



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

DEPARTMENT
ENVIRONMENT
NATURAL
(DENR),

OF
AND
RESOURCES

G.R. No. 212081

Present:

Petitioner,

SERENO, C.J., Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
PEREZ, and
PERLAS-BERNABE, JJ.

- versus -

UNITED PLANNERS
CONSULTANTS, INC. (UPCI),
Respondent.

Promulgated:

FEB 23 2015

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ is the Decision² dated March 26, 2014 of the Court of Appeals (CA) in CA-G.R. SP No. 126458 which dismissed the petition for *certiorari* filed by petitioner the Department of Environment and Natural Resources (petitioner).

The Facts

On July 26, 1993, petitioner, through the Land Management Bureau (LMB), entered into an Agreement for Consultancy Services³ (Consultancy Agreement) with respondent United Planners Consultants, Inc. (respondent) in connection with the LMB's Land Resource Management Master Plan Project (LRMMP).⁴ Under the Consultancy Agreement, petitioner committed to pay a total contract price of ₱4,337,141.00, based on a predetermined percentage corresponding to the particular stage of work

¹ Rollo, pp. 19-35.

² Id. at 8-15. Penned by Associate Justice Nina G. Antonio-Valenzuela with Justices Vicente S.E. Veloso and Jane Aurora C. Lantion concurring.

³ Not attached to *rollo*.

⁴ Rollo, pp. 20 and 62.

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accomplished.⁵ In December 1994, respondent completed the work required, which petitioner formally accepted on December 27, 1994.⁶ However, petitioner was able to pay only 47% of the total contract price in the amount of ₱2,038,456.30.⁷

On October 25, 1994, the Commission on Audit (COA) released the Technical Services Office Report⁸ (TSO) finding the contract price of the Agreement to be 84.14% excessive.⁹ This notwithstanding, petitioner, in a letter dated December 10, 1998, acknowledged its liability to respondent in the amount of ₱2,239,479.60 and assured payment at the soonest possible time.¹⁰

For failure to pay its obligation under the Consultancy Agreement despite repeated demands, respondent instituted a Complaint¹¹ against petitioner before the Regional Trial Court of Quezon City, Branch 222 (RTC), docketed as Case No. Q-07-60321.¹²

Upon motion of respondent, the case was subsequently referred to arbitration pursuant to the arbitration clause of the Consultancy Agreement,¹³ which petitioner did not oppose.¹⁴ As a result, Atty. Alfredo F. Tadiar, Architect Armando N. Alli, and Construction Industry Arbitration Commission (CIAC) Accredited Arbitrator Engr. Ricardo B. San Juan were appointed as members of the Arbitral Tribunal. The court-referred arbitration was then docketed as Arbitration Case No. A-001.¹⁵

During the preliminary conference, the parties agreed to adopt the CIAC Revised Rules Governing Construction Arbitration¹⁶ (CIAC Rules) to govern the arbitration proceedings.¹⁷ They further agreed to submit their respective draft decisions in lieu of memoranda of arguments on or before April 21, 2010, among others.¹⁸

On the due date for submission of the draft decisions, however, only respondent complied with the given deadline,¹⁹ while petitioner moved for

⁵ Id. at 62-63.

⁶ Id. at 63.

⁷ Id. at 9.

⁸ See Consultancy Contracts Review Report dated April 28, 1994; id. at 129-131.

⁹ Id. at 9, 63, and 131.

¹⁰ Id. at 9 and 64.

¹¹ Not attached to the *rollo*.

¹² See id. at 21.

¹³ See id. at 9 and 21.

¹⁴ See Order dated January 18, 2010 issued by Judge Edgar Dalmacio Santos; id. at 83.

¹⁵ See id. at 55.

¹⁶ As amended by CIAC Resolution Nos. 15-2006, 16-2006, 18-2006, 19-2006, 02-2007, 07-2007, 13-2007, 02-2008, 03-2008, 11-2008, 01-2010, 04-2010, and 07-2010, which took effect on December 15, 2005.

¹⁷ Id. at 58 and 99.

¹⁸ Id. at 59.

¹⁹ Id. at 61.

the deferment of the deadline which it followed with another motion for extension of time, asking that it be given until May 11, 2010 to submit its draft decision.²⁰

In an Order²¹ dated April 30, 2010, the Arbitral Tribunal denied petitioner's motions and deemed its non-submission as a waiver, but declared that it would still consider petitioner's draft decision if submitted before May 7, 2010, or the expected date of the final award's promulgation.²² Petitioner filed its draft decision²³ only on May 7, 2010.

The Arbitral Tribunal rendered its Award²⁴ dated May 7, 2010 (Arbitral Award) in favor of respondent, directing petitioner to pay the latter the amount of (a) ₱2,285,089.89 representing the unpaid progress billings, with interest at the rate of 12% per annum from the date of finality of the Arbitral Award upon confirmation by the RTC until fully paid; (b) ₱2,033,034.59 as accrued interest thereon; (c) ₱500,000.00 as exemplary damages; and (d) ₱150,000.00 as attorney's fees.²⁵ It also ordered petitioner to reimburse respondent its proportionate share in the arbitration costs as agreed upon in the amount of ₱182,119.44.²⁶

Unconvinced, petitioner filed a motion for reconsideration,²⁷ which the Arbitral Tribunal merely noted without any action, claiming that it had already lost jurisdiction over the case after it had submitted to the RTC its Report together with a copy of the Arbitral Award.²⁸

Consequently, petitioner filed before the RTC a Motion for Reconsideration²⁹ dated May 19, 2010 (**May 19, 2010 Motion for Reconsideration**) and a Manifestation and Motion³⁰ dated June 1, 2010 (**June 1, 2010 Manifestation and Motion**), asserting that it was denied the opportunity to be heard when the Arbitral Tribunal failed to consider its draft decision and merely noted its motion for reconsideration.³¹ It also denied receiving a copy of the Arbitral Award by either electronic or registered mail.³² For its part, respondent filed an opposition thereto and moved for the confirmation³³ of the Arbitral Award in accordance with the

²⁰ Id.

²¹ Id. at 104-105.

²² Id. at 105.

²³ Id. at 113-127.

²⁴ Id. at 55-80. Signed by Chairman Alfredo F. Tadiar, Armando N. Alli, and Ricardo B. San Juan, as members.

²⁵ Id. at 78.

²⁶ Id. at 79.

²⁷ Dated May 19, 2010. Id. at 139-154.

²⁸ Id. at 108 and 178-179.

²⁹ The Motion for Reconsideration filed in the RTC is the same Motion for Reconsideration filed in the Arbitral Tribunal.

³⁰ Id. at 107-112.

³¹ Id. at 108.

³² Id. at 107-108.

³³ By way of an Opposition/Motion for Confirmation dated September 30, 2010 as mentioned in petitioner's Oppositions dated November 18, 2010 and July 15, 2011; id. at 166 and 180.

Special Rules of Court on Alternative Dispute Resolution (Special ADR Rules).³⁴

In an Order³⁵ dated March 30, 2011, the RTC merely noted petitioner's aforesaid motions, finding that copies of the Arbitral Award appear to have been sent to the parties by the Arbitral Tribunal, including the OSG, contrary to petitioner's claim. On the other hand, the RTC confirmed the Arbitral Award pursuant to Rule 11.2 (A)³⁶ of the Special ADR Rules and ordered petitioner to pay respondent the costs of confirming the award, as prayed for, in the total amount of ₱50,000.00. From this order, petitioner did not file a motion for reconsideration.

Thus, on June 15, 2011, respondent moved for the issuance of a writ of execution, to which no comment/opposition was filed by petitioner despite the RTC's directive therefor. In an Order³⁷ dated September 12, 2011, the RTC granted respondent's motion.³⁸

Petitioner moved to quash³⁹ the writ of execution, positing that respondent was not entitled to its monetary claims. It also claimed that the issuance of said writ was premature since the RTC should have first resolved its May 19, 2010 Motion for Reconsideration and June 1, 2010 Manifestation and Motion, and not merely noted them, thereby violating its right to due process.⁴⁰

The RTC Ruling

In an Order⁴¹ dated July 9, 2012, the RTC denied petitioner's motion to quash.

It found no merit in petitioner's contention that it was denied due process, ruling that its May 19, 2010 Motion for Reconsideration was a prohibited pleading under Section 17.2,⁴² Rule 17 of the CIAC Rules. It explained that the available remedy to assail an arbitral award was to file a motion for correction of final award pursuant to Section 17.1⁴³ of the CIAC

³⁴ A.M. No. 07-11-08-SC, entitled "SPECIAL RULES OF COURT ON ALTERNATIVE DISPUTE RESOLUTION" (October 30, 2009).

³⁵ *Rollo*, p. 178.

³⁶ Rule 11.2. *When to request confirmation, correction/modification or vacation.* –

(A) *Confirmation.* - At any time after the lapse of thirty (30) days from receipt by the petitioner of the arbitral award, he may petition the court to confirm that award.

³⁷ *Rollo*, p. 184.

³⁸ *Id.* at 42.

³⁹ See Motion to Quash the Writ of Execution dated November 22, 2011; *id.* at 185-193.

⁴⁰ *Id.* at 190.

⁴¹ *Id.* at 194-198.

⁴² SEC. 17.2 *Motion for reconsideration or new trial.* – A motion for reconsideration or new trial shall be considered a prohibited pleading.

⁴³ SEC. 17.1 *Motion for correction of final award.* – Any of the parties may file a motion for correction of the Final award within fifteen (15) days from receipt thereof upon any of the following grounds:

x x x x

Rules, and not a motion for reconsideration of the said award itself.⁴⁴ On the other hand, the RTC found petitioner's June 1, 2010 Manifestation and Motion seeking the resolution of its May 19, 2010 Motion for Reconsideration to be defective for petitioner's failure to observe the three-day notice rule.⁴⁵ Having then failed to avail of the remedies attendant to an order of confirmation, the Arbitral Award had become final and executory.⁴⁶

On **July 12, 2012**, petitioner received the RTC's Order dated July 9, 2012 denying its motion to quash.⁴⁷

Dissatisfied, it filed on **September 10, 2012** a petition for *certiorari*⁴⁸ before the CA, docketed as CA-G.R. SP No. 126458, averring in the main that the RTC acted with grave abuse of discretion in confirming and ordering the execution of the Arbitral Award.

The CA Ruling

In a Decision⁴⁹ dated March 26, 2014, the CA dismissed the *certiorari* petition on two (2) grounds, namely: (a) the petition **essentially assailed the merits of the Arbitral Award** which is prohibited under Rule 19.7⁵⁰ of the Special ADR Rules;⁵¹ and (b) the petition was filed out of time, having been filed way beyond 15 days from notice of the RTC's July 9, 2012 Order, in violation of Rule 19.28⁵² in relation to Rule 19.8⁵³ of said Rules which provide that a special civil action for *certiorari* must be filed before the CA **within 15 days from notice of the judgment, order, or resolution sought to be annulled or set aside (or until July 27, 2012).**

Aggrieved, petitioner filed the instant petition.

⁴⁴ *Rollo*, p. 195.

⁴⁵ *Id.* at 196-197.

⁴⁶ *Id.* at 196.

⁴⁷ See *id.* at 46.

⁴⁸ *Id.* at 204-232.

⁴⁹ *Id.* at 39-49.

⁵⁰ Rule 19.7. *No appeal or certiorari on the merits of an arbitral award.* – An agreement to refer a dispute to arbitration shall mean that the arbitral award shall be final and binding. Consequently, a party to an arbitration is precluded from filing an appeal or a petition for *certiorari* questioning the merits of an arbitral award.

⁵¹ *Rollo*, p. 44.

⁵² Rule 19.28. *When to file petition.* – The petition must be filed with the Court of Appeals within fifteen (15) days from notice of the judgment, order or resolution sought to be annulled or set aside. No extension of time to file the petition shall be allowed.

⁵³ Rule 19.8. *Subject matter and governing rules.* – The remedy of an appeal through a petition for review or the remedy of a special civil action of *certiorari* from a decision of the Regional Trial Court made under the Special ADR Rules shall be allowed in the instances, and instituted only in the manner, provided under this Rule.

The Issue Before the Court

The core issue for the Court's resolution is whether or not the CA erred in applying the provisions of the Special ADR Rules, resulting in the dismissal of petitioner's special civil action for *certiorari*.

The Court's Ruling

The petition lacks merit.

I.

Republic Act No. (RA) 9285,⁵⁴ otherwise known as the Alternative Dispute Resolution Act of 2004," institutionalized the use of an Alternative Dispute Resolution System (ADR System)⁵⁵ in the Philippines. The Act, however, was without prejudice to the adoption by the Supreme Court of any ADR system as a means of achieving speedy and efficient means of resolving cases pending before all courts in the Philippines.⁵⁶

Accordingly, A.M. No. 07-11-08-SC was created setting forth the Special Rules of Court on Alternative Dispute Resolution (referred herein as Special ADR Rules) that shall govern the procedure to be followed by the courts whenever *judicial intervention* is sought in ADR proceedings in the specific cases where it is allowed.⁵⁷

Rule 1.1 of the Special ADR Rules lists down the instances when the said rules shall apply, namely: "(a) Relief on the issue of Existence, Validity, or Enforceability of the Arbitration Agreement; (b) **Referral to Alternative Dispute Resolution ("ADR")**; (c) Interim Measures of Protection; (d) Appointment of Arbitrator; (e) Challenge to Appointment of Arbitrator; (f) Termination of Mandate of Arbitrator; (g) Assistance in Taking Evidence; (h) Confirmation, Correction or Vacation of Award in Domestic Arbitration; (i) Recognition and Enforcement or Setting Aside of an Award in International Commercial Arbitration; (j) Recognition and Enforcement of a Foreign Arbitral Award; (k) Confidentiality/Protective

⁵⁴ Entitled "AN ACT TO INSTITUTIONALIZE THE USE OF AN ALTERNATIVE DISPUTE RESOLUTION SYSTEM IN THE PHILIPPINES AND TO ESTABLISH THE OFFICE FOR ALTERNATIVE DISPUTE RESOLUTION, AND FOR OTHER PURPOSES"; promulgated on April 2, 2004.

⁵⁵ It is defined as "any process or procedure used to resolve a dispute or controversy, other than by adjudication of a presiding judge of a court or an officer of a government agency, x x x, in which a neutral third party participates to assist in the resolution of issues, which includes arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof." See SEC. 3 (a) of RA 9285.

⁵⁶ See Section 2 of RA 9285.

⁵⁷ Benchbook for Trial Courts (Revised and Expanded), Volume I, 2011, p. H-38.

Orders; and (I) Deposit and Enforcement of Mediated Settlement Agreements.”⁵⁸

Notably, the Special ADR Rules do not automatically govern the *arbitration proceedings* itself. A pivotal feature of arbitration as an alternative mode of dispute resolution is that it is a product of *party autonomy* or the freedom of the parties to *make their own arrangements to resolve their own disputes*.⁵⁹ Thus, Rule 2.3 of the Special ADR Rules explicitly provides that “**parties are free to agree on the procedure to be followed in the conduct of arbitral proceedings**. Failing such agreement, the arbitral tribunal may conduct arbitration in the manner it considers appropriate.”⁶⁰

In the case at bar, the Consultancy Agreement contained an arbitration clause.⁶¹ Hence, respondent, after it filed its complaint, moved for its referral to arbitration⁶² which was not objected to by petitioner.⁶³ By its referral to arbitration, the case fell within the coverage of the Special ADR Rules. However, with respect to the arbitration proceedings itself, the parties had agreed to adopt the CIAC Rules before the Arbitral Tribunal in accordance with Rule 2.3 of the Special ADR Rules.

On May 7, 2010, the Arbitral Tribunal rendered the Arbitral Award in favor of respondent. Under Section 17.2, Rule 17 of the CIAC Rules, no motion for reconsideration or new trial may be sought, but any of the parties may file a motion for correction⁶⁴ of the final award, which shall interrupt the running of the period for appeal,⁶⁵ based on any of the following grounds, to wit:

- a. an evident miscalculation of figures, a typographical or arithmetical error;
- b. an evident mistake in the description of any party, person, date, amount, thing or property referred to in the award;
- c. where the arbitrators have awarded upon a matter not submitted to them, not affecting the merits of the decision upon the matter submitted;
- d. where the arbitrators have failed or omitted to resolve certain issue/s formulated by the parties in the Terms of Reference (TOR) and submitted to them for resolution, and

⁵⁸ See Rule 1.1 of the Special ADR Rules; emphasis supplied.

⁵⁹ See Rule 2.1 of the Special ADR Rules.

⁶⁰ See Rule 2.3 of the Special ADR Rules; emphasis and underscoring supplied.

⁶¹ See *rollo*, pp. 9 and 21.

⁶² Under Rule 4.1 of the Special ADR Rules, “[a] party to a pending action filed in violation of the arbitration agreement, whether contained in an arbitration clause or in a submission agreement, may request the court to refer the parties to arbitration in accordance with such agreement.”

⁶³ See *rollo*, p. 83.

⁶⁴ CIAC Rules, Rule 17, Sec. 17.1.

⁶⁵ CIAC Rules, Rule 17, Sec. 17.1.1.

- e. where the award is imperfect in a matter of form not affecting the merits of the controversy.

The motion shall be acted upon by the Arbitral Tribunal or the surviving/remaining members.⁶⁶

Moreover, the parties may appeal the final award to the CA through a petition for review under Rule 43 of the Rules of Court.⁶⁷

Records do not show that any of the foregoing remedies were availed of by petitioner. Instead, it filed the May 19, 2010 Motion for Reconsideration of the Arbitral Award, which was a prohibited pleading under the Section 17.2,⁶⁸ Rule 17 of the CIAC Rules, thus rendering the same final and executory.

Accordingly, the case was remanded to the RTC for confirmation proceedings pursuant to Rule 11 of the Special ADR Rules which requires confirmation by the court of the final arbitral award. This is consistent with Section 40, Chapter 7 (A) of RA 9285 which similarly requires a judicial confirmation of a domestic award to make the same enforceable:

SEC. 40. *Confirmation of Award.* – The confirmation of a domestic arbitral award shall be governed by Section 23⁶⁹ of R.A. 876.⁷⁰

A domestic arbitral award when confirmed shall be enforced in the same manner as final and executory decisions of the regional trial court.

The confirmation of a domestic award shall be made by the regional trial court in accordance with the Rules of Procedure to be promulgated by the Supreme Court.

A CIAC arbitral award need not be confirmed by the regional trial court to be executory as provided under E.O. No. 1008. (Emphases supplied)

⁶⁶ See Sec. 17.1, Rule 17 of the CIAC Rules; citations omitted.

⁶⁷ See Sec. 18.2, Rule 18 of the CIAC Rules.

⁶⁸ See Sec. 17.2, Rule 17 of the CIAC Rules.

⁶⁹ SEC. 23. *Confirmation of award.* – At any time within one month after the award is made, any party to the controversy which was arbitrated may apply to the court having jurisdiction, as provided in section twenty-eight, for an order confirming the award; and thereupon the court must grant such order unless the award is vacated, modified or corrected, as prescribed herein. Notice of such motion must be served upon the adverse party or his attorney as prescribed by law for the service of such notice upon an attorney in action in the same court.

⁷⁰ Otherwise known as The Arbitration Law, entitled “AN ACT TO AUTHORIZE THE MAKING OF ARBITRATION AND SUBMISSION AGREEMENTS, TO PROVIDE FOR THE APPOINTMENT OF ARBITRATORS AND THE PROCEDURE FOR ARBITRATION IN CIVIL CONTROVERSIES, AND FOR OTHER PURPOSES”; approved on June 19, 1953.

During the confirmation proceedings, petitioners did not oppose the RTC's confirmation by filing a petition to vacate the Arbitral Award under Rule 11.2 (D)⁷¹ of the Special ADR Rules. Neither did it seek reconsideration of the confirmation order in accordance with Rule 19.1 (h) thereof. Instead, petitioner filed only on September 10, 2012 a special civil action for *certiorari* before the CA questioning the propriety of (a) the RTC Order dated September 12, 2011 granting respondent's motion for issuance of a writ of execution, and (b) Order dated July 9, 2012 denying its motion to quash. Under Rule 19.26 of the Special ADR Rules, "[w]hen the Regional Trial Court, in making a ruling under the Special ADR Rules, has acted without or in excess of its jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, **and there is no appeal or any plain, speedy, and adequate remedy in the ordinary course of law**, a party may file a special civil action for *certiorari* to annul or set aside a ruling of the Regional Trial Court." Thus, for failing to avail of the foregoing remedies before resorting to *certiorari*, the CA correctly dismissed its petition.

II.

Note that the special civil action for *certiorari* described in Rule 19.26 above may be filed to annul or set aside the following orders of the Regional Trial Court.

- a. Holding that the arbitration agreement is inexistent, invalid or unenforceable;
- b. Reversing the arbitral tribunal's preliminary determination upholding its jurisdiction;
- c. Denying the request to refer the dispute to arbitration;
- d. Granting or refusing an interim relief;
- e. Denying a petition for the appointment of an arbitrator;
- f. Confirming, vacating or correcting a domestic arbitral award;
- g. Suspending the proceedings to set aside an international commercial arbitral award and referring the case back to the arbitral tribunal;
- h. Allowing a party to enforce an international commercial arbitral award pending appeal;

⁷¹ Rule 11.2. *When to request confirmation, correction/modification or vacation.* –

x x x x

(D) A petition to vacate the arbitral award may be filed, in opposition to a petition to confirm the arbitral award, not later than thirty (30) days from receipt of the award by the petitioner. A petition to vacate the arbitral award filed beyond the reglementary period shall be dismissed.

- i. Adjourning or deferring a ruling on whether to set aside, recognize and or enforce an international commercial arbitral award;
- j. Allowing a party to enforce a foreign arbitral award pending appeal; and
- k. Denying a petition for assistance in taking evidence. (Emphasis supplied)

Further, Rule 19.7⁷² of the Special ADR Rules precludes a party to an arbitration from filing a petition for *certiorari* questioning the merits of an arbitral award.

If so falling under the above-stated enumeration, Rule 19.28 of the Special ADR Rules provide that said *certiorari* petition should be filed “with the [CA] within fifteen (15) days from notice of the judgment, order or resolution sought to be annulled or set aside. No extension of time to file the petition shall be allowed.”

In this case, petitioner asserts that its petition is not covered by the Special ADR Rules (particularly, Rule 19.28 on the 15-day reglementary period to file a petition for *certiorari*) but by Rule 65 of the Rules of Court (particularly, Section 4 thereof on the 60-day reglementary period to file a petition for *certiorari*), which it claimed to have suppletory application in arbitration proceedings since the Special ADR Rules do not explicitly provide for a procedure on execution.

The position is untenable.

Execution is fittingly called the *fruit and end of suit and the life of the law*. A judgment, if left unexecuted, would be nothing but an empty victory for the prevailing party.⁷³

While it appears that the Special ADR Rules remain silent on the procedure for the execution of a confirmed arbitral award, it is the Court’s considered view that the Rules’ procedural mechanisms cover not only aspects of confirmation but necessarily extend to a confirmed award’s execution in light of the doctrine of necessary implication which states that every statutory grant of power, right or privilege is deemed to include all incidental power, right or privilege. In *Atienza v. Villarosa*,⁷⁴ the doctrine was explained, thus:

⁷² Rule 19.7. *No appeal or certiorari on the merits of an arbitral award*. – An agreement to refer a dispute to arbitration shall mean that the arbitral award shall be final and binding. Consequently, a party to an Arbitration is precluded from filing an appeal or a petition for *certiorari* questioning the merits of an arbitral award.

⁷³ *Heirs of Mateo Pidacan v. Air Transportation Office*, G.R. No. 186192, August 25, 2010, 629 SCRA 451, 461.

⁷⁴ 497 Phil. 689 (2005).

No statute can be enacted that can provide all the details involved in its application. There is always an omission that may not meet a particular situation. What is thought, at the time of enactment, to be an all-embracing legislation may be inadequate to provide for the unfolding of events of the future. So-called gaps in the law develop as the law is enforced. One of the rules of statutory construction used to fill in the gap is the doctrine of necessary implication. The doctrine states that what is implied in a statute is as much a part thereof as that which is expressed. **Every statute is understood, by implication, to contain all such provisions as may be necessary to effectuate its object and purpose, or to make effective rights, powers, privileges or jurisdiction which it grants, including all such collateral and subsidiary consequences as may be fairly and logically inferred from its terms. *Ex necessitate legis*. And every statutory grant of power, right or privilege is deemed to include all incidental power, right or privilege.** This is so because the greater includes the lesser, expressed in the maxim, *in eo plus sit, simpliciter inest et minus*.⁷⁵ (Emphases supplied)

As the Court sees it, execution is but a necessary incident to the Court's confirmation of an arbitral award. To construe it otherwise would result in an absurd situation whereby the confirming court previously applying the Special ADR Rules in its confirmation of the arbitral award would later shift to the regular Rules of Procedure come execution. Irrefragably, a court's power to confirm a judgment award under the Special ADR Rules should be deemed to include the power to order its execution for such is but a collateral and subsidiary consequence that may be fairly and logically inferred from the statutory grant to regional trial courts of the power to confirm domestic arbitral awards.

All the more is such interpretation warranted under the principle of *ratio legis est anima* which provides that a statute must be read according to its spirit or intent,⁷⁶ for what is within the spirit is within the statute although it is not within its letter, and that which is within the letter but not within the spirit is not within the statute.⁷⁷ Accordingly, since the Special ADR Rules are intended to achieve speedy and efficient resolution of disputes and curb a litigious culture,⁷⁸ every interpretation thereof should be made consistent with these objectives.

Thus, with these principles in mind, the Court so concludes that the Special ADR Rules, as far as practicable, should be made to apply not only to the proceedings on confirmation but also to the confirmed award's execution.

⁷⁵ Id. at 702-703, citing *Chua v. Civil Service Commission*, G.R. No. 88979, February 7, 1992, 206 SCRA 65,77.

⁷⁶ See *Roa v. Collector of Customs*, 23 Phil. 315, 339 (1912).

⁷⁷ Id. Also cited in *Alonzo v. Intermediate Appellate Court*, 234 Phil. 267, 273 (1987).

⁷⁸ See Rule 2.1 of the Special ADR Rules.

Further, let it be clarified that – contrary to petitioner’s stance – resort to the Rules of Court even in a suppletory capacity is not allowed. Rule 22.1 of the Special ADR Rules explicitly provides that “[t]he 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.”⁷⁹ Besides, Rule 1.13 thereof provides that “[i]n situations where no specific rule is provided under the Special ADR Rules, the court shall resolve such matter summarily and be guided by the spirit and intent of the Special ADR Rules and the ADR Laws.”

As above-mentioned, the petition for *certiorari* permitted under the Special ADR Rules must be filed within a period of fifteen (15) days from notice of the judgment, order or resolution sought to be annulled or set aside.⁸⁰ Hence, since petitioner’s filing of its *certiorari* petition in CA-G.R. SP No. 126458 was made nearly two months after its receipt of the RTC’s Order dated July 9, 2012, or on September 10, 2012,⁸¹ said petition was clearly dismissible.⁸²

III.

Discounting the above-discussed procedural considerations, the Court still finds that the *certiorari* petition had no merit.

Indeed, petitioner cannot be said to have been denied due process as the records undeniably show that it was accorded ample opportunity to ventilate its position. There was clearly nothing out of line when the Arbitral Tribunal denied petitioner’s motions for extension to file its submissions having failed to show a valid reason to justify the same or in rendering the Arbitral Award *sans* petitioner’s draft decision which was filed only on the day of the scheduled promulgation of final award on May 7, 2010.⁸³ The touchstone of due process is basically the opportunity to be heard. Having been given such opportunity, petitioner should only blame itself for its own procedural blunder.

On this score, the petition for *certiorari* in CA-G.R. SP No. 126458 was likewise properly dismissed.

⁷⁹ See Rule 22.1 of the Special ADR Rules; emphases supplied.

⁸⁰ See Rule 19.28 of the Special ADR Rules.

⁸¹ See *rollo*, p. 204.

⁸² Rule 19.30 of the Special ADR Rules provides:

Rule 19.30. *Court to dismiss petition.* – The court shall dismiss the petition if it fails to comply with Rules 19.27 and 19.28 above, or upon consideration of the ground alleged and the legal briefs submitted by the parties, the petition does not appear to be *prima facie* meritorious.

⁸³ *Rollo*, pp. 41 and 113.

IV.

Nevertheless, while the Court sanctions the dismissal by the CA of the petition for *certiorari* due to procedural infirmities, there is a need to explicate the matter of execution of the confirmed Arbitral Award against the petitioner, a government agency, in the light of Presidential Decree No. (PD) 1445⁸⁴ otherwise known as the “Government Auditing Code of the Philippines.”

Section 26 of PD 1445 expressly provides that execution of money judgment against the Government or any of its subdivisions, agencies and instrumentalities is within the primary jurisdiction of the COA, to wit:

SEC. 26. *General jurisdiction.* **The authority and powers of the Commission shall extend to and comprehend all matters relating to auditing procedures, systems and controls, the keeping of the general accounts of the Government, the preservation of vouchers pertaining thereto for a period of ten years, the examination and inspection of the books, records, and papers relating to those accounts; and the audit and settlement of the accounts of all persons respecting funds or property received or held by them in an accountable capacity, as well as the examination, audit, and settlement of all debts and claims of any sort due from or owing to the Government or any of its subdivisions, agencies and instrumentalities.** The said jurisdiction extends to all government-owned or controlled corporations, including their subsidiaries, and other self-governing boards, commissions, or agencies of the Government, and as herein prescribed, including non-governmental entities subsidized by the government, those funded by donation through the government, those required to pay levies or government share, and those for which the government has put up a counterpart fund or those partly funded by the government. (Emphases supplied)

From the foregoing, the settlement of respondent’s money claim is still subject to the primary jurisdiction of the COA despite finality of the confirmed arbitral award by the RTC pursuant to the Special ADR Rules.⁸⁵ Hence, the respondent has to first seek the approval of the COA of their monetary claim. This appears to have been complied with by the latter when it filed a “Petition for Enforcement and Payment of Final and Executory Arbitral Award”⁸⁶ before the COA. Accordingly, it is now the COA which has the authority to rule on this latter petition.

WHEREFORE, the petition is **DENIED**. The Decision dated March 26, 2014 of the Court of Appeals in CA-G.R. SP No. 126458 which dismissed the petition for *certiorari* filed by petitioner the Department of Environment and Natural Resources is hereby **AFFIRMED**.

⁸⁴ Entitled “ORDAINING AND INSTITUTING A GOVERNMENT AUDITING CODE OF THE PHILIPPINES”; approved on June 11, 1978.


⁸⁵ See *University of the Philippines v. Dizon*, G.R. No.171182, August 23, 2012, 679 SCRA 54, 79-80.

⁸⁶ See *Rollo*, p. 266.

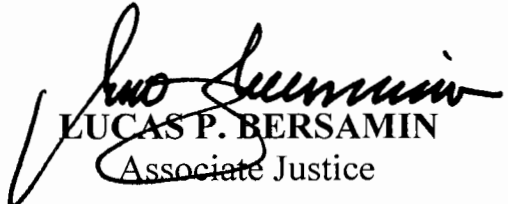
SO ORDERED.


ESTELA M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


MARIA LOURDES P. A. SERENO
Chief Justice
Chairperson



TERESITA J. LEONARDO-DE CASTRO
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, 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.


MARIA LOURDES P. A. SERENO
Chief Justice