

**Polish Supreme Court ruling
dated 2 November 1938
Case No. C II 280/38**

Summary by arbitraz.laszczuk.pl:

A party to an arbitration proceeding brought an action to set aside the award. Relief was denied by the municipal court, by the regional court on appeal, and subsequently by the Polish Supreme Court.

The dispute involved rights to real estate among partners. The award did not violate public policy by ordering the partners to maintain joint ownership of the real estate for life; requiring ownership to be retained "forever" would be invalid under the Civil Code, but here the injunction applied only so long as all the partners were still live. The award concerning rights to insurance proceeds for lumber lost in a fire was proper because the proceeds followed title to the lumber. The award also properly imposed penalties for non-performance of obligations, which the arbitration clause authorized the arbitration court to rule on, even though the basis for the penalties was unclear, because the parties had waived the requirement that the arbitration court provide a justification for the award.

The court also found that the award was not served late on the parties. The arbitration clause provided that the award must be served by 2 April 1936, but it was not served until 3 April 1936 because the petitioner refused to accept timely service and then left town to avoid another attempt at service within the time limit. The court held that the party had deliberately prevented fulfilment of a condition for the validity of the award, and thus the condition was deemed met and the award was valid.

Excerpts from the text of the court's ruling:

1. Civil Procedure Code Art. 150, which permits service at night only upon prior order by the director of the court, does not apply to arbitration procedure, where the general regulation of Civil Procedure Code Art. 500 §1 provides only that the arbitration court shall serve copies of the award on the parties, against written proof of service, but does not prescribe the manner of service.

2. Obligations Code Art. 82 permits an agreement to pay a specific sum of money in the event of failure to perform an obligation, and thus the arbitration court did not violate public policy by ruling on a monetary penalty....

3. The allegation that the arbitration award does not explain the grounds for monetary obligations is unjustified, because the parties released the arbitration court from the duty to provide a justification for the award.