



Courts and Tribunals Judiciary

SUMMARY

Full Colour Black Ltd -v- The artist known as “Banksy”
[2026] EWHC 795 (KB): Mr Justice Nicklin
1 April 2026

[References in square brackets are to paragraphs in the judgment of the Court. This summary adopts definitions from the Judgment]

Background

1. This judgment concerns the costs consequences of libel proceedings brought by Full Colour Black Ltd (“FCB”), trading as Brandalised, against the artist known as Banksy and his licensing company, Pest Control Office Ltd.
2. The underlying libel claim arose from an Instagram Post, published by Banksy on 18 November 2022 [20]-[21], in response to a fashion collaboration between FCB and GUESS which used images derived from Banksy’s artworks [15]-[18].
3. FCB discontinued its libel claim in March 2025 [48], shortly before the hearing of a summary judgment application brought against FCB [46]. The Defendants then applied for indemnity costs and for a non-party costs order against FCB’s sole director and sole shareholder, Andrew Gallagher [2].

Scope of the Judgment

4. The judgment addresses whether the manner and purpose for which the proceedings were pursued justified an award of indemnity costs against FCB, and whether it was just to impose personal liability for costs on Mr Gallagher, notwithstanding the principle of limited liability.

Key findings and Decision

(1) Indemnity costs ordered against FCB [118]-[129]

5. The Court was satisfied that the case fell “*out of the norm*”, and ordered FCB to pay indemnity costs [118], [128].
6. Having regard to the documentary record and the way the proceedings were pursued, the Court concluded that the claim lacked real prospects of success and that the proceedings were deployed for leverage rather than adjudication [120]. In particular, the Court found that the litigation was pursued in a manner that was unreasonable to a high degree and for an improper collateral purpose [121].
7. That collateral purpose was to exert pressure by relying on the well-known sensitivity of Banksy about preserving his anonymity, with the aim of securing a wider commercial

arrangement that would allow FCB to continue commercial exploitation of Banksy's works [121]. The Court identified several features, before and during the litigation, which demonstrated that objective [122]–[127].

8. The Court therefore ordered FCB to pay the Defendants' costs on the indemnity basis from 10 October 2023 [118], [129].

(2) Non-party costs order against Mr Gallagher [130]–[139]

9. The Court refused to make a non-party costs order against Mr Gallagher [139].
10. Although Mr Gallagher controlled the litigation as FCB's sole director and shareholder, the Court emphasised that the threshold for imposing personal liability for costs is distinct from, and more exacting than, the threshold for ordering indemnity costs against a corporate party [131]–[132].
11. The evidence did not establish that Mr Gallagher was the "real party" to the litigation, nor that he had engaged in serious impropriety, bad faith, or deliberate manipulation of the corporate form sufficient to justify displacing the principle of limited liability [134]–[137]. The Court also took into account the delay in bringing the non-party costs application when considering whether it would be just to make such an order [138].

Outcome

12. FCB must pay the Defendants' costs on the indemnity basis from 10 October 2023. The application for a non-party costs order against Mr Andrew Gallagher was refused. A payment on account of costs will be determined by the Court based on further written submissions, if not agreed [140].

NOTE: This summary is provided to help in understanding the Court's decision. It does not form part of the judgment. The full judgment of the Court is the only authoritative document. Judgments are public documents and are available at: www.judiciary.uk, <https://caselaw.nationalarchives.gov.uk> and www.bailii.org