



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

Neutral Citation: [2024] QIC (F) 63

**IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
FIRST INSTANCE CIRCUIT**

[On review from [2024] QIC (C) 12]

Date: 10 December 2024

CASE NO: CTFIC0056/2023

EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP

Claimant

V

GULF BEACH TRADING & CONTRACTING WLL

Defendant

JUDGMENT

Before:

Justice George Arestis

Justice Ali Malek KC

Justice Helen Mountfield KC

Order

1. The Defendant's application is dismissed.
2. The Defendant is to pay the Claimant's costs of the application to be assessed by the Registrar if not agreed.

Judgment

The Application

1. By an application dated 31 October 2024 (the '**Application**') Gulf Beach Trading & Consulting WLL (the '**Defendant**') seeks to challenge the costs judgment of the Registrar given on 4 September 2024 (the '**Costs Judgment**').
2. The Court has determined the Application based on the parties' written submissions. For the reasons given below, the Application is dismissed.

First Instance Proceedings

3. The relevant background can be shortly stated. In these proceedings Eversheds Sutherland (International) LLP (the '**Claimant**') claimed against the Defendant. The proceedings were undefended, and accordingly the Claimant brought an application for summary judgment pursuant to Practice Direction No. 2 of 2019 – Summary Judgment.
4. The dispute between the Claimant and the Defendant was over unpaid legal fees. The Claimant filed a claim on 21 September 2023 seeking payment of QAR 191,809.65 for legal services provided to the Defendant concerning a construction dispute in the other national courts of the State of Qatar.
5. The Defendant initially failed to respond to the claim within the required timeframe. When it did respond, it challenged the validity of service and claimed it had prospects of defending the claim. The Court found that the claim had been properly served to the Defendant's registered address and rejected its arguments about non-receipt of documents.

6. During the proceedings, there was an attempted settlement where the Defendant agreed to pay QAR 91,000, but this payment was never made. The Claimant subsequently amended its claim to QAR 91,809.65, withdrawing part of its original claim.
7. The Court ultimately granted summary judgment in favour of the Claimant, ordering the Defendant to pay: (i) the principal sum of QAR 111,809.65; (ii) interest at the Bank of England base rate plus 2.5% (calculated as QAR 8,270.42 as of March 30, 2024, with continuing interest of QAR 19.49 per day), and the (iii) the Claimant's reasonable costs of the proceedings.

Costs Judgment

8. The Claimant sought to recover its costs against the Defendant. It requested a total of QAR 275,006.50 in costs, broken down into three categories: (i) First Instance proceedings (QAR 217,031); (ii) enforcement proceedings (QAR 25,268); and (ii) costs assessment proceedings (QAR 35,707.50).
9. The Registrar while finding that the work undertaken by the Claimant was appropriate and properly allocated among the legal team, determined that excessive time had been spent on various aspects of the case.
10. As a result, he made several reductions:
 - i. First Instance proceedings: reduced by QAR 102,145.50.
 - ii. Enforcement proceedings: reduced by QAR 12,000.
 - iii. Costs assessment: reduced by QAR 18,207.50.
11. The recoverable costs were assessed as being QAR 143,000.
12. In reaching this figure, the Registrar considered the Defendant's poor conduct throughout the proceedings, including its failure to engage with pre-action correspondence, its breach of a settlement agreement, and its delayed payment of the judgment debt. However, he also noted that while the matter was important to the Claimant's business, it was not particularly complex or novel.

13. The Registrar concluded that the reduced amount of QAR 143,000 represented a reasonable and proportionate sum for the nature of the case, considering both the importance of fee recovery to the Claimant's business model and the straightforward nature of the underlying dispute.

Defendant's Arguments

14. The Defendant's arguments in support of the Application are these:

- i. Its primary contention centres on the claimed number of hours and associated costs. The Defendant argues that the 93 hours claimed by the Claimant is grossly disproportionate to the simplicity of the case. It maintains that the underlying matter was a straightforward debt collection case that should have required no more than one hour of work, certainly not the equivalent of two full working weeks.
- ii. The Defendant challenges the costs award on several grounds. First, it argues that the case involved routine procedures for collecting an unpaid invoice, with no complex legal or contractual issues requiring extensive review. Second, it notes that all relevant documents were already in the Claimant's possession, requiring minimal additional preparation. Third, it contends that the distribution of work, with only 11.5 hours performed by the partner and the remainder by assistants, indicates the work was primarily administrative rather than requiring specialized legal expertise.
- iii. Regarding the reduced costs award of QAR 143,000, the Defendant argues this amount remains disproportionate, as it represents approximately 75% of the original claim amount of QAR 191,809.65. It characterizes the original costs request of QAR 275,006.50 as an attempt financially to exploit the Defendant.
- iv. To demonstrate their point about the simplicity of the case, the Defendant includes a model statement of claim that it asserts could be prepared in just seven minutes. It argues that even with additional modifications, the entire matter should not have required more than 20 hours of work at most.

15. The Defendant concludes by expressing willingness to pay reasonable compensation for proven services.

Legal Framework

16. The Defendant's challenge to the decision of the Registrar is stated to be by way of appeal. Appeals are dealt with in article 35.1 of the Court's Regulations and Procedural Rules (the '**Rules**').

17. The Court considers that the correct way to challenge a costs decision is by way of a review under article 33.5 of the Rules that provides:

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.

18. The Court notes that this was the procedure followed in the Appellate Division decision of *Hammad Shawabkeh v Daman Heath Insurance (Qatar) LLC* [2017] QIC (A) 2.

19. The Court therefore considers it should treat this application as if made under article 35.5 of the Rules. It also notes the application discloses no arguable basis for seeking permission to appeal under article 35.1. This is because permission to appeal will only be given "*if there are substantial grounds for considering that a judgment or decision is erroneous and there is a significant risk that it will result in serious injustice*". There is no risk of serious injustice where the Applicant can seek a review from the Court under article 33.5 of the Rules.

20. The Rules make a distinction between a review and a rehearing (see article 35.6 of the Rules). The challenge under article 33.5 is by way of a review. This means that the Court's task is to consider the judgment below and decide whether there are grounds for interfering with the decision in accordance with the principles identified below. With a rehearing, the Court considers the matter by itself and will not be influenced decision being challenged and exercises its own discretion anew on the points in issue.

21. The legal principles in play in a review can be summarised as follows:

- i. The Court is bound to follow the Overriding Objective “*to deal with all cases justly*” (article 4.1). This means that must make an order that deals justly with the issue of costs as between the parties.
- ii. Costs are dealt with in article 33 of the Rules. Article 33.1 provides, “*The Court shall make such order as it thinks fit in relation to the parties' costs of the proceedings*”. Article 33.2 states:

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.
- iii. Subject to the general rule in article 33.1 of the Rules, costs are discretionary. It is not for this Court to consider whether it would have exercised the discretion differently unless it has first reached the conclusion that the Registrar's exercise of his discretion is flawed.
- iv. The exercise of discretion will be flawed where the Registrar has erred in principle, considered matters which should have been left out of account, left out of account matters which should have been taken into account; or else reached a conclusion which is so plainly wrong that it can be described as perverse.
- v. On a review, the Court should not interfere with the Registrar's exercise of discretion merely because it takes the view that it would have exercised that discretion differently. This is because the Court should exercise a degree of self-restraint. It must recognise the advantage which the Registrar has in dealing with costs issues and the considerable experience he has on assessing costs.

Decision

22. The Court considers that the Defendant has shown no good grounds of challenging the judgment below. It reaches this decision for the following reasons.

23. First, the Registrar applied his own decision in *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* [2017] QIC (C) 1.

24. He stated at paragraph 14 of the Costs Judgment:

In Hammad [supra], 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.*

25. At paragraph 15 he continued:

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.*

26. The Court considers that this is an accurate summary of the relevant principles. Accordingly, the Registrar properly directed himself to the law.
27. Second, the Court rejects the Defendant's argument that the Registrar's decision was wrong on the reasonableness or proportionality of the Claimant's costs.
28. The Registrar conducted a detailed analysis of the hours billed and reduced the claimed costs from QAR 275,006.50 to QAR 143,000 – approximately a 50% reduction – acknowledging the straightforward nature of the debt recovery while ensuring the amount remained reasonable and proportionate.
29. The Registrar held that QAR 143,000 in costs is a proportionate amount for these proceedings for the following reasons at paragraphs 24-25:

The Claim Form and the Reply were both indeed detailed as submitted by the Claimant.

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.

*The final question is whether QAR 143,000 represents a proportionate amount for this 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.

30. The Court sees no basis for interfering with the Registrar's decision on these matters. The Registrar has clearly set out his reasoning and he was entitled to reach the decision he did for the reasons given.

31. Third, none of the matters identified by the Defendant, and summarised above, suggest that the Registrar came to a wrong decision or failed to take into account relevant considerations. He considered all the arguments and materials before him, and reached a balanced and fair decision.

32. In particular, the Court rejects the argument that the Claimant's work should have taken only 6 hours, and the Defendant's arguments are unrealistic where it seeks to say that unnecessary costs were incurred. The Defendant overlooks several factors, including its own unsubstantiated counterclaim for professional negligence and its conduct which prolonged the proceedings unnecessarily and resulted in costs being incurred. The Registrar was entitled to have regard to the conduct matters he referred to.

Conclusion

33. As the Registrar said in the Costs Judgment (paragraph 33):

... 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. This observation underscores that the Defendant's uncooperative approach and failure meaningfully to engage led to the Registrar's costs order against them – costs that could have been entirely avoided. As the Registrar correctly concluded, the Defendant's conduct forced the Claimant to pursue litigation when a more constructive and responsive attitude could have led to an earlier resolution, avoiding the necessity for the costs order the Registrar has made against the Defendant.

35. The Application is dismissed.

36. The Defendant is to pay the Claimant's reasonable costs of this Application to be assessed by the Registrar if not agreed.

By the Court,



[signed]

Justice Ali Malek KC

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

Representation

The Claimant was self-represented.

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