

## Republic of the Philippines Supreme Court Manila

## SECOND DIVISION

PIONEER INSURANCE G.R. No. 256177 St SURETY CORPORATION. Petitioner. Present: LEONEN, SAJ., -versus-Chairperson, LAZARO-JAVIER, LOPEZ, M., LOPEZ, J., and TIG INSURANCE COMPANY. KHO, JR., JJ. by successor merger to CLEARWATER INSURANCE Promulgated: COMPANY. Respondent.

## DECISION

## LOPEZ, M., J.:

This Court resolves the Petition for Review on *Certiorari*<sup>1</sup> of Pioneer Insurance & Surety Corporation (Pioneer) from the Court of Appeals' (CA's) Decision<sup>2</sup> dated June 19, 2020 and Resolution<sup>3</sup> dated February 24, 2021 in CA-G.R. SP No. 149206, upholding the Decision<sup>4</sup> of the Regional Trial Court of the City of Makati, Branch 141 (RTC) dated September 21, 2016 and the Order<sup>5</sup> dated December 16, 2016 in SP. Proc. Case No. M-7984, which confirmed, recognized, and enforced the Final Award of the United States (US) Board of Arbitrators dated April 25, 2013.<sup>6</sup>

<sup>3</sup> Id. at 64–67.

<sup>&</sup>lt;sup>1</sup> *Rollo*, pp. 3–34.

<sup>&</sup>lt;sup>2</sup> Id. at 41–62. Penned by Associate Justice Maria Elisa Sempio Diy with the concurrence of Associate Justices Ramon R. Garcia and Florencio Mallanao Mamauag, Jr.

<sup>&</sup>lt;sup>4</sup> Id. at 313–321. Penned by Judge Maryann E. Corpus-Mañalac.

<sup>&</sup>lt;sup>5</sup> Id. at 337.

<sup>&</sup>lt;sup>6</sup> Id. at 313–314.

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#### Facts of the Case

Pioneer is a domestic corporation engaged in the business of selling non-life insurance. Meanwhile, Clearwater Insurance Company (Clearwater), previously known as Odyssey Reinsurance Corporation and Skandia America Reinsurance Corporation, is a foreign company organized under the laws of the State of Delaware, United States of America (USA). On September 30, 2016, Clearwater merged with TIG Insurance Company (TIG Insurance),<sup>7</sup> a foreign company organized under the laws of the State of California, USA.<sup>8</sup>

On April 21, 2016, Clearwater filed a verified Petition<sup>9</sup> for confirmation, recognition, and enforcement of the arbitral award before the RTC. It attached the affidavit of its senior vice president authorizing the legal counsel to sign the verification and certification against forum shopping.

Clearwater alleged in its Petition that on July 1, 1973, it entered into a First Surplus Share Capacity — SK100 Retrocession Agreement No. 9166 (SK100 agreement) with insurance and reinsurance companies (referred to the agreement as retrocessionaires), one of which was Pioneer. Based on the agreement, Clearwater ceded to the retrocessionaires its participation in all Pro Rata and Excess of Loss Underlying Agreements. On January 21, 1974, Pioneer agreed to assume Clearwater's 1% share of the interests and liabilities in the SK100 agreement, as evidenced by the Interests and Liabilities Agreement executed by the parties. The agreement between the parties has undergone several amendments from 1975 to 1982. Nevertheless, the arbitration clause in the SK100 agreement remained,<sup>10</sup> thus:

As a condition precedent to any right of action hereunder, any dispute arising out of SK-100 shall be submitted to the decision of a board of arbitration composed of two arbitrators and an umpire, meeting in New York, New York, unless otherwise agreed.<sup>11</sup>

Pioneer failed to pay Clearwater the outstanding balance amounting to \$138,093 plus \$101,115 interest. Consequently, Clearwater initiated the arbitration proceedings in New York. The panel of arbitrators allowed the parties to present their positions, but Pioneer did not participate in the scheduled hearing on April 24, 2013.<sup>12</sup>

On April 25, 2013, the panel issued the Final Award,<sup>13</sup> ordering Pioneer to pay Clearwater a total amount of \$344,991.68, broken down as follows:

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2. Pioneer shall pay \$138,093 in principal that is owed and due to Clearwater on past billings;

<sup>7</sup> Id. at 42.

<sup>&</sup>lt;sup>8</sup> Id. at 5.

<sup>&</sup>lt;sup>9</sup> Id. at 69–72.

<sup>&</sup>lt;sup>10</sup> Id. at 42–43

<sup>&</sup>lt;sup>11</sup> Id. at 71.

<sup>&</sup>lt;sup>12</sup> Id. at 44.

<sup>&</sup>lt;sup>13</sup> Id. at 489–491.

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- 4. Pioneer shall pay Clearwater \$101,115 in pre-award interest;
- 5. Pioneer shall pay Clearwater \$75,000 reflecting the attorney's fees incutred by Clearwater in prosecuting this matter; and
- 6. Pioneer shall pay Clearwater the following additional costs:

a.	One-half share of total fees and expenses for the Umpire:	\$ 5,596.57
b.	Fees and expenses of Pioneer's party- appointed arbitrator:	\$15,584.94
c.	Other costs incurred:	\$ 9,602.17 <sup>14</sup>

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Pioneer failed to pay Clearwater having received a copy of the final award.<sup>15</sup>

In its Comment, Pioneer narrated that it engaged in various insurance and reinsurance contracts in 1970 through its office in Amsterdam. Pioneer continued to operate in the Philippines after its office in Amsterdam closed in 1986. Pioneer admitted that it received demand letters from Clearwater. It requested the breakdown and bases of the amounts claimed; however, Clearwater failed to provide a detailed breakdown of its claim. Clearwater merely furnished Pioneer with supporting documents in 2012.<sup>16</sup>

In opposing Clearwater's Petition, Pioneer invoked Rule 13.4 of the Special Rules of Court on Alternative Dispute Resolution, A.M. No. 07-11-08-SC dated September 1, 2009 (Special ADR Rules), and Article V of the 1958 New York Convention, and argued that the arbitral award is contrary to public policy or the Philippine Constitution because Clearwater's claim was not supported by sufficient evidence. The arbitral award failed to meet the requirement under the Constitution that decisions must clearly and distinctly state the facts and the law in which they are based. Pioneer further alleged that Clearwater's cause of action had prescribed because it was filed beyond the 6-year prescription period provided under the New York Civil Practice Law and Rules. Pioneer also invoked the lack of jurisdiction of the Philippine courts to confirm the award since the SK100 agreement required Clearwater to go to the US District Court. Lastly, Pioneer claimed that the Petition was not sufficient in form for Clearwater's failure to attach a Secretary's Certificate or Board Resolution proving the authority of its legal counsel to sign the verification and certification of non-forum shopping.<sup>17</sup>

<sup>&</sup>lt;sup>14</sup> Id. at 490–491.

<sup>&</sup>lt;sup>15</sup> Id. at 315.

<sup>16</sup> ld.

<sup>&</sup>lt;sup>17</sup> Id. at 315–316.

#### Decision

On September 21, 2016, the RTC dismissed the procedural issues raised by Pioneer and granted Clearwater's Petition. The RTC held that an arbitral award was not a judgment obtained through rigid court rules. The requirement of clearly stating the facts and law in a decision applies only to court judgments. Meanwhile, the alleged public policy violation of the arbitral award hinged on the merit of the award, which cannot be questioned under the ADR Law. The court cannot review the ruling of the Board of Arbitrators, especially since it involved the appreciation of evidence submitted to it.<sup>18</sup> The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of the petition. The FINAL AWARD dated April 25, 2013 by the Board of Arbitrators in the United States composed of Jeffrey Morris, Charles Foss and David Robb in the dispute between herein parties is hereby CONFIRMED, RECOGNIZED and ENFORCED, without pronouncement as to attorney's fees and costs of suit.

#### SO ORDERED.<sup>19</sup>

Unable to secure a reconsideration, Pioneer filed a Petition for Review under Rule 19.12 of the Special ADR Rules before the CA. Pioneer's Petition raised the issues of whether Clearwater's Petition with the RTC complied with the verification and certification against forum shopping requirements, and whether the RTC was correct in confirming, recognizing, and enforcing the arbitral award.<sup>20</sup>

In a Decision dated June 19, 2020, the CA found that Clearwater substantially complied with the verification and certification against forum shopping requirements. The verification and certification against forum shopping were signed by Clearwater's legal counsel, authorized by Clearwater through its senior vice president. In turn, the senior vice president was authorized by Clearwater to act on its behalf and authorized its legal counsel to act on behalf of Clearwater.<sup>21</sup> Anent the substantive issues, the ČA ruled that Pioneer failed to sufficiently establish that the recognition or enforcement of the arbitral award would be contrary to public policy.<sup>22</sup> The propriety of Clearwater's claims against Pioneer was already settled in the arbitration proceeding, as evinced by the relevant portions of the final award. Pioneer also erroneously raised the issue of prescription because it was not one of those incidents which would justify the refusal of recognition of foreign arbitral awards. Pioneer should have raised it before the Panel of Arbitrators, but records showed that Pioneer chose not to participate in the proceedings.<sup>23</sup> For these reasons, the CA disposed of the appeal in this wise:

GIVEN ALL OF THESE, premises considered, the instant appeal is DENIED. The Decision dated September 21, 2016 and Order dated

<sup>&</sup>lt;sup>18</sup> Id. at 318.

<sup>&</sup>lt;sup>19</sup> Id. at 321.

<sup>&</sup>lt;sup>20</sup> Id. at 49.

<sup>&</sup>lt;sup>21</sup> Id. at 52.

<sup>&</sup>lt;sup>22</sup> Id. at 57.

<sup>&</sup>lt;sup>23</sup> Id. at 59.

#### Decision

December 16, 2016 of Branch 141, Regional Trial Court of Makati City (RTC) are AFFIRMED.

**SO ORDERED.**<sup>24</sup> (Emphases in the original)

Undeterred, Pioneer filed a Motion for Reconsideration. Finding the motion to be *pro forma*, the CA denied it in a Resolution<sup>25</sup> dated February 24, 2021.

Hence, this recourse.

Pioneer insists that the RTC and the CA should have dismissed Clearwater's Petition for its failure to attach a secretary's certificate or board resolution authorizing its legal counsel to act on its behalf, in violation of Rule 1.5 of the Special ADR Rules.<sup>26</sup> Pioneer also maintains that public policy against non-assertion of stale claims was violated when the arbitral award was confirmed, recognized, and enforced. Pioneer proffers that the New York Civil Practice Law and Rules provides that an action for which no limitation is specifically prescribed, such as insurance contract claims, shall be commenced within six years. Particularly, the right of the reinsured to indemnity accrues when the reinsurer has breached its obligation, either by rejecting the reinsured's demand, or delaying the payment. Since Clearwater only enforced its claims against Pioneer 16 years after Pioneer rejected Clearwater's demand, the 6-year prescription period under the New York Civil Practice Law and Rules had already set in.<sup>27</sup>

For its part, TIG Insurance, Clearwater's successor-in-interest, argues that the Petition was properly verified and the certification against forum shopping was duly executed. The affidavit of Clearwater's senior vice president attached to the Petition is sufficient under the US law to confer authority to the legal counsel to sign the petition. More, the corporate secretary confirmed the senior vice president's authority through an affidavit.<sup>28</sup> On the issue of violation of public policy, Tig Insurance claims that the prescription of the cause of action is a merits-based defense and not a public policy matter. Pioneer can no longer raise prescription because Rule 19.7 of the Special ADR Rules prohibits a party from questioning the merits of the arbitral award.<sup>29</sup> The award had long become final and executory when Pioneer failed to file any petition to vacate it.<sup>30</sup> Public policy is best served if the arbitral award is confirmed and enforced in the Philippines.<sup>31</sup>

### Court's Ruling

The Petition is unmeritorious.

<sup>29</sup> Id. at 754.

<sup>&</sup>lt;sup>24</sup> Id. at 61.

<sup>&</sup>lt;sup>25</sup> Id. at 64–67.

<sup>&</sup>lt;sup>26</sup> Id. at 21. <sup>27</sup> Id. at 25–2

<sup>&</sup>lt;sup>27</sup> Id. at 25–26.

<sup>&</sup>lt;sup>28</sup> Id. at 751–753.

<sup>&</sup>lt;sup>30</sup> Id. at 761–762. <sup>31</sup> Id. at 760.

The Court's review of the CA decision under the Special ADR Rules is discretionary and will be granted only when there are special and important reasons. Particularly, the Special ADR Rules provide the following specific grounds:

Rule 19.36. *Review discretionary.*  $-x \times x$ , when the Court of Appeals:

- a. Failed to apply the applicable standard or test for judicial review prescribed in these Special ADR Rules in arriving at its decision resulting in substantial prejudice to the aggrieved party;
- b. Erred in upholding a final order or decision despite the lack of jurisdiction of the court that rendered such final order or decision;
- c. Failed to apply any provision. principle, policy or rule contained in these Special ADR Rules resulting in substantial prejudice to the aggrieved party; and
- d. Committed an error so egregious and harmful to a party as to amount to an undeniable excess of jurisdiction.

The mere fact that the petitioner disagrees with the Court of Appeals' determination of questions of fact, of law or both questions of fact and law, shall not warrant the exercise of the Supreme Court's discretionary power. The error imputed to the Court of Appeals must be grounded upon any of the above prescribed grounds for review or be closely analogous thereto.<sup>32</sup> (Emphases supplied)

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Further the scope of the review is limited to errors of law and does not extend to questions of facts.<sup>33</sup>

Pioneer did not specifically raise any of the above mentioned grounds. Neither did they explain that the grounds of their Petition are analogous to any of the grounds under the Special ADR Rules. On this score, the Court can dismiss the Petition for lack of merit.<sup>34</sup> At any rate, the Court finds no error in the CA's findings.

Clearwater's verification and certification against forum shopping comply with the Special ADR Rules.

<sup>&</sup>lt;sup>32</sup> Rule 19.36, Special ADR Rules.

Rule 19.37, Special ADR Rules. *Filing of petition with Supreme Court.* — A party desiring to appeal by [*certiorari*] from a judgment or final order or resolution of the Court of Appeals issued pursuant to these Special ADR Rules may file with the Supreme Court a verified petition for review on [*certiorari*]. The petition shall raise only questions of law, which must be distinctly set forth.

Rule 19.41, Special ADR Rules. Dismissal or denial of petition. — x x x.

The Supreme Court may on its own initiative deny the petition on the ground that the appeal is without merit, or is prosecuted manifestly for delay, or that the questions raised therein are too insubstantial to require consideration.

Rules 1.4 and 1.5 of the Special ADR Rules require that initiatory pleadings filed under the Special ADR Rules must be verified and accompanied by a certification against forum shopping:

Rule 1.4. *Verification and submissions.* — Any pleading, motion, opposition, comment, defense or claim filed under the Special ADR Rules by the proper party shall be supported by verified statements that the affiant has read the same and that the factual allegations therein are true and correct of his own personal knowledge or based on authentic records and shall contain as annexes the supporting documents.

The annexes to the pleading, motion, opposition, comment, defense or claim filed by the proper party may include a legal brief, duly verified by the lawyer submitting it, stating the pertinent facts, the applicable law and jurisprudence to justify the necessity for the court to rule upon the issue raised.

Rule 1.5. *Certification Against Forum Shopping.* — A Certification Against Forum Shopping is one made under oath made by the petitioner or movant: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforementioned petition or motion has been filed.

A Certification Against Forum Shopping shall be appended to all initiatory pleadings except a Motion to Refer the Dispute to Alternative Dispute Resolution.

Notably, the requirement of attaching the authorization of the person who signed the verification and certification in the form of a secretary's certificate or special power of attorney under the Rules of Civil Procedure<sup>35</sup>

<sup>&</sup>lt;sup>35</sup> Rule 7, 2019, Amendment to the 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC), approved on October 15, 2019.

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Section 4. *Verification.* — x x x.

A pleading is verified by an affidavit of an affiant duly authorized to sign said verification. The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the pleading, and shall allege the following attestations:

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A pleading required to be verified that contains a verification based on "information and belief," or upon "knowledge, information and belief," or lacks a proper verification, shall be treated as an unsigned pleading.

Section 5. Certification against forum shopping. --- x x x.

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The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the pleading.

Failure to comply with the foregoing requirements shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of court, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his [or her] counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

#### Decision

and the effects of noncompliance were not included in the Special ADR Rules. Relevantly, Rule 22.1<sup>36</sup> of the Special ADR Rules provides that the applicable provisions of the Rules of Court have either been included and incorporated in the rules or specifically referred to. The Special ADR Rules do not provide that the Rules of Court apply suppletorily, unlike in other special rules. Accordingly, failure to attach a secretary's certificate or special power of attorney authorizing the person who signed the verification and certification is not fatal to cases covered by the Special ADR Rules. In other words, it will not cause the dismissal of the petition for recognition and enforcement of a foreign arbitral award. This is supported by Rule 1.13 of the Special ADR Rules, which provides that where no specific rule is provided, the court shall resolve the matter summarily and be guided by the spirit and intent of the Special ADR Rules and laws, *i.e.*, to respect party autonomy and promote the use of ADR to achieve speedy disposition of cases.<sup>37</sup>

In IP E-Game Ventures, Inc. v. Beijing Perfect World Software Co., Ltd.,<sup>38</sup> the Court ruled that the CA erred in applying the Rules of Court and relevant jurisprudence in a petition for review under the Special ADR Rules. The prevailing doctrine that "the date of actual receipt by the court is deemed the date of filing of [a] pleading"<sup>39</sup> sent through a private letter-forwarding agency is not applicable in ADR cases because the Special ADR Rules should apply.

In the same vein, the Court cannot sustain Pioneer's argument that Clearwater violated Rules 1.4 and 1.5 of the Special ADR Rules. The Special ADR Rules do not require the attachment of a secretary's certificate or board resolution authorizing a person as the signatory of the verification and certification. Hence, Clearwater's attachment of an affidavit authorizing its

37 "Special ADR Rules," A.M. No. 07-11-08-SC, September 1, 2009. XXXX

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<sup>36</sup> Rule 22.1. Applicability of Rules of Court. — The provisions of the Rules of Court that are applicable to the proceedings enumerated in Rule 1.1 of these Special ADR Rules have either been included and incorporated in these Special ADR Rules or specifically referred to herein. XXXX

Rule 2.1. General Policies. - It is the policy of the State to actively promote the use of various modes of ADR and to respect party autonomy or the freedom of the parties to make their own arrangements in the resolution of disputes with the greatest cooperation of and the least intervention from the courts. To this end, the objectives of the Special ADR Rules are to encourage and promote the use of ADR, particularly arbitration and mediation, as an important means to achieve speedy and efficient resolution of disputes, impartial justice, curb a litigious culture and to de-clog court dockets.

The court shall exercise the power of judicial review as provided by these Special ADR Rules. Courts shall intervene only in the cases allowed by law or these Special ADR Rules. "ADR Act of 2004," R.A No. 8285, April 2, 2004.

SEC. 2. Declaration of Policy. - [I]t is hereby declared the policy of the State to actively promote party autonomy in the resolution of disputes or the freedom of the party to make their own arrangements to resolve their disputes. Towards this end, the State shall encourage and actively promote the use of Alternative Dispute Resolution (ADR) as an important means to achieve speedy and impartial justice and declog court dockets. As such, the State shall provide means for the use of ADR as an efficient tool and an alternative procedure for the resolution of appropriate cases. Likewise, the State shall enlist active private sector participation in the settlement of disputes through ADR. This Act shall be without prejudice to the adoption by the Supreme Court of any ADR system, such as mediation, conciliation, arbitration, or any combination thereof as a means of achieving speedy and efficient means of resolving cases pending before all courts in the Philippines which shall be governed by such rules as the Supreme Court may approve from the time to time.

<sup>38</sup> G.R. No. 220250, September 7, 2020, <https://sc.judiciary.gov.ph/17714/>. Id.

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legal counsel to sign the verification and certification instead of a secretary's certificate or board resolution is sufficient to comply with the procedural requirements under Rules 1.4 and 1.5 of the Special ADR Rules.

# *Enforcement of the final award will not violate public policy.*

Rule 13.4(b)(ii)<sup>40</sup> of the Special ADR Rules provides that the Philippine court may refuse the recognition and enforcement of a foreign arbitral award when it finds that its recognition and enforcement would be contrary to public policy. In *Mabuhay Holdings Corporation v. Sembcorp Logistics Limited*,<sup>41</sup> the Court adopted the narrow approach in determining whether the enforcement of an arbitral award is contrary to public policy. The Court emphasized that not all violations of law may be deemed contrary to public policy. The Philippine court may only refuse to recognize or enforce a foreign arbitral award when its enforcement would be against the fundamental tenets of justice and morality, or would blatantly be injurious to the public, or the interests of the society, thus:

In light of the foregoing and pursuant to the State's policy in favor of arbitration and enforcement of arbitral awards, the Court adopts the majority and narrow approach in determining whether enforcement of an award is contrary to Our public policy. Mere errors in the interpretation of the law or factual findings would not suffice to warrant refusal of enforcement under the public policy ground. The illegality or immorality of the award must reach a certain threshold such that, enforcement of the same would be against Our State's fundamental tenets of justice and morality, or would blatantly be injurious to the public, or the interests of the society.<sup>42</sup> (Emphasis supplied)

In the same case, the Court cited an example in another jurisdiction when the arbitral award would violate public policy:

Most arbitral jurisdictions adopt a narrow and restrictive approach in defining public policy pursuant to the pro-enforcement policy of the New York Convention. The public policy exception, thus, is "a safety valve to be used in those exceptional circumstances when it would be impossible for a legal system to recognize an award and enforce it without abandoning the very fundaments on which it is based." An **example of a narrow approach adopted by several jurisdictions is that the public policy defense may only be invoked "where enforcement [of the award] would violate the forum state's most basic notions of morality and justice." Thus, in Hong Kong, an award obtained by fraud was denied enforcement by the court on the ground that fraud is contrary to Hong Kong's "fundamental notions of morality and justice." In Singapore, also a Model Law country,** 

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<sup>&</sup>lt;sup>40</sup> Rule 13.4. Governing law and grounds to refuse recognition and enforcement. — x x x. A Philippine court shall not set aside a foreign arbitral award but may refuse [its] recognition and enforcement on any or all of the following grounds:

b. The court finds that:

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<sup>(</sup>ii) The recognition or enforcement of the award would be contrary to public policy.

<sup>&</sup>lt;sup>41</sup> 844 Phil. 813 (2018).

<sup>&</sup>lt;sup>42</sup> Id. at 845.

the public policy ground is entertained by courts only in instances where upholding the award is "clearly injurious to the public good or . . . wholly offensive to the ordinary reasonable and fully informed member of the public."<sup>43</sup> (Emphases supplied and citations omitted)

Based on the foregoing, the party raising the ground of violation of public policy in opposing the recognition and enforcement of a foreign arbitral award must: (a) identify the State's fundamental tenets of justice and morality; (b) prove the illegality or immorality of the award; and (c) show the possible injury to the public or the interests of the society.

Pioneer's prescription and violation of public policy arguments rest on shaky ground. Pioneer identifies the State's policy against stale claims, but its evidence falls short in proving the illegality or immorality of the award. It fails to establish that Clearwater's claims have already prescribed.

Pioneer narrates that it repeatedly requested supporting documents from Clearwater after the latter's initial demand in 1995, and it was only in 2012 when Clearwater provided them with various documents.<sup>44</sup> Surely, Pioneer did not reject Clearwater's demand for payment in 1995. Following Pioneer's argument, the prescriptive period should not start from Clearwater's initial demand in 1995 because it did not reject Clearwater's claims outright. Instead, it requested a breakdown and supporting documents from Clearwater. The running of the prescriptive period is undeterminable absent any evidence showing the specific date when Pioneer rejected Clearwater's claim.

All told, the final award will significantly affect Pioneer, but it will not injure the public or compromise the society's interest. The final award's alleged violation of our policy against stale claims was not established with certainty. Thus, confirming and enforcing the final award is not contrary to public policy.

ACCORDINGLY, the Petition is DENIED. The Court of Appeals' Decision dated June 19, 2020 and Resolution dated February 24, 2021 in CA-G.R. SP No. 149206 upholding the Decision dated September 21, 2016 and the Order dated December 16, 2016 of Branch 141, Regional Trial Court of Makati City are AFFIRMED. The United States Board of Arbitrator's Final Award dated April 25, 2013 is CONFIRMED, RECOGNIZED, and ENFORCED, without pronouncement as to attorney's fees and costs of suit.

SO ORDERED.

<sup>&</sup>lt;sup>43</sup> Id. at 843–844.

<sup>&</sup>lt;sup>44</sup> *Rollo*, pp. 6–7.

WE CONCUR:

MARVIC M.V.F. LEONEN Senior Associate Justice

Chairperson

AM**AZARO-JAVIER** Associate Justice

**JHOSE** PEZ Associate Justice

ANTONIO T. KHO, JR. Associate Justice

## ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

IC M.V.F. LEONEN

Senior Associate Justice Chairperson

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALEXANDER G. GESMUNDO 42 Chief Justice