

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

Neutral Citation: [2021] QIC (C) 5

IN THE QATAR INTERNATIONAL COURT

24 June 2021

CASE No: 13 of 2020

MOHAMED ABDULAZIZ MOHAMED ALI AL EMADI

Claimant

v

HORIZON CRESCENT WEALTH LLC

Defendant

COSTS ASSESSMENT

Before:

Mr. Christopher Grout, Registrar

JUDGMENT

Introduction

- 1. This costs assessment arises as a result of the judgment of the First Instance Circuit of the Court (Justices Hamilton, Brand and Mountfield QC), dated 17 May 2021 and reported at [2021] QIC (F) 12. By that judgment, the Court (i) granted the Claimant's application to strike out the Defendant's Defence, (ii) refused the Claimant's application for a debarring order and payment into Court, (iii) gave further case management directions, and (iv) ordered the Defendant to pay the Claimant's reasonable costs occasioned by the Claimant's application, to be assessed by the Registrar if not agreed. The Claimant wrote to the Defendant to seek agreement on the issue of costs but received no response. On 8 June 2021, the Claimant applied to have his costs assessed. The Defendant was given 7 days in which to file and serve a response but failed to do so.
- 2. As I am afforded a "wide discretion"¹ as to the procedure to be adopted when undertaking an assessment, on the basis of proportionality and expediency I considered the matter on the written submissions provided, i.e. without an oral hearing, having indicated to both parties that that is what I was minded to do and having received no submissions to the contrary from either of them.

The Principles to be Applied

 In Hammad Shawabkeh v Daman Health Insurance Qatar LLC [2017] QIC (C) 1, I laid down the principles to be applied when assessing 'reasonable costs'. At paragraphs 10-12 of my Costs Assessment, dated 5 March 2017, I said:

¹ Hammad Shawabkeh v Daman Health Insurance Qatar LLC [2017] QIC (F) 1, at paragraph 21. That principle was not interfered with by the Appellate Division of the Court in the same case in its judgment dated 11 September 2017, reported at [2017] QIC (A) 2.

How is the issue of reasonableness to be approached? In my judgment, in order to be recoverable costs must be both reasonably incurred <u>and</u> reasonable in amount. If they are not then they are unlikely to be recoverable.

I have identified the following (non-exhaustive) list of factors which will ordinarily fall to be considered when assessing whether or not costs have been reasonably incurred by a party and, if they have, whether they are also reasonable in amount:

- (a) Proportionality;
- (b) The conduct of the parties (both before and during the proceedings);
- (c) Efforts made to try and resolve the dispute without recourse to litigation (for example through Alternative Dispute Resolution);
- (d) Whether any reasonable settlement offers were made and rejected; and
- (e) The extent to which the party seeking to recover costs has been successful.

When considering the proportionality factor, the following (again nonexhaustive) factors are likely to fall to be considered:

- (a) In monetary or property claims, the amount or value involved;
- (b) The importance of the matter(s) raised to the parties;
- (c) The complexity of the matter(s);
- (d) The difficulty or novelty of any particular point(s) raised;
- (e) The time spent on the case;
- (f) The manner in which work on the case was undertaken; and
- (g) The appropriate use of resources by the parties including, where appropriate, the use of available information and communications technology.
- 4. Those principles were, upon review by the First Instance Circuit of the Court, approved.² In the present case, neither party sought to suggest that those principles should not be applied here; indeed the Claimant actively engaged with them in his written submissions.

² Hammad Shawabkeh v Daman Health Insurance Qatar LLC [2017] QIC (F) 1, at paragraph 20. The decision of the Court to approve those principles was not interfered with by the Appellate Division of the Court in the same case in its judgment dated 11 September 2017, reported at [2017] QIC (A) 2.

The Parties' Submissions

- 5. The Claimant claims costs in the sum of QAR 100,330.00. The Claimant avers that these costs are proportionate on the basis that (a) they must be viewed in the context of the claim itself, which seeks payment of sums just short of QAR 10,000,000.00, (b) the Claimant's application was essential as the Defendant had failed to file a properly particularised pleading, (c) the application was novel in the sense that there were no decisions of the Court on point, and (d) the time spent (comprising just over 50 hours) was reasonable for an interlocutory application of this sort, with tasks being appropriately divided between associates and a partner within the instructed law firm.
- 6. The Claimant also draws attention to the fact that (a) the only reason his application was required was because of a failure by the Defendant to comply with a previous order of the Court which should, says the Claimant, be viewed in the context of the Defendant's generally poor engagement with court proceedings, (b) that the Claimant did try to resolve the matter without recourse to the Court but to no avail, and (c) that the Claimant was "overwhelmingly successful" in the application, obtaining, as he did, the strike out of the Defence.
- 7. Annexed to the Claimant's submissions was a draft invoice from the instructed law firm which set out the nature of the work undertaken and by whom, as well as the time spent and the associated amount.
- 8. As noted above, the Defendant failed to file any written submissions.

Analysis

9. The draft invoice provided by the Claimant clearly sets out the work undertaken by the various lawyers. Subject to one matter to which I will return, I have no hesitation in concluding that the work undertaken was reasonable, as was the time spent, bearing in mind, in particular, the points advanced at paragraph 5 above, all of which are well founded. Moreover, the rates charged by the lawyers involved in dealing with the application are comparable with other cases I have dealt with and strike me as

reasonable. As to the additional points made by the Claimant at paragraph 6 above, there is no doubt that the Claimant's application was occasioned by a failure of the Defendant to comply with an Order of the Court, and it is correct to point out that that behaviour has become a regrettable feature of the Defendant's approach to litigation both in this case and others in which it has been involved. The fact that the Claimant tried to resolve the matter without recourse to the Court is also noted. I am less persuaded by the Claimant's submission that he was "overwhelmingly successful" in his application. True it is that he succeeded in having the Defence struck out although, to some extent, this was perhaps an inevitable outcome given the Defendant's failure to comply with an earlier Order of the Court which required the Defendant to remedy certain defects in the way it had pleaded its Defence. Moreover, the Defendant had already had part of its Defence struck out after once again failing to comply with an Order of the Court. But that was not the only thing which the Claimant was seeking. He also sought a debarring order and/or payment into Court. Both of these requests were refused for the reasons given by the Court at paragraphs 13-22 of its judgment. That is a mater which ought properly to be taken into account.

10. Returning to the draft invoice, the only entry which does not strike me as reasonable concerns the 13 April 2021 which was the day of the hearing of the Claimant's application. There are three entries on that day which all relate to preparation for and attendance at the online hearing of the Claimant's application. The time spent by the partner of the law firm is invoiced at QAR 14,490.00. There are then two further invoiced amounts, each in the sum of QAR 7,395.00, for the attendance of two associates. Whilst the Claimant is entitled to pay for as many lawyers as he likes to attend a hearing on his behalf, it is not reasonable to expect to recover these sums from the Defendant even where he has been, to one degree or another, successful in his application. It was not reasonable in this case to require the attendance of three lawyers. Whatever novel points may have arisen for consideration, these were all made in the written submissions and the partner of the law firm conducted the advocacy at the hearing. Accordingly, I shall allow the cost of attendance of the partner but will deduct the cost occasioned by the two associates in the sum of QAR 14,790.00. I have also made a modest deduction in the sum of QAR 10,000.00 to reflect the fact that the Claimant's application was not wholly successful.

Conclusion

- 11. The outcome of the above exercise is that I have determined that QAR 75,540.00 of the costs claimed are reasonable. I have considered whether, standing back, that sum is a reasonable one in all the circumstances and have concluded that it is.
- 12. Accordingly, the Defendant shall pay to the Claimant the sum of QAR 75,540.00.

By the Court,



Mr. Christopher Grout

Registrar

Representation:

On behalf of the Claimant, written submissions were filed by Sultan Al-Abdulla & Partners, Doha, Qatar.

The Defendant did not file any written submissions.