



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **13 July 2020** which reads as follows:*

*“G.R. No. 251445 (Florante G. Aguila and Valiente Select Venture, Inc. v. Home Mavericks, Inc., Eric Alvin Po, Jerome Ervin Domingo and Denise Aguilar). – The Court resolves to **DENY** the instant Petition for Review on Certiorari¹ for failure of Florante G. Aguila and Valiente Select Venture, Inc. (petitioners) to show that the Court of Appeals (CA) committed any reversible error in denying their petition for review.*

Petitioners argue that they engaged the services of respondents Home Mavericks, Inc. (HMI), Eric Alvin Po, Jerome Ervin Domingo and Denise Aguilar to install blinds with a “blackout” feature such that the windows should be fully covered and the blinds should be without gaps. However, the “blackout” requirement was not complied with. For petitioners, this is a substantial breach which justifies the cancellation of the contract.²

The Court denies the petition.

The Court finds that the argument raised by petitioners involves a mixed question of fact and law. A question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts.³

¹ Rollo, pp. 11-21.

² *Id.* at 13.

³ *Republic of the Philippines v. Malabanan*, 664 Phil. 631 (2010), as cited in *Tongonan Holdings Development Corporation v. Atty. Escano, Jr.*, 672 Phil. 747 (2011).

Section 19 of Executive Order No. 1008,⁴ provides that arbitral awards are binding and shall be final and unappealable, except on pure questions of law, thus:

Section 19 *Finality of Awards*. The arbitral award shall be binding upon the parties. It shall be final and inappealable except on questions of law which shall be appealable to the Supreme Court.

As the Court explained in *Metrorail Transit Development Corporation v. Gammon Philippines, Inc.*,⁵ initially, decisions of the Construction Industry Arbitration Commission (CIAC) are appealable only to this Court. However, when the Rules of Court were enacted, appeals from CIAC decisions were taken to the Court of Appeals under Rule 43. Still, while Rule 43 petitions may pertain to questions of fact, questions of law, or both questions of law and fact, it has been established that factual findings of CIAC may not be reviewed on appeal.”

Further, it is well-settled that findings of fact of quasi-judicial bodies, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect, but also finality, especially when affirmed by the CA. In particular, factual findings of construction arbitrators are final and conclusive and not reviewable by this Court on appeal.⁶

The only exceptions to this rule are: (1) [T]he award was procured by corruption, fraud or other undue means; (2) there was evident partiality or corruption of the arbitrators or of any of them; (3) the arbitrators were guilty of misconduct in refusing to postpone the hearing upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; (4) one or more of the arbitrators were disqualified to act as such under Section 9 of Republic Act No.876 and willfully refrained from disclosing such disqualifications or of any other misbehavior by which the rights of any party have been materially prejudiced; or (5) the arbitrators exceeded their powers, or so imperfectly executed them, that a mutual, final and definite award upon the subject matter submitted to them was not made.⁷

⁴ Executive Order No. 1008 Creating An Arbitration Machinery For The Philippine Construction Industry.

⁵ G.R. No. 200401, January 17, 2018, 851 SCRA 378-447.

⁶ *IBEX International, Inc. v. Government Service Insurance System*, 618 Phil. 304 (2009), as cited in *Shinryo (Philippines) Company, Inc. v. RRN Incorporated*, 648 Phil. 342 (2010).

⁷ *IBEX International, Inc. v. Government Service Insurance System* *supra* note 6 as cited in *CE Construction v. Araneta*, 816 Phil. 221 (2017) as cited in *Metrorail Transit Development*

Other recognized exceptions to the rule are: (1) when there is a very clear showing of grave abuse of discretion resulting in lack or loss of jurisdiction as when a party was deprived of a fair opportunity to present its position before the Arbitral Tribunal or when an award is obtained through fraud or the corruption of arbitrators, (2) when the findings of the Court of Appeals are contrary to those of the CIAC, and (3) when a party is deprived of administrative due process.⁸

The Court finds none of the recognized exceptions in this case which would justify a reexamination of the CIAC's and the CA's factual findings.

Article 1370 of the Civil Code provides that "[i]f the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning of its stipulations shall control."

As explained by the CA, which affirmed the findings of the CIAC, the Quotation did not stipulate or warrant the absence of light gaps between the panels. Valiente could have stipulated its requirement in the Notice to Proceed, *i.e.*, that there should be no light gaps between the panels, but it failed to do so. As a result, HMI had no obligation to deliver and install the Blinds that had no light gaps between the panels. The CA pointed out that during the product demonstration where all the information, including limitations regarding the fabric, placements, among others were explained to Aguila and his contractor, and even though the blinds had the most gaps due to motor placements and/or brackets, petitioners still preferred the same over all other types. In fact, even Aguila admitted that it is impossible not to have any light gaps. Thus, the CA ruled that petitioners had no right to rescind the contract.

Further the CA, affirming the findings of the CIAC, ruled that HMI had fully performed its obligation to deliver and install the Blinds.

There being no reason to disturb the findings of the CIAC and the CA, the Court affirms the monetary awards in favor of respondents as stated in the CIAC's Final Award⁹ dated March 12, 2018 as modified by the CA.

WHEREFORE, the Petition is **DENIED**. The Court of Appeals Decision dated August 30, 2019 and Resolution dated January 10, 2020

Corporation v. Gammon Philippines, Inc., *supra* note 2 at 407.

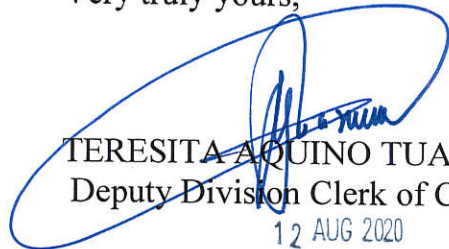
⁸ *Republic of the Philippines v. Malabanan*, *supra* note 3.

⁹ *Rollo*, pp. 174-192.

are **AFFIRMED**.

SO ORDERED." (GAERLAN, J., designated as additional member, per Special Order No. 2780 dated May 11, 2020).

Very truly yours,


TERESITA AQUINO TUAZON
Deputy Division Clerk of Court
12 AUG 2020

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