



محكمة قطر الدولية
ومركز تسوية المنازعات
QATAR INTERNATIONAL COURT
AND DISPUTE RESOLUTION CENTRE

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

Neutral Citation: [2024] QIC (C) 12

**IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
COSTS ASSESSMENT**

Date: 4 September 2024

CASE NO: CTFIC0056/2023

EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP

Claimant/Applicant

v

GULF BEACH TRADING & CONTRACTING WLL

Defendant/Respondent

JUDGMENT ON COSTS

Before:

Mr Umar Azmeh, Registrar

Order

1. The Defendant is to pay the Claimant the sum of QAR 143,000 forthwith.

Judgment

Background

1. The Defendant is (or was) a client of the Claimant. The parties had contracted for the Claimant to provide legal services to the Defendant, including representing it before other national courts of the State of Qatar.
2. The parties contracted under a Letter of Engagement which was subject to the Claimant's standard terms and conditions.
3. The Claimant invoiced the Defendant in the sum of QAR 191,809.65 by way of fees. Unfortunately, those fees were not paid by the Defendant which resulted in the Claimant filing a claim for their recovery in October 2023.
4. The Claim Form set out multiple attempts by the Claimant to recover the sums that it was owed by the Defendant.
5. The Defendant originally failed to defend the proceedings within the prescribed time limit, and on 30 October 2023 the Claimant was notified that it could proceed to apply for summary judgment pursuant to Practice Direction No. 1 of 2019 (the '**Practice Direction**'). However, that same day the Defendant disputed that the Claim Form and its attached documentation had been properly served.
6. On 7 November 2023, the Claimant applied for summary judgment under the terms of the Practice Direction, and on 8 November 2023 notified the Court that it had been served on the Defendant by Registered Post.
7. On 11 December 2023, the Registrar notified the parties that the Court had received correspondence from the Defendant making a late application for an extension of time to respond to the Claim Form. The Court granted the Defendant time until close of business on 17 December 2023 to seek an extension of time to file and serve a

defence/counterclaim, which “*must include an explanation as to why no defence and no response to the summary judgment application had been filed and served to date*” and “*must also outline what defence and/or counter-claim it wished to assert to the claim*”. On 17 December 2023, the Defendant submitted a response which did not directly engage with the direction, but that asserted that the Claimant’s documentation was not properly served, that it had a “*good prospect*” of successfully defending the claim, and that the Claimant had failed to carry out its duties of care and skill in representing the Defendant.

8. The parties then entered into negotiations and the claim was stayed for a period of time pending their outcome. Those negotiations broke down and the Claimant replied to the Defendant’s 17 December 2023 submissions on 18 March 2024.
9. The Court rejected the Defendant’s contentions on service, that it had a good excuse for failing to respond to the claim, and its allegations as to the care and skill of the Claimant’s work which were unspecified. The Defendant’s application for an extension of time was refused.
10. The Court found in favour of the Claimant and awarded it the sum it claimed in its Reply of 18 March 2024 of QAR 111,809.65 plus interest amounting to QAR 8,270.42 as at the date of judgment which was to continue at a rate of QAR 19.49 per day ([2024] QIC (F) 13; Justices George Arestis, Ali Malek KC and Helen Mountfield KC).
11. Unfortunately, the matter did not end there, and the Defendant did not satisfy the judgment debt, compelling the Claimant to pursue the matter within the Court’s enforcement process by way of an enforcement application filed on 8 April 2024. The enforcement process continued for some months. On 24 July 2024 the Defendant satisfied the judgment debt.
12. On 1 August 2024, the Claimant filed and served an application for its costs of the proceedings. The Defendant was given until 16.00 on 1 September 2024 to respond. No response was forthcoming.

Approach to costs assessment

13. Article 33 of the Court's Regulations and Procedural Rules reads as follows:

33.1 The Court shall make such order as it thinks fit in relation to the parties' costs of the proceedings.

33.2 The general rule shall be that the unsuccessful party pays the costs of the successful party. However, the Court can make a different order if it considers that the circumstances are appropriate.

33.3 In particular, in making any order as to costs the Court may take account of any reasonable settlement offers made by either party.

33.4 Where the Court has incurred the costs of an expert or assessor, or other costs in relation to the proceedings, it may make such order in relation to the payment of those costs as it thinks fit.

33.5 In the event that the Court makes an order for the payment by one party to another of costs to be assessed if not agreed, and the parties are unable to reach agreement as to the appropriate assessment, the necessary assessment will be made by the Registrar, subject to review if necessary by the Judge.

14. In *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* [2017] QIC (C) 1, the Registrar noted that the "... list of factors which will ordinarily fall to be considered" to assess whether costs are reasonably incurred and reasonable in amount will be (at paragraph 11 of that judgment):

- i. Proportionality.
- ii. The conduct of the parties (both before and during the proceedings).
- iii. Efforts made to try and resolve the dispute without recourse to litigation.
- iv. Whether any reasonable settlement offers were made and rejected.
- v. The extent to which the party seeking to recover costs has been successful.

15. *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* noted as follows in relation to proportionality, again as non-exhaustive factors to consider (at paragraph 12 of that judgment):

- i. In monetary ... claims, the amount or value involved.
- ii. The importance of the matter(s) raised to the parties.
- iii. The complexity of the matters(s).
- iv. The difficulty or novelty of any particular point(s) raised.
- v. The time spent on the case.
- vi. The manner in which the work was undertaken.
- vii. The appropriate use of resources by the parties including, where appropriate, the use of available information and communications technology.

16. One of the core principles (elucidated at paragraph 10 of *Hammad Shawabkeh v Daman Health Insurance Qatar LLC*) is that “*in order to be reasonable costs must be both reasonably incurred and reasonable in amount.*”

17. It is also established in this Court that self-represented law firms are entitled, as a matter of principle, to recover professional costs incurred in furtherance of bringing a claim, provided the costs claims are reasonable (see *Pinsent Masons LLP (QFC Branch) v Al-Qamra Holding Group* [2018] QIC (C) 2018 at paragraphs 18-29, *Dentons & Co (QFC Branch) v Bin Omran Trading & Contracting LLC* [2020] QIC (C) 3 at paragraph 9, *Whitepencil LLC v Ahmed Barakat* [2024] QIC (C) 3 at paragraph 18, and *Eversheds Sutherland (International) LLP v Harinsa Contracting Company (Qatar) WLL* [2024] QIC (C) 5 at paragraphs 14 and 18).

Submissions

18. The Claimant filed and served a full costs application that contained its submissions along with a number of factual and legal exhibits. The submission addressed the criteria in *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* and submitted that the

sums claimed for each of the phases of the proceedings – see below – are reasonable and proportionate in the context of the case. The Claimant also submitted that I ought to award costs on the indemnity basis due to the conduct of the Defendant, which included ignoring multiple opportunities to settle.

19. As noted above, the Defendant was given the opportunity to respond but elected to ignore that invitation.

20. The total costs claimed are as follows:

- First Instance proceedings (including summary judgment): QAR 217,031.
- Enforcement proceedings: QAR 25,268.
- Costs proceedings: QAR 35,707.50.

Total: **QAR 275,006.50** (see paragraph 3.1 of the cost submission).

Analysis

21. At the outset, as noted above, on 24 July 2024 the Defendant paid the sum that the Court ordered it to pay on 30 March 2024. As at 3 April 2024, the Claimant's costs were QAR 162,008 (as evidenced by an email from the Claimant to the Defendant at 15.19 on 3 April 2024 itself). This is over QAR 100,000 less than the costs claimed as at this date. Given the fact that the Defendant did ultimately pay the judgment debt in full several months later, it exposed itself to further significant costs liability. In fact, the position the Defendant put itself in is even worse than this. In January 2024, the Defendant agreed to pay the Claimant the sum of QAR 91,000 which would have ended the proceedings (evidenced by an email agreement between the Defendant and Claimant on 17 January 2024): as at this date there were no First Instance proceeding costs beyond 17 January 2024, no enforcement costs, and no costs of these costs proceedings. By my calculation, these extra costs amount to over QAR 115,000. Settlement in accordance with the 17 January 2024 agreement would have been much more cost effective for the Defendant which instead waited more than 6 months during which significant costs built up.

First Instance Proceedings

22. The Claimant claims a total of QAR 217,031, comprising a little over 93 hours of work from 3 July 2023 to 4 April 2024.
23. The Claimant concedes at paragraph 3.4 of its costs submission that the matters considered in these proceedings were not complex. But, it submits, it filed and served a comprehensive Claim Form, conducted a detailed internal review and investigation into the factual aspects of the dispute, filed and served a detailed summary judgment application and also a Reply to the Defendant's assertions that the case was not properly filed, that it had a "*good prospect*" of successfully defending the claim, and that the Claimant performed its legal work poorly.
24. The Claim Form and the Reply were both indeed detailed as submitted by the Claimant. The Claim Form had a witness statement and 13 exhibits attached to it (these comprised, inter alia, correspondence, terms of engagement, and invoices). The Reply had some 14 exhibits attached to it which comprised, inter alia, correspondence between the parties. The application for summary judgment was comprehensive but appropriately brief and had a small number of exhibits annexed to it.
25. The distribution of work was – for this phase of proceedings – appropriate. The partner in charge of the matter conducted approximately 11.5 hours of the total of just over 93 hours. The rest of the work was conducted by an associate and paralegal.
26. That said, this was indeed a straightforward debt collection matter involving a prestigious international law firm who will have sound methods of record-keeping, particularly in relation to invoices, billing and work-in-progress. My view is that too long was taken on a number of matters. By way of example, over 25 hours was spent on drafting the Claim Form. By way of further example, in excess of 40 hours was spent on the Reply. It would be not reasonable in my view to order that the Defendant meets all of these costs. My view is that a reasonable amount of time for this work would have been 50% of the time that has been spent on this phase of work. The items on the ledger are reasonably incurred. I therefore make a reduction of **QAR 102,145.50** for this phase of work.

27. I am of the view that the time spent on the summary judgment application is reasonable and therefore I make no deductions for that phase of work.

Enforcement

28. The amount claimed in respect of the enforcement process is QAR 25,628, which comprises 11.4 hours of work. The ledger records that the work included drafting the application, preparing exhibits, liaising with the Court and collating other documentation at the request of the Registry. I note what I stated in *Eversheds Sutherland (International) LLP v Harinsa Contracting Company (Qatar) WLL* [2024] QIC (C) 6 at paragraph 25 that “... *enforcement proceedings are not straightforward* ...” The division of work for this phase of the litigation is also appropriate, with relatively modest partner input.

29. However, as with the First Instance proceedings phase of the work, I am of the view that too much time was spent on this tranche of work. I will allow 6 hours on this part of the litigation, which equates to a reduction of **QAR 12,000** (rounded to the nearest thousand).

Costs assessment

30. This phase of the work expended 15.7 hours for a total claimed of QAR 35,707.50. Again, the work was appropriately apportioned with minimal partner input. The items on the ledger are all reasonably incurred. The submission is comprehensive and the bundle useful.

31. However, again, my view is that in preparing an application, one which is adequately exhibited, in a case of this nature, more expedition would have been appropriate. In light of this, I will reduce the costs claimed for this phase of the work by **QAR 18,207.50**.

Hammad Shawabkeh v Daman Health Insurance Qatar LLC

32. I have reduced the total claimed of QAR 275,006.50 to **QAR 143,000** (to the nearest thousand).

33. The conduct of the Defendant has been poor. It incurred a debt to the Claimant, did not satisfy the debt, and then did not engage properly or at all with pre-action correspondence which would potentially have obviated the need for litigation. Then, when the litigation commenced, it agreed on 17 January 2024 to pay QAR 91,000 in full and final settlement of these proceedings, less than the Claimant was awarded in the judgment of 30 March 2024 (as noted in paragraph 20, the costs at that stage were significantly less than were eventually generated by the Claimant's work). The Defendant then ignored the judgment and ignored the Claimant's efforts to collect the money, thereby compelling the Claimant to enforce. Only some months later, deep into the enforcement process, did the Defendant satisfy the judgment debt. The Claimant ultimately sought a little under QAR 112,000 and was fully successful in this claim. The Defendant then paid that very same amount in July 2024. Therefore, this litigation could have been entirely avoided with proper engagement from the Defendant, and it is entirely possible that the judgment sum could have been accepted prior to the claim being issued.
34. The Claimant clearly made efforts to resolve this case without recourse to litigation, evidenced by its letter to the Defendant dated 22 August 2023 which requested the outstanding fees and made it clear that it would have to commence litigation to recover its debt. Even during the course of the litigation did the Claimant seek to put an end to proceedings, by way of example in its letter dated 8 January 2024. After the judgment the Claimant continued its efforts, by way of example in its email dated 3 April 2024 to the Defendant chasing the judgment debt and costs. None of these efforts were properly reciprocated by the Defendant. In the ultimate analysis, the Claimant was awarded the full sum that it sought in its Reply filed and served in March 2024.
35. The final question is whether QAR 143,000 represents a proportionate amount for this litigation. My view is that this is proportionate. The original claim was for a little under QAR 200,000 by way of fees. The final amount awarded was the amount noted in the Reply, namely a little under QAR 112,000. However, in keeping with what I noted at paragraph 20 of *Whitepencil LLC v Ahmed Barakat*, underscored in paragraph 22 and 23 of *Eversheds Sutherland (International) LLP v Harinsa Contracting Company (Qatar) WLL*, there is a minimum amount that a law firm must charge when pursuing a debt from one of its own clients. This matter is clearly of importance to the

Claimant as its fees are the driver of its entire business and it should be entitled to be paid for the work that it has properly done. In the round, the matter was not hugely complex, and did not raise any difficult or novel points. But, following the deductions I have made I am not satisfied that I need to make any further reduction as QAR 143,000 is both reasonable and proportionate for a case of this nature. The question of indemnity costs falls away in light of this conclusion.

By the Court,



[signed]

Mr Umar Azmeh, Registrar

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

Representation

The Claimant was self-represented.

The Defendant did not appear and was not represented.