month payable in advance.
 - ii. The Agreement was terminable by 3 months’ notice.
 - iii. Spine carried out marketing and other services under the agreement.
 - iv. No payment was made by Lamaison despite repeated requests from Spine.
 - v. Spine suspended the Agreement on 13 May 2023.
 - vi. After further attempts to secure payment and a letter before action, the claim was brought for:

- a. QAR 129,419 for the period up to 12 May 2023 due under the Agreement.
- b. QAR 14,000 disbursed by Spine at the request of Lamaison.
- c. QAR 88,500 as damages in lieu of the 3 months' notice period required under the agreement.

2. Proceedings were issued:

- i. The Claim Form was duly served on Lamaison on 7 July 2025 in accordance with the provisions of article 18.3.2 of the Rules.
- ii. Lamaison failed to serve and file a Defence within the 28-day period under article 20.1 of the Rules.
- iii. A request was made for default judgment.
- iv. The First Instance Circuit entered judgment on 5 August 2025 in default of defence under article 22 of the Rules.

3. On 2 September 2025, Lamaison made an application to the First Instance Circuit to set aside the judgment of 5 August 2025 on the basis that (it also filed protective grounds of appeal at the same time):

- i. Lamaison had no opportunity to present a defence “*due to genuine internal communication failures and restructuring within the organisation.*” It said Aleph Hotel Management was in control of the business and did not inform Lamaison of the proceedings.
- ii. Lamaison had a good defence as the agreement was not duly authorised by Lamaison and the invoice amount was disputed.

4. On 22 September 2025, the First Instance Circuit refused Lamaison's application to set aside the judgment. The judgment stated that it was common ground that the application had been properly served, but Lamaison had not disclosed a real prospect of a successful

defence. No persuasive case was made as to any other compelling reason why judgment should be set aside.

5. On 5 October 2025 Lamaison made an application for permission to appeal against the judgment of 22 September 2025. On its face the application refers to the judgment of 22 September 2025, but in the body of the notice attached to the application form Lamaison ask for permission in relation to both the 22 September 2025 and the 5 August 2025 judgments. We will treat the application as an application in respect of both judgments.

Issues of practice on an application to set aside

6. The procedure for judgment in default was introduced as part of the Rules that came into force in June 2025. This application has given rise to two issues relating to the practice to be followed.

Time for applying to set setting aside: no need to appeal against the judgment in default

7. When a defendant is subject to default judgment which it seeks to challenge, the proper course is to make an immediate application to set the judgment aside under article 22.7 of the Rules rather than to seek permission to appeal against default judgment under article 36. That is because it must be for the First Instance Circuit first to consider whether it should exercise its powers to set aside the judgment before the Appellate Division considers the matter. A defendant should therefore make an application to set aside under article 22.7 and not an application for permission to appeal against the default judgment.
8. For good reason, no specific time limit is provided for making the application under article 22.7 of the Rules to set aside default judgment. Circumstances could arise where the proceedings and the default judgment did not come to the attention of the defendant for good and understandable reasons for more than 30 days.
9. The defendant is entitled to apply to set aside, but must act with great expedition as soon as given notice or otherwise becomes aware of the service of proceedings or the default judgment. That is because article 22.9 of the Rules provides that, when considering whether to set aside or vary the judgment “... *the circumstances to which*

the First Instance Circuit will have regard will include whether the Applicant has submitted an application expeditiously.”

10. Although there is no specified time limit, the Court will measure whether the application has been submitted expeditiously in the light of the strict time limits specified throughout the Rules. The Court will require the defendant to explain the full circumstances of the timeline relating to the service of the Claim Form and the default judgment and to explain precisely why he did not receive notice of the Claim Form and default judgment and the expedition with which he has acted.
11. As the defendant should make an application under article 22.7 of the Rules rather than seek to appeal the default judgment, the question of applying to the Appellate Division does not arise if and until the defendant fails in the application under article 22.7 of the Rules to set aside.
12. It is at that stage that the defendant should consider whether to appeal to the Appellate Division. Article 36.3 provides that the application for appeal must be filed within 30 days of the date of the judgment, as set out in paragraph 12 of Schedule 6 to the QFC Law (Law No. 7 of 2005). If an application for permission to appeal is brought then and in compliance with the time limit for an appeal, the Appellate Division, if it considers that the appeal against the refusal to set aside should be allowed, will itself set aside the judgment refusing to set aside the default judgment and the judgment in default. There is therefore no reason to appeal against the judgment in default.

The approach of the Appellate Division on an appeal against the refusal to set aside a default judgment

Introduction

13. Article 36.6 of the Rules provides:

An appeal, whether from a judgment of the First Instance Circuit or from a decision or determination of the Regulatory Tribunal, shall be by way of review, and shall not be a rehearing.

14. In reviewing a judgment in respect of setting aside a default judgment, the Appellate Division must have regard to the provisions of article 22 of the Rules which make it clear that the decision of the First Instance Circuit is one where the power exercised is a discretionary power. The Appellate Division will therefore review the decision to see

if the First Instance Circuit has applied the correct principles and reached a decision within the margin of decision making open to the First Instance Circuit. It is only if the Appellate Division concludes that the correct principles have not been applied or the decision is outside the margin of decision making open to the First Instance Circuit will the Appellate Division reach its own decision under article 22.

15. We have carefully considered the grounds of appeal and have concluded that we should refuse permission for this application to proceed further. Our reasons are as follows.

Ground 1: Misapplication as to the test under article 22.8.1

16. The words of article 22.8.1 of the Rules are clear as to the test to be applied. There is no basis for restating the test in other language. There is therefore no issue of principle in this application. The question is whether on the information put before the First Instance Circuit, it was entitled to reach the decision it did within the margin of decision making open to it. We will consider this question when considering the second ground of appeal.

Ground 2: Failure to give proper weight to evidence of unauthorised conduct

17. It was submitted that Lamaison had a realistic prospect of success on the basis that the agreement was entered into with an entity, Aleph Hotel Management, which had no actual or ostensible authority (under article 64(2) of the QFC Contract Regulations 2005 as considered by this Court in *Aegis Services LLC v Doha Insulation Trading & Contracting LLC* [2023] QIC (A) 3) to contract on behalf of Lamaison. It was submitted that:

The Judge failed to appreciate that Lamaison's Defence was supported by factual assertions that its internal management company (Aleph) acted outside its scope.

It is well-established that disputes as to authority or agency are fact-sensitive and generally require full disclosure and cross-examination to be properly determined. Refusal to set aside the Default Judgment deprived Lamaison of this procedural entitlement.

18. It was contended that a trial was required to establish whether on the facts Aleph Hotel Management had authority to enter into the contract on behalf of Lamaison.
19. In our view, a Defendant who is the subject of a judgment in default of defence and who is seeking to show that there is a defence on the facts must adduce before the First

Instance Circuit sufficient material to satisfy the Court that there is a real prospect of a successful defence. It is not enough to assert there is a factual dispute and say there must be disclosure and cross examination. The issues raised in the Claim Form must be specifically addressed and answered in detail with, where appropriate, supporting material.

20. A defendant who has failed to serve a defence in time and has had judgment entered against it must satisfy the Court that there is a real prospect of successfully defending the claim; a bare assertion of a defence is simply not enough for a defendant who has not complied with the Rules.

21. In our judgment the First Instance Circuit was entitled to conclude that Lamaison had put forward no defence that had a real prospect of success given the way in which the application to set aside had been made. The judgment contrasted the detailed nature of the facts outlined in the statement of claim and the bare assertions contained in the application to set aside. The judgment set out a clear analysis of the factual issues which Lamaison had failed to answer to show the reasons why it had a prospect of successfully defending the claim.

Ground 3: Misapplication of the Overriding Objective

22. It was submitted to us that the First Instance Circuit misapplied the overriding objective when it observed at paragraph 10:

Setting aside default judgment and referring the matter to trial in a case such as this, where the Defendant has disclosed no sustainable defence, will offend these provisions, in that it will result in an unwarranted waste of money and time.

23. The observation was made in the light of the conclusion that there was no realistic prospect of successfully defending the claim. As we have held that the decision made on the issue of realistic prospect of success was a decision open to the First Instance Circuit, we can see no basis for questioning the conclusion that referring the matter to trial would be a waste of resources.

24. This appeal therefore has no prospect of success and we therefore dismiss the application to appeal.

By the Court,



[signed]

Lord Thomas of Cwmgiedd, President

A signed copy of this Judgment has been filed with the Registry.

Representation

The Claimant was represented by the Al Marri & El Hage Law Office (Doha, Qatar).

The Defendant was represented by the Sharq Law Firm (Doha, Qatar).