

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

Emil of the State of Qatai	
	Neutral Citation: [2022] QIC (C) 1
IN THE QATAR INTERNATIONAL COURT	
FIRST INSTANCE CIRCUIT	
27 October 2022	
27 October 2022	
CASE No. CTFIC0019/2021	
BETWEEN:	
FADI SABSABI	
11101011011	Claimant
	<u>Ciumun</u>
v	
DEVISERS ADVISORY SER	RVICES LLC
	<u>Defendant</u>
COSTS ASSESSMENT	
D. 6	

Before:

Mr. Christopher Grout, Consultant Registrar

JUDGMENT

Introduction

- 1. The circumstances which give rise to this costs assessment are slightly unusual.
- 2. On 12 April 2022, the First Instance Circuit of the Court (Justices Kirkham, Arestis and Brand) handed down its judgment in this case: see [2022] QIC (F) 5. The Court ordered the Defendant to pay to the Claimant the sum of QAR 65,000.00, USD 3,177.00, and USD 6,372.00. It also ordered the Defendant to pay the reasonable costs of the proceedings to be assessed if not agreed. The Defendant's counterclaim was dismissed. The Defendant sought permission to appeal which was refused by the Appellate Division of the Court (Lord Thomas of Cwmgiedd, President, Justices Mountfield QC and Malek QC) on 22 June 2022: see [2022] QIC (A) 4.
- 3. Although the First Instance Circuit of the Court had awarded the Claimant his reasonable costs of the proceedings, neither party had in fact been legally represented throughout the proceedings, including at the trial. Indeed, at paragraph 6 of its judgment, the Court observed that:

"From the outset neither party has had legal representation. The pleadings, witness statements and other documents filed on both sides bear the hallmark of lack of legal training and experience."

4. It therefore came as something of a surprise when the Claimant filed two invoices with the Registry, both from Sharq Law Firm ("the Firm"). The first was dated 15 May 2022 in the sum of QAR 110,000 for "professional fees" for the period 27 September 2021 to 15 May 2022. It was accompanied by a brief narrative that identified the services as having been provided by Rashid Al-Saad, the Managing Partner of the Firm. It identified that Mr. Al-Saad had undertaken a "case assessment" (QAR 30,000), "review of submissions and advising client" (QAR 40,000), "review of response submissions" (QAR 30,000), and "meeting with the client and witness(es)" (QAR 10,000). The second invoice was dated 16 May 2022 in the sum of QAR 10,000 and pertained to a "review of permission to appeal submission", with Mr. Al-Saad being identified as the provider of the services.

5. The Defendant took umbrage with the Claimant's invoices which led to directions being issued for the exchange of written submissions as well as, unusually, an oral hearing which took place online on 28 August 2022. The Claimant represented himself; the Defendant was represented by Mr. Alexander Whyatt of Eversheds Sutherland.

The written submissions of the parties

6. Prior to the hearing, and following directions, there had been a not insubstantial exchange of correspondence and submissions between the parties which had also been filed with the Registry. A summary of the respective positions is as follows:

The Position of the Claimant

- 7. The Claimant sought to substantiate the sums claimed in the two invoices he had submitted by reference to a number of further documents. One of those documents was a letter from Mr. Al-Saad, dated 13 June 2022 and addressed to the Court, which explained that in relation to the invoice of 15 May 2022, the Firm was paid on a fixed-fee basis in accordance with the breakdown which accompanied the invoice. The letter explained that an hourly rate arrangement would have been more expensive for the Claimant and so an agreement was reached to provide limited services for a fixed, discounted, fee. As the arrangement was a fixed one, the hours spent were not accurately recorded as Mr. Al-Saad considered them to be irrelevant. Mr. Al-Saad provided a slightly expanded narrative of the work undertaken at each stage and pointed out that the work undertaken was handled by an associate under his supervision. He was not prepared to provide the names of the people who did the work saying that the invoices would only include the name of the managing partner. He said that the actual work undertaken was worth more than 70% than what was billed.
- 8. Notwithstanding the views expressed in the letter of 13 June 2022, the Firm subsequently provided a more detailed breakdown of the services provided, hours spent and by whom. 35.9 hours were said to have been expended by an Associate at an hourly rate of QAR 2,400; 21.6 hours were said to have been incurred by the Managing Partner

- at an hourly rate of QAR 2,800. These totals were not actually billed to the Claimant in light of the fixed fee arrangement.
- 9. By reference to the principles set out in *Hammad Shawabkeh v Daman Health Insurance Qatar LLC* [2017] QIC (C) 1, the Claimant made the following submissions in respect of the sums claimed:
 - (a) That the fees incurred are proportionate to the sums that were in issue and the work conducted. Indeed, the amount agreed with Sharq Law Firm was a discounted rate which would have been considerably more had the Firm conducted the litigation.
 - (b) The issues raised by the case were moderately complex in light, in particular, of the poorly drafted contract which was at the heart of the dispute.
 - (c) The conduct of the Defendant was unreasonable. The Claimant having tried to settle the matter amicably, the Defendant failed to engage in any meaningful way to resolve the matter outside of Court.

The Position of the Defendant

- 10. The Defendant provided a number of written submissions, the essence of which can be distilled as follows:
 - (a) The understanding of the parties at trial was that each was representing itself and that no legal fess had been incurred; this also appeared to be the understanding of the Court given its observations at paragraph 6 of its judgment. As the Defendant was unaware that the Claimant was in fact obtaining professional legal advice, it was unable to appropriately assess its cost risks of the litigation.
 - (b) The Claimant has failed to disclose pertinent documentation in support of his claim, despite repeated requests so to do. Examples include his letter of engagement with Sharq Law Firm and any evidence that the sums said to have been paid to the Firm have, in fact, been paid.

- (c) The material that has been provided by Sharq Law Firm is, in material respects, conflicting.
- (d) In any event, the amount claimed is unreasonable as it significantly exceeds the amount awarded in the claim.
- (e) The claim was not complex and did not warrant the instruction of a Managing Partner.
- (f) In light of the voluminous submissions on costs, the Defendant seeks a costs order in its favour.

The Hearing

- 11. As noted above, a hearing took place remotely on 28 August 2022. This was principally because although the Claimant had drip-fed material in support of his claim for costs, the Defendant remained unconvinced that costs had actually been incurred. Even if they had, the Defendant maintained that they were disproportionate for the reasons advanced in its various written submissions. The hearing therefore provided the Claimant with an opportunity to give evidence on affirmation, which he did, and he was thereafter cross-examined by Mr. Whyatt on behalf of the Defendant.
- 12. In his evidence in chief, the Claimant stood by the invoices he had submitted as well as his written submissions. He explained that he has, in fact, incurred other legal expenses in relation to professional advice he sought in the United Kingdom and intends to file a claim within the jurisdiction of England and Wales in respect of those expenses in due course. He took objection to any suggestion made by the Defendant that the fees he is presently claiming had not in fact been incurred. He said that Mr. Al-Saad is an eminent lawyer whose integrity ought not to be questioned. He said that in terms of the work on the case, most of what had been done had been done by the Claimant himself but that he had sought advice on the law and apparent conflict of jurisdiction. He also said that he considered that the Court should make an additional award in respect of the time the Claimant himself had spent on the case as his time has a value.

- 13. The Claimant was cross-examined by Mr. Whyatt. He said that he had paid the debt to Sharq Law Firm and that nothing remained outstanding. He had known Mr. Al-Saad, professionally, for some time. The present case was a small one, but Mr. Al-Saad had agreed to assist as a favour. Whilst the main issue that he had sought assistance on related to the conflict of jurisdiction, other work was done by Sharq Law Firm as well. Ultimately, however, the work done by the Firm was very limited. The Claimant was not willing to disclose any internal emails relating to the work done as he considered it confidential and privileged. An associate from Sharq Law Firm assisted the Managing Partner; the Claimant recalled receiving emails from her but said that any enquiry as to what she had done would need to be taken up with the Firm.
- 14. As to how the fee arrangement had been agreed upon, the Claimant said that he had told Sharq Law Firm about the case and that it was a matter of principle rather than money that drove him to bring the complaint. He said that he could not afford to pay more than a fixed fee. The Claimant was not prepared to agree to pay an hourly rate as the costs could quickly escalate and so a fixed amount was arrived upon which was substantially discounted by the Firm. A letter of engagement was prepared which set out the fee arrangement, along with other information. The Claimant said that he was not prepared to share it as it was confidential.
- 15. The Claimant said that he was not surprised about the Court's observations at paragraph 6 of its judgment but agreed that he had discussed the same with Mr. Al-Saad. He agreed that Sharq Law Firm had not been copied into any correspondence with the Court or the Defendant throughout the proceedings as the Firm was not involved with the hearing. The Claimant said that he endeavoured to keep legal fees low and did not want to take advantage of the fixed fee arrangement by copying the Firm into correspondence with the Court.
- 16. The Claimant could not remember when he received the 15 May 2022 invoice but believed that it was sometime in May or June. He had not been asked to make any interim payments. The Firm had not asked for any money in advance because it trusted the Claimant to make payment. The Claimant said that he has since paid the invoice by cheque.

17. As to 16 May 2022 invoice, the Claimant could not recall when that was received, but possibly the day after it is dated. He accepted that the date of the invoice may be wrong as the amounts claimed were sent to the Court on 15 May, i.e., the day before the date of the second invoice. He recalled having an initial meeting with Sharq Law Firm in September 2021. The Claimant was asked about why the breakdown of the invoice said that work had been done in August 2021. He replied that work might have been done since August but that the agreement only related to work done since September. Asked how Sharq Law Firm had come up with the breakdown when it had earlier indicated that a record of hours spent had not been made, the Claimant replied that he did not know. He said that he had asked for this document following requests from the Court for further information in relation to the work undertaken.

Decision

Were the fees claimed actually incurred?

- 18. It was not put to the Claimant that his claim for costs was in some way contrived. Nevertheless, Mr. Whyatt reminded me that the burden is on the Claimant to establish that the costs he claims have in fact been incurred. This, said Mr. Whyatt, could easily have been established if the Claimant had provided to the Court a copy of his letter of engagement and proof that the sums claimed had been paid (as the Claimant said they had been).
- 19. Ordinarily, I would not expect to see evidence that sums had in fact been paid to an instructed law firm. I would, however, expect to see the letter of engagement-particularly in a case where an opposing party has raised a concern over whether these fees had in fact been incurred. In the present case, the Defendant's concern was not, at least initially, without reasonable foundation. The Court in its judgment had had good cause to observe that the proceedings bore the hallmark of lack of legal training and experience and there had been no suggestion at all that lawyers had been instructed by the Claimant, albeit to assist in what he described as a limited capacity. Moreover, the documents that were eventually supplied in support of the Claimant's claim for costs involved a narrative which appeared to change as time went on. The letter of 13 June

2022 stated that because of the nature of the fixed fee arrangement, the hours undertaken had not been accurately recorded. Moreover, at that stage, the Firm was seemingly not willing to provide details of who had worked on the case and to what extent. Later, details were provided, including as to the hours spent and on what. It is not clear how that record was put together in circumstances where the hours worked were previously said not to have been recorded. There also exists curiosities relating to how the fixed fee amount had been agreed upon, when payment was to be made, and why there appears to be an apparent discrepancy between the period covered by the invoice and when the work actually commenced.

- 20. Notwithstanding the unusual background to this claim for costs, I am satisfied, on balance, that the fees claimed have been incurred, in the sense that the Claimant has a liability to Sharq Law Firm for the invoiced amounts- a liability which he says, and I accept, he has discharged. A finding to the contrary would entail not only disbelieving the Claimant's evidence but also accepting, by implication, that Sharq Law Firm is involved in causing invoices and supporting documents to be put before the Court in circumstances where the Firm knows that they are not genuine. Whilst not inconceivable, such a course of action is highly unlikely. On the available material I am persuaded, just, that these costs do represent a fixed fee arrangement that was entered into between the Claimant and Sharq Law Firm.
- 21. I add a word of warning, however, as follows. It seems to me that where, as here, a party has incurred, or is incurring, legal costs in relation to a piece of litigation before the Court that neither the opposing party, nor the Court, is aware of, this may be a factor to be borne in mind when assessing the extent to which costs ought to be recovered as against the losing party. A party to legal proceedings ought to have some idea as to the scope of its costs liability if it unsuccessfully brings or defends a claim. In the present case, the Defendant had no idea that it was going to be faced with a bill of costs in the form of the two invoices because the Claimant at no stage revealed that he had been paying for legal assistance in respect of his case. At all times, the Defendant, and the Court, proceeded on the basis that the Claimant was a litigant in person. In future cases, it seems to me that parties to litigation need to be open about the extent to which they have engaged lawyers so that opposing parties can bear this in mind when assessing the

cost risks of litigation. A failure to be transparent about this in future cases may mean that a successful party fails to recover its costs to the extent it otherwise might have.

The invoice dated 15 May 2022

- 22. In principle, there is nothing wrong with fixed fee arrangements such as the present when it comes to recovering costs, but the amount of any costs claimed will always be subject to assessment in line with the principles set out in Shawabkeh: see Mohamed Abdulaziz Mohamed Ali Al Emadi v Horizon Crescent Wealth LLC [2021] QIC (C) 7 at paragraph 11. A key factor will always be one of proportionality. In the present case, the Claimant expended QAR 110,00.00 and recovered, in total, just under QAR 100,000. Had that fixed fee covered the litigation, I would have had little difficulty in considering it to be a reasonable and proportionate sum. The difficulty in the present case is that it is not entirely straightforward to ascertain what work the Firm actually undertook that added any real value to the Claimant's claim. The Court considered that the pleadings lacked any degree of legal competence. The Claimant in his written submissions referred to the case as "moderately complex" and, in his oral evidence, referred to the need to seek advice on the issue of conflict of jurisdiction. Contrary to the Claimant's assertion, I do not accept that the case was a complicated one, but I can well understand why he needed to seek advice on jurisdiction as the clause that was contained within the agreement which was at the heart of the substantive dispute was ambiguous (see paragraph 16 of the Court's judgment).
- 23. But the supporting information supplied by Sharq Law Firm suggests that the nature and extent of the assistance went well beyond that. The letter of 13 June 2022 describes the purpose of the "case assessment" as being to review the case documents and evidence and to advise on the prospects of the case, including as to jurisdiction and the applicable law as well as the enforcement procedures. There is then a "review of submissions and advising client" which includes reviewing the Claimant's revised claim form and responsive pleadings, advising on the law, as well as meetings with the Claimant to discuss the submissions. Then, under the head "review of response submissions" there is undertaken a review of the Defendant's submissions and advising the Claimant accordingly. There is then finally "meeting with client and witness(es)".

So, the work went significantly beyond simply advising on the issue of jurisdiction and, indeed, makes it all the more curious as to why Sharq Law Firm was not formally on the record as acting for the Claimant.

- 24. As to the conduct of the parties and any efforts made to resolve the matter amicably, I note the Claimant's criticisms of the Defendant in failing to seek to reach a sensible resolution of the case outside of Court. Whilst I tend to agree that it is unfortunate that this matter ended up in Court at all, I do not consider the Defendant's conduct to be so egregious or unreasonable so as to be a factor which carries much weight. Certainly, however, no reasonable offer to settle was made.
- 25. As to the extent of any successes and losses, the Claimant was close to wholly successful in his claim; the only thing he was not awarded was additional compensation for the breach of contract. The Defendant, on the other hand, was wholly unsuccessful in so far as its counterclaim was concerned.
- 26. In light of the above, I consider that the QAR 30,000 in respect of the case assessment was reasonably incurred and was reasonable in amount. Insofar as the QAR 40,000 in respect of "review of submissions and advising client" is concerned, even looking at the longer narrative of the work said to have been done, I struggle to see the value of the work that was being undertaken, limited as it seemingly was, that justified such a sum, particularly in circumstances where, apparently, the Firm did not undertake any drafting, but simply reviewed and gave advice. I consider a reasonable sum to be QAR 20,000. Similar observations apply in relation to the claim for QAR 30,000 for "review of response submissions". I consider a reasonable sum to be QAR 10,000. I consider the sum of QAR 10,000 in respect of the meetings with the Claimant and the witness to be reasonable.
- 27. Accordingly, in respect of the QAR 110,000 claimed under the 15 May 2022 invoice, I find QAR 70,000 to be reasonable and make an award accordingly.

The invoice dated 16 May 2022

28. This invoice relates to work said to have been done in respect of the permission to appeal application. Such a claim falls outside the scope of this costs assessment. In refusing permission to appeal, the Appellate Division did not make an order in respect of costs. It is therefore not open to me to assess the claim made in respect of the work undertaken in relation to the permission to appeal application.

The time spent by the Claimant

29. At the hearing, the Claimant made a belated attempt to seek to recover further sums in respect of the time spent by himself and another in preparing and advancing the case before the Court. No effort was made to seek to quantify these apparent costs and I cannot see, on the material before me, any basis upon which I could come up with an appropriate figure to compensate the Claimant for the time he spent pursuing his own claim. Accordingly, I make no award.

The Defendant's claim for costs

30. At various stages throughout the costs assessment procedure, the Defendant indicated that it sought to recover its own costs in respect of the various responses it had filed to the Claimant's costs submissions. In light of the conclusions I have reached, I do not consider that the Defendant is entitled to its costs of the costs submissions but, even if I am wrong about that, I am not persuaded that I have jurisdiction to make such an order. Any such application would have to be made to the First Instance Circuit of the Court.

Overall Conclusion

31. For the reasons given above, the Claimant is awarded his reasonable costs in the sum of QAR 70,000. Accordingly, the Defendant shall pay to the Claimant the sum of QAR 70,000 forthwith.

By the Court,

[signed]

Mr. Christopher Grout Consultant Registrar



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

Representation:

The Claimant represented himself.

The Defendant was represented by Mr. Alexander Whyatt of Eversheds Sutherland, Doha, Qatar.