

SECOND DIVISION

[G.R. No. 257849. March 13, 2023]

PHILIPPINE CHARITY SWEEPSTAKES OFFICE, PETITIONER, VS. ANTONIO F. MENDOZA, RESPONDENT.

D E C I S I O N

LOPEZ, J., J.:

This Court resolves a Petition for Review on *Certiorari*^[1] under Rule 45, seeking to set aside the Decision^[2] and Resolution^[3] of the Court of Appeals (CA), which affirmed the Decision^[4] of Regional Trial Court (RTC) in favor of Antonio F. Mendoza (*Mendoza*) and directing Philippine Charity Sweepstakes Office (*sweepstakes office*) to pay PHP 12,391,600.00 as payment for the 6/42 jackpot prize.

The Antecedents

On September 30, 2015, Mendoza filed a Complaint^[5] for specific performance. He alleged that on October 2, 2014, he placed three bets via “lucky pick” for the Lotto 6/42 draw at a lotto outlet in Brgy. Dacanlao, Calaca, Batangas.^[6] His lucky pick number combinations were:

09, 21, 31, 36, 40, 41
02, 08, 09, 17, 29, 42
05, 26, 27, 28, 35, 38.^[7]

The next morning, he learned that one of the “lucky pick” number combinations he had bet on won. Unfortunately, his granddaughter grabbed and crumpled his winning ticket. In an attempt to straighten it out again, Mendoza’s daughter ironed the ticket with a piece of cloth covering it.^[8] As a result, the ticket blackened with only the first two digits of the three bet combinations remaining visible, the outlet from which he bought it, the draw date, the date of its purchase, and, partially, the time it was purchased:

1st row: A: 09, 21 x x x
2nd row: B: 02, 08 x x x

3rd row: C: 05, 26 x x x

4th row: 2004 62-0531-3

5th row: Draw 1055 THU

6th row: 02-Oct-14 16: x x x^[9]

On October 5, 2014, Mendoza presented his partially blackened ticket to the sweepstakes office in Mandaluyong City, where he was instructed to submit a handwritten account of what happened. Mendoza complied. Upon their instructions, Mendoza returned to the sweepstakes office on October 7, 2014 to submit his affidavit to the Legal Department. When the media reported Mendoza's story on October 11, 2014, the sweepstakes office, through its representatives, stated in an interview that it would not close its doors to Mendoza's case and there was still a one year period to claim the prize if no other claimant comes forward. However, in an October 20, 2014 letter, the sweepstakes office informed Mendoza that the prize could not be awarded as his ticket had been damaged and could not be validated.^[10]

In the meantime, Mendoza aired his story at several hearings of the House of Representatives Committee on Games and Amusements (*Committee on Games*). During the November 19, 2014 hearing, one of the representatives of the sweepstakes office stated under oath that he would personally allow payment of the prize to Mendoza as long as the Commission on Audit (COA) approves the same. In turn, the COA stated that they would not disallow payment of the prize if the Philippine Charity Sweepstakes Office Board allowed it. Meanwhile, Mendoza and his family subjected themselves to polygraph tests at the National Bureau of Investigation. Subsequently, in a Committee on Games hearing on December 10, 2014, the sweepstakes office board declared that they would not pay the prize to Mendoza in accordance with their "no ticket, no payment" policy. On May 12, 2015, the Committee on Games recommended in its Committee Report No. 717 that the prize be awarded to Mendoza in consideration of other circumstances and evidence establishing his ownership of the winning lotto ticket. The Committee on Games also recommended that in the event the sweepstakes office continues to the payment of the prize to Mendoza, the Office of the Ombudsman should conduct a preliminary investigation on the sweepstakes office's violation of Republic Act (R.A.) No. 3019 in causing undue injury to Mendoza. Subsequently, Mendoza, through counsel, demanded that the sweepstakes office pay him the October 2, 2014 6/42 lotto prize amounting to PHP 12,391,600.00, but he was ignored.^[11]

In his Complaint^[12] dated September 23, 2015, Mendoza emphasized that no one else had claimed the winnings for the October 2, 2014 6/42 lotto draw and the sweepstakes office's

continued refusal to pay him the said prize was tantamount to bias or partiality and showed evident bad faith. Arguing that the “no ticket, no payment” policy lacked legal basis, Mendoza prayed for the payment to him of PHP 12,391,600.00 as well as moral and exemplary damages, attorney’s fees, litigation expenses, and cost of suit.^[13]

In their Answer with Special Affirmative Defenses and Counterclaims,^[14] the sweepstakes office argued that Mendoza’s complaint failed to state a cause of action “as there can be no valid judgment based on the alleged facts therein as the actionable document, *i.e.*, the valid winning ticket was not appended to the Complaint such that there can be no basis of the relief being sought for by Mendoza.” They further argued that when Mendoza purchased the lotto ticket, he agreed to the following rules, regulations, the policies of the sweepstakes office as clearly stated and printed at the back portion of a lotto ticket (*ticket text*), to wit:

WARNING

1. Keep ticket away from heat, hot objects, oil, water and solvents.
2. Do not fold.

PHILIPPINE CHARITY SWEEPSTAKES OFFICE

1. This ticket is issued and sold subject to the conditions and procedures that have been approved by the PCSO under R.A. [No.] 1169 (as amended).
2. The ticket is sold by the date(s), draw(s) and games indicated overleaf and as recorded by PCSO. However, this ticket is not valid if it has been recorded as cancelled by PCSO.
3. Prizes will not be paid if the ticket is altered, defaced, torn, damaged or has failed any of the validation tests by PCSO.
4. Prizes must be claimed in accordance with the scheme and the procedures as laid down by PCSO in accordance with R.A. [No.] 1169 (as amended).
5. For the purpose of security, please record your name and signature below.^[15]

The sweepstakes office likewise emphasized in its Answer that the findings in Committee Report No. 717 were merely recommendatory and could neither override nor supplant duly promulgated sweepstakes office rules and regulations, particularly, the clear and absolute provisions of Articles V and VI of the PCSO Amended Games Rules and Regulations for the Lotto 6/42 (*PCSO Rules*), as well as Article VII (4)(c) which states that “PCSO shall not

consider payment of any prize without the presentation and surrender of the winning ticket." By way of counterclaims, the sweepstakes office prayed for recovery of moral damages, attorney's fees, and cost of suit.^[16]

In his Reply,^[17] Mendoza reiterated that he had overwhelming proof that he was the winner of the October 2, 2014 6/42 lotto draw, to wit: his partly burnt ticket, the contents of which had been reproduced in Committee Report No. 717; the November 27, 2014 certification from the sweepstakes office stating, among others, that the sole winning number combination for the October 2, 2014 6/42 lotto draw was one of the three bets placed on October 2, 2014 in a documented transaction at the lotto terminated/outlet operated by Fermina Panganiban in Brgy. Dacanlao, Calaca, Batangas; and the December 4, 2014 Certification from PCSO's Gaming Technology Department which confirmed that in all the transactions in Panganiban's lotto outlet for the October 2, 2014 6/42 lotto draw, there was only one ticket sold with a three bet combination in which the first two numbers of each bet were "Panel A: 09, 21"; "Panel B: 02, 08"; and "Panel C: 05, 26." Mendoza argued that all the circumstances he presented were consistent with the inference that he was the holder of the winning ticket for the October 2, 2014 6/42 lotto draw. He maintained that the sweepstakes office's refusal to pay him the jackpot prize amounted to bias or partiality against him and showed evident bad faith.^[18]

The pre-trial conference scheduled on November 17, 2016 was reset to March 16, 2017. However, on November 22, 2016, the sweepstakes office, filed a Motion to Suspend Pre-Trial Conference and to Set Hearing on the Affirmative Defenses.^[19] They argued that considering that the action was one for specific performance to pay Mendoza a certain jackpot prize, his failure to attach his alleged winning ticket was a ground to dismiss the case and a hearing on this special affirmative defense should be conducted before pre-trial.^[20]

After Mendoza filed his Comment/Opposition to the Motion to Suspend Pre-Trial Conference and to Set Hearing on the Affirmative Defenses, the RTC suspended pre-trial and conducted preliminary hearings on the special affirmative defense raised by the sweepstakes office.^[21] Thereafter, the parties moved for the issuance of a judgment on the pleadings "considering that the issues in the complaint as well as in the Answer are purely legal questions."^[22]

After the parties' submission of their respective position papers, the RTC rendered the assailed March 29, 2019 Decision^[23] in favor of Mendoza who presented substantial evidence that he was the exclusive winner of the October 2, 2014 6/42 lotto draw. The trial

court ratiocinated that the damage to Mendoza's ticket justified the resort to secondary evidence. In addition to the payment of the jackpot prize, the RTC also ordered the sweepstakes office to pay attorney's fees and moral damages in view of Mendoza's long years of battle for his prize. Invoking common experience, the RTC deemed Mendoza to have gone through tremendous emotional suffering and exerted unquantifiable physical efforts.^[24] The dispositive portion of the Decision reads:

WHEREFORE, the foregoing considered, judgment is hereby rendered in favor of plaintiff Antonio F. Mendoza directing defendant Philippine Charity Sweepstakes Office represented by General Manager Jose Ferdinand Roxas II and Directors Francisco G. Joaquin III, Mabel Mamba and Betty Mantes to pay the plaintiff the following amounts:

1. Twelve Million Three Hundred Ninety-one Thousand Six Hundred Pesos ([PHP] 12,391,600.00) as payment for the 6/42 jackpot price on 02 October 2014;
2. One Hundred Thousand Pesos ([PHP] 100,000.00) as moral damages;
3. Fifty Thousand pesos ([PHP] 50,000.00) as exemplary damages; and
4. Fifty Thousand Pesos ([PHP] 50,000.00) for attorney's fees and litigation expenses.

SO ORDERED.^[25] (Emphasis in the original)

The sweepstakes office moved for reconsideration but the RTC denied the same in its Order^[26] dated July 26, 2019.

Aggrieved, the sweepstakes office interposed its Appeal with the CA, insisting that Mendoza's partially blackened/burnt ticket showing only two digits did not constitute a valid ticket containing the winning number combinations as defined under the PCSO Rules which bind all participants of the lotto. They assert that the acceptance of secondary evidence would pave the way for fraudulent claims that might resultantly undermine the integrity of the lottery, the conduct of which is imbued with public interest.^[27]

In its Decision,^[28] the CA affirmed the RTC's findings that Mendoza proved by preponderance of evidence that he was the only one who selected the winning six-number combination in the October 2, 2014 6/42 lotto draw and was therefore entitled to the

corresponding jackpot prize.^[29] Notably, the CA discussed the requisites of winning the Lotto 6/42 game, as determined from the provisions of the PCSO Rules:

An arduous examination of the entire provisions of the [PCSO] Rules shows that winning the jackpot prize at the Lotto 6/42 draw appears to entail no more and no less than selecting, as a customer in the Lotto 6/42 game, a six (6)-number combination that is subsequently drawn as the official winning combination for that particular draw date. It is the customer's selection of the winning number combination that determines whether a ticket is the so-called "winning ticket." In fine, the true crux of winning a prize in the Lotto 6/42 game is evidently not the presentation of just any lotto ticket which survives the validation procedure, but the selection of the winning number combination as reflected in a legitimate ticket. Playing such a winning combination, not merely submitting a ticket that is subsequently validated, is the essential condition precedent to winning the proffered prize.^[30]

However, the CA ruled that there was insufficient factual and legal basis to award damages and attorney's fees to Mendoza. The dispositive portion stated:

WHEREFORE, the appeal is **PARTIALLY GRANTED**. The assailed March 29, 2019 Decision and July 26, 2019 Order of the Regional Trial Court, Branch 9, Balayan, Batangas in Civil Case No. 5353 are hereby **AFFIRMED** with **MODIFICATION** in that the awards of moral and exemplary damages, litigation expenses, and attorney's fees are **DELETED**. The order in the assailed Decision for Philippine Charity Sweepstakes Office to pay plaintiff-appellee Antonio F. Mendoza the amount of [PHP]12,391,600.00 **STANDS**.

SO ORDERED.^[31] (Emphasis in the original)

The CA denied the Motion for Reconsideration in its Resolution.^[32]

Unfazed, the sweepstakes office filed a Petition for Review^[33] with this Court seeking the reversal of the Decision and Resolution by the CA. It argues that the CA erred in disregarding the PCSO Rules for the payment of the lotto jackpot prize in favor of Mendoza.^[34] The sweepstakes office cites this Court's previous decisions concerning a game

of chance in the “infamous case of the Number Fever” promotion, where an unusual number of winners claimed to have won the jackpot prize for the “349 crown.” In those cases, this Court dismissed the specific performance cases filed against Pepsi-Cola Products Philippines, Inc. for the claimants’ failure to comply with the conditions precedent for winning the prize.^[35] Intending to draw an analogy, the sweepstakes office asserts that the conditions precedent for the payment of the jackpot prize in this case were likewise not met by Mendoza.^[36]

Mendoza filed his Comment^[37] on November 3, 2022. He reiterated that the fact that the Committee on Games and the sweepstakes office differed in their interpretation of the PCSO Rules renders it ambiguous. He also repeated that he had sufficiently proved by preponderance of evidence that he was the winner of the Lotto 6/42 game held on October 2, 2014.

Issues

I.

Whether the provisions in the PCSO Rules and Regulations for the Lotto 6/42 are susceptible to judicial interpretation; and

II.

Whether Antonio F. Mendoza has sufficiently proved that he is entitled to the jackpot prize of PHP 12,391,600.00 despite the fact that his winning ticket was partially burned.

This Court’s Ruling

The Petition lacks merit.

The PCSO Rules are ambiguous and susceptible to interpretation; this Court is not a trier of facts

This Court’s ruling in the case of *Benguet Corporation v. Cabildo*^[38] is instructive on the matter:

A court's purpose in examining a contract is to interpret the intent of the contracting parties, as objectively manifested by them. The process of interpreting a contract requires the court to make a preliminary inquiry as to whether the contract before it is ambiguous. **A contract provision is ambiguous if it is susceptible of two reasonable alternative interpretations.** Where the written terms of the contract are not ambiguous and can only be read one way, the court will interpret the contract as a matter of law. If the contract is determined to be ambiguous, then the interpretation of the contract is left to the court, to resolve the ambiguity in the light of the intrinsic evidence.^[39] (Emphasis supplied)

While the lotto ticket bears certain notices at the back thereof, it is not only those that are written therein that should be considered. The PCSO Rules, which provide the rights and obligations of both the sweepstakes office and bettors like Mendoza, likewise forms part of the contract between them, albeit prepared solely by the sweepstakes office. The CA appropriately observed that the PCSO Rules were indeed ambiguous because it was susceptible to two reasonable alternative interpretations. The pertinent portion states:

ARTICLE IV
NUMBER, VALUE, AND PAYMENT OF PRIZES

(1
) Category of Prizes

- Tickets having all six (6) selected numbers corresponding to the six (6)
a. official winning numbers shall be classified as Category I prize.^[40]
(Emphasis supplied)

While the PCSO insists that the presentation of the complete, physical ticket is a condition precedent before their duty to pay the prize money arises, Mendoza and the Committee on Games considers the selection of the winning number combination as the essential condition precedent. These are two reasonable interpretations of the Rules, causing ambiguity in the terms for payment of prize money. Hence, the interpretation of the PCSO Rules, which forms part of the contract, is left to the court.

As such, a review of the nature of the game of lotto is in order. It is a game of chance duly authorized under R.A. No. 1169, as amended, or "An Act Providing for Charity Sweepstakes Horse Races and Lotteries." The sweepstakes office is the principal government agency

authorized for raising and providing for funds for health programs, medical assistance and services, and charities of national character. It is authorized to hold and conduct charity sweepstakes races and lotteries, subject to the rules and regulations promulgated by the Board of Directors. Relevant in this case is the Amended Game Rules and Regulations for the Lotto 6/42, or the PCSO Rules. Article I thereof characterizes Lotto 6/42 as a “number match game,” thus:

ARTICLE I
APPLICATIONS

The Philippine Charity Sweepstakes Office (PCSO) shall conduct a national LOTTO Game with the captioned name (Philippine Lotto 6/42) pursuant to these Rules and Regulations. LOTTO is an On-Line Lottery Game of the type generally known as a **number match game**.^[41] (Emphasis supplied)

Under Article II of the same PCSO Rules, the definitions of significant terms do not refer to a “winning ticket.” Instead, the terms here refer to a *winning combination of numbers*, thus:

e. “Draw” — the act or process which is used to randomly select six (6) official **winning numbers** from one (1) drawing equipment containing forty-two (42) balls numbered from one (1) to forty-two (42).

. . . .

s. “Prize” — the amount payable to the customer for a **winning selection** contained in a single set of six (6) numbers on a ticket.

. . . .

aa. “**Winning numbers**” — the six (6) number combination from 1 to 42 drawn and adjudge [sic] as the official winning combination in a particular draw.^[42] (Emphasis supplied)

It is notable from the above cited PCSO Rules that there is no reference to a “winning ticket.” At most, a ticket was only defined as “produced by a terminal *confirming the selection* made by the customer.”^[43] Stated otherwise, the ticket is only proof of the fact that

the bettor selected the winning combination of numbers.

The CA did not err in finding that it is the act of selecting the winning combination that entitles a bettor to the corresponding prize. Given this, the issue that now needs to be determined is whether Mendoza sufficiently proved that he actually selected the winning combination.

At this juncture, We emphasize that the Rules of Court are clear that a petition for review shall raise only questions of law. This Court has previously discussed the distinction between questions of fact and questions of 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.** For a question to be one of law, the same must not involve an examination of the probative value of the evidence presented by the litigants or any of them. The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the question posed is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, **it is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case, it is a question of law; otherwise it is a question of fact.**^[44] (Emphasis supplied)

In resolving whether Mendoza had overcome the burden of proof through preponderance of evidence, it is necessary for this Court to look into the records of the case, review the documentary and testimonial evidence presented by the parties, and decide on which side the preponderance of evidence lies. A determination of whether a matter has been established by a preponderance of evidence is, by definition, a question of fact as it entails an appreciation of the relative weight of the competing parties' evidence.^[45] Given the established doctrine that this Court is not a trier of facts,^[46] it is generally not inclined to reexamine and reevaluate the evidence of the parties, whether testimonial or documentary.^[47] We adopt, therefore, the findings of the RTC and the CA that Mendoza indeed performed the act of selecting the winning number combination for the Lotto 6/42 draw on October 2, 2014. We adopt the findings of the CA in its Decision which stated thus:

Notably, PCSO... no longer raised factual questions over the following details on record: no one besides Mendoza sought to claim the October 2, 2014 6/42 lotto jackpot prize; during the hearing before the HOR Committee on Games, Panganiban, the lotto terminal operator, testified that Mendoza is her regular customer; the NBI cleared Mendoza and his family members of deception after conducting polygraph examinations and checking that they have no derogatory records; and PCSO admitted before the HOR Committee on Games that Mendoza's ticket was a "genuine and authentic PCSO-generated ticket." We also note that PCSO itself certified that per database records, the sole winning number combination for the October 2, 2014 6/42 lotto draw was one (1) of the three (3) bets placed on October 2, 2014 in a documented transaction at the lotto terminal/outlet operated by Panganiban in Brgy. Dacanlao, Calaca, Batangas. PCSO also certified that according to its computerized online database records, the said transaction was the only three (3)-bet transaction performed at the said lotto terminal on the said date. It bears stressing that the first two (2) numbers of each of the number combinations played, as well as the other transaction details, perfectly matched what remained visible on Mendoza's ticket and what he consistently narrated as his account of events.

....

All told, he established by unquestioned preponderance of evidence and in accordance with the Amended Rules, properly read together, his selection of the official winning six (6)-number combination for the October 2, 2014 6/42 Lotto draw which therefore entitles him to the payment of the corresponding jackpot prize.^[48]

As such, the circumstances surrounding the fact that Mendoza bet on the eventual winning numbers of the 6/42 lotto were clearly established. Notably, the RTC and the CA characterized the various pieces of evidence offered by Mendoza as secondary evidence.^[49] We clarify this point.

Secondary evidence, as provided in Rule 130 of the Rules of Court, is evidence that is admissible under specific and enumerated circumstances:

SECTION 5. *When original document is unavailable.* — When the original

document has been lost or destroyed, or cannot be produced in court, the offeror, upon proof of its execution or existence and the cause of its unavailability without bad faith on his part, may prove its contents by a copy, or by a recital of its contents in some authentic document, or by the testimony of witnesses in the order stated. (4a)

SECTION 6. *When original document is in adverse party's custody or control.* — If the document is in the custody or under the control of adverse party, he must have reasonable notice to produce it. If after such notice and after satisfactory proof of its existence, he fails to produce the document, secondary evidence may be presented as in the case of its loss. (5a)

SECTION 7. *Evidence admissible when original document is a public record.* — When the original of document is in the custody of public officer or is recorded in a public office, its contents may be proved by a certified copy issued by the public officer in custody thereof. (2a)

SECTION 8. *Party who calls for document not bound to offer it.* — A party who calls for the production of a document and inspects the same is not obliged to offer it as evidence. (6a)

Verily, secondary evidence is resorted to when the original document is unavailable. The requirement for the production of original documents in court is found in the Best Evidence Rule, which is also found in Rule 130 of the Rules of Court.

The Best Evidence Rule does not apply to every case where a document is involved. As this Court clarified in *Arceo, Jr. v. People*:^[50] “the rule applies only where the content of the document is the subject of the inquiry. Where the issue is the execution or existence of the document or the circumstances surrounding its execution, the best evidence rule does not apply and testimonial evidence is admissible.”^[51]

This Court provided further elaboration in the case of *Gaw v. Chua*:^[52]

The “best evidence rule” as encapsulated in Rule 130, Section 3, of the Revised Rules of Civil Procedure applies only when the content of such document is the subject of the inquiry. **Where the issue is only as to whether such document was actually executed, or exists, or on the circumstances relevant to or**

surrounding its execution, the best evidence rule does not apply and testimonial evidence is admissible. Any other substitutionary evidence is likewise admissible without need to account for the original.^[53] (Emphasis supplied; citations omitted)

In this case, while it is the numbers in the ticket that would prove whether Mendoza indeed won the jackpot lotto prize, it is actually the *existence* of the ticket that is being assailed by the sweepstakes office. Essentially, the reason why it rejected the claim of Mendoza was because the ticket was damaged, and when a case was filed in court, that the ticket was not presented in evidence. Whether the ticket bearing the numbers of the lotto indeed existed is an issue that does not require the application of the Best Evidence Rule. Hence, compliance with the rules on the presentation of secondary evidence does not apply. The testimonial evidence of Mendoza and his relatives, substantiated by records of sweepstakes office itself, surrounding the fact that Mendoza entered a lotto bet and that the chosen numbers correspond to the winning lotto number, were rightly admissible and given weight.

We recognize the interest held by sweepstakes office to conduct the lottery in a manner that upholds integrity and credibility. We likewise recognize that the “no ticket, no payment” policy is intended to be a deterrent against fraudulent claims and in turn, ensure the financial viability of PCSO. We do not agree, however, with the sentiment in the instant Petition that the payment of the jackpot prize to Mendoza is tantamount to a violation of its own rules. As we have discussed, the PCSO Rules itself reveals that the Lotto 6/42 does not contemplate a pre-determined “winning ticket” and so its presentation in a pristine state must not be the sole determinant for the payment of the prize.

This Court’s ruling in Pepsi-Cola Products Philippines, Inc. v. Pagdanganan^[54] and the related cases are not applicable in this case

To dispel any confusion, and in consideration of the fact that this case involves a game of chance similar to the case of the 1992 “Number Fever” promotion contest, We clarify at the outset that the cases are different and must not be compared with each other. A brief discussion of the “Number Fever” cases is in order.

Those series of cases arose from a similar set of facts. We reproduce the common facts from the case of *Pepsi-Cola Products Philippines, Inc.*, which was cited by the PCSO in their

Petition:

PCPPI and PEPSICO Inc. launched a Department of Trade and Industry (DTI) approved and supervised under-the-crown promotional campaign entitled “Number Fever” sometime in 1992. With said marketing strategy, it undertook to give away cash prizes to holders of specially marked crowns and resealable caps of PEPSI-COLA softdrink products, *i.e.*, Pepsi, 7-Up, Mirinda and Mountain Dew. Specially marked crowns and resealable caps were said to contain a) a three-digit number, b) a seven-digit alpha-numeric security code, and c) the amount of the cash prize in any of the following denominations — [PHP] 1,000.00; [PHP] 10,000.00; [PHP] 50,000.00; [PHP] 100,000.00; and [PHP] 1,000,000.00.

....

On 25 May 1992, petitioners PCPPI and PEPSICO announced the notorious three-digit combination “349” as the winning number for the next day, 26 May 1992. On the same night of the announcement, however, petitioners PCPPI and PEPSICO learned of reports that numerous people were trying to redeem “349” bearing crowns and/or resealable caps with incorrect security codes “L-2560-FQ” and “L-3560-FQ.” Upon verification from the list of the 25 pre-selected winning three-digit numbers, petitioners PCPPI and PEPSICO and the DTI learned that the three-digit combination “349” was indeed the winning combination for 26 May 1992 but the security codes “L-2560-FQ” and “L-3560-FQ” do not correspond to that assigned to the winning number “349.”

Subsequently, petitioners PCPPI and PEPSICO issued a statement stating in part that:

DEAR VALUED CUSTOMERS

....

Some 349 crowns have winning security codes as per the list held in a bank vault by the Department of Trade and Industry and will be redeemed at full value like all other authenticated winning crowns.

Some other 349 crowns which have security codes L-2560- FQ and

L-3560-FQ are not winning crowns.

However, as an act of goodwill to our customers, we will redeem the non-winning 349 crowns for P500.00 each until June 12, 1992 at all Pepsi plants & warehouses.^[55] (Citations omitted)

In that case, this Court recognized the existence of different cases filed by different winners holding the 349 crown, and harkened back to its disposition in the earlier cases, holding as follows:

The function of the security code is not limited to the determination of whether or not a crown is tampered with or fake. It also serves to authenticate the winning number combination whether it had the correct alpha-numeric security code uniquely assigned to each crown as appearing in PEPSI's official list. The campaign posters for the promo period February 17, 1992 to May 10, 1992 as well as for the extension period from May 11, 1992 to June 12, 1992 uniformly enumerated three (3) essential elements of a participating winning crown, to wit: (1) 3-digit winning number; (2) prize denomination; and (3) 7-digit alpha-numeric security code. x x x The promo mechanics stressed that the 3-digit winning number combination must have an authenticated security code, which security code was unique to every crown. Thus, plaintiff-appellant's "349" crown must also be measured against the essential elements of a winning participating crown pursuant to the promo's mechanics.

....

Thus, PEPSI's obligation to redeem plaintiff-appellant's "349" crown did not arise as his crown did not bear the correct security code, a condition precedent to winning the proffered prize.^[56]

Suffice it to say that the facts and issue in the above case are different from the case at bar.

In the Number Fever cases, the claimants were not entitled to the jackpot prize simply because the soft drink crowns that they held were not the pre-determined winning crowns. Stated otherwise, an obligation on the part of Pepsi-Cola did not arise because the

conditions in the offer did not materialize, specifically, that the crowns did not bear the correct alpha-numeric security codes uniquely assigned to the winning crowns.

Under the Civil Code, an obligation is a juridical necessity to give, to do, or not to do.^[57] The sources of obligations are limited to law, contracts, quasi-contracts, acts or omissions punished by law; and quasi-delicts.^[58] In games of chance such as the Number Fever or the lotto, the contract or terms of the game serves as the source of obligation.

Crucial in the law of contracts is the consent of the parties, which, is “manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract. The offer must be certain and the acceptance absolute.”^[59]

This Court has applied the principles of offer and consent in public advertisements involving rewards as follows:

First of all, we find that due to the fact that the bank started and advertised the said contest, offering prizes under certain conditions, and the plaintiff prepared, by labor and expense, and took part in said contest, the bank is bound to comply with the promise made in the rules and conditions prepared and advertised by it.

“A binding obligation may even originate in advertisements addressed to the general public.”

“It is an elementary principle that where a party published an offer to the world, and before it is withdrawn another acts on it, the party making the offer is bound to perform his promise. The principle is frequently applied in cases of the offer of rewards[.]”^[60] (Citations omitted)

Unlike the Number Fever cases, an obligation arose on the part of the sweepstakes office when Mendoza accepted the offer, and was able to comply with the conditions of the offer—that is, when the numbers he betted on were subsequently drawn to be the winning number combination for the 6/42 lotto. Since it offered to pay the jackpot prize of PHP 12,391,600.00 on the condition that the winning numbers be betted on by a person, the fulfillment of that condition created an obligation on the part of PCSO to comply with its

part of the contract, which is to pay the winning prize. The only dispute lies in Mendoza's proof that he indeed accepted the offer by selecting the winning number combination. As We have earlier discussed, even in the absence of a readable ticket, he was able to prove that he selected a set of numbers that corresponds to the winning combination number for the 6/42 lotto draw on October 2, 2014. Thus, he is entitled to receive the jackpot prize for the said lotto draw. Further, pursuant to *Nacar v. Gallery Frames*,^[61] the amount herein shall earn interest at the rate of 6% per annum from the finality of this Decision until full payment.

ACCORDINGLY, the Petition for Review on *Certiorari* filed by the Philippine Charity Sweepstakes Office is **DENIED**. The Decision and the Resolution of the Court of Appeals dated October 28, 2020 and October 29, 2021, respectively, under CA-G.R. CV No. 114178 are **AFFIRMED with MODIFICATIONS**.

The Philippine Charity Sweepstakes Office is **ORDERED** to **PAY** respondent Antonio F. Mendoza the amount of Twelve Million Three Hundred Ninety-one Thousand Six Hundred Pesos (PHP 12,391,600.00) as payment for the 6/42 jackpot prize. The amount owing to him shall earn legal interest of six percent (6%) per annum from the date of finality of this Decision until full payment.

SO ORDERED.

Leonen, SAJ. (Chairperson), Lazaro-Javier, M. Lopez, and Kho, Jr., JJ., concur.

^[1] *Rollo*, pp. 14-31.

^[2] *Id.* at 38-60. The October 28, 2020 Decision in CA-G.R. CV No. 114178 was penned by Associate Justice Pedro B. Corales, and concurred in by Associate Justices Celia C. Librea-Leagogo and Alfred D. Ampuan of the Fourth Division, Court of Appeals, Manila.

^[3] *Id.* at 62-63. The October 29, 2021 Resolution in CA-G.R. CV No. 114178 was penned by Associate Justice Pedro B. Corales, and concurred in by Associate Justices Edwin D. Sorongon and Alfred D. Ampuan of the Special Former Fourth Division, Court of Appeals, Manila.

^[4] *Id.* at 64-79. The March 29, 2019 Decision in Civil Case No. 5353 was penned by Presiding Judge Carolina F. De Jesus of Branch 9, Regional Trial Court, Balayan, Batangas.

^[5] *Id.* at 95-107.

^[6] *Id.* at 65.

^[7] *Id.* at 177.

^[8] *Id.* at 65.

^[9] *Id.* at 273.

^[10] *Id.* at 39-40.

^[11] *Id.* at 40.

^[12] *Id.* at 95-106.

^[13] *Id.* at 40-41.

^[14] *Id.* at 144-155.

^[15] *Id.* at 149.

^[16] *Id.* at 41.

^[17] *Id.* at 176-184.

^[18] *Id.* at 42.

^[19] *Id.* at 206-209.

^[20] *Id.* at 42.

^[21] *Id.* at 42-43.

^[22] *Id.* at 43.

^[23] *Id.* at 64-79.

^[24] *Id.* at 42.

^[25] *Id.* at 79.

^[26] *Id.* at 80-81.

^[27] *Id.* at 44-45.

^[28] *Id.* at 38-60.

^[29] *Id.* at 53.

^[30] *Id.*

^[31] *Id.* at 59.

^[32] *Id.* at 62-63.

^[33] *Id.* at 14-28.

^[34] *Id.* at 19.

^[35] *Id.* at 26.

^[36] *Id.* at 27.

^[37] *Id.* at 723-728.

^[38] 585 Phil. 23 (2008) [Per J. Nachura, Third Division], citing **Abad v. Goldloop Properties**, 549 Phil. 641 (2007) [Per J. Callejo, Sr., Third Division].

^[39] *Id.*

^[40] *Rollo*, p. 50.

^[41] *Id.* at 48.

^[42] *Id.* at 48-49.

^[43] *Id.* at 162.

^[44] **Calleja v. Executive Secretary**, G.R. Nos. 252578, 252579, 252580, 252585, 252613, 252623, 252624, 252646, 252702, 252726, 252733, 252736, 252741, 252747, 252755, 252759, 252765, 252767, 252768, 16663, 252802, 252809, 252903, 252904, 252905, 252916, 252921, 252984, 253018, 253100, 253118,

253124, 253242, 253252, 253254, 254191 & 253420, December 21, 2021 [Per J. Carandang, *En Banc*].

^[45] **Mirando, Jr. v. Philippine Charity Sweepstakes Office, G.R. No. 205022**, July 3, 2019 [Per J. Jardeleza, First Division].

^[46] **JR Hauling Services v. Solamo, G.R. No. 214294**, September 30, 2020 [Per J. Hernando, First Division].

^[47] *Id.* at 9. This citation refers to the copy of this Decision uploaded to the Supreme Court website.

^[48] *Rollo*, p. 54-55.

^[49] *Id.* at 43.

^[50] 527 Phil. 531 (2006) [Per J. Corona, Second Division].

^[51] *Id.* at 536.

^[52] 574 Phil. 640 (2008) [Per J. Nachura, Third Division].

^[53] *Id.* at 655-656.

^[54] 535 Phil. 540 (2006) [Per J. Chico-Nazario, First Division].

^[55] *Id.* at 542-545.

^[56] *Id.* at 550-551.

^[57] Civil code, Art. 1156.

^[58] Civil code, Art. 1157.

^[59] Civil code, Art. 1319.

^[60] **De la Rosa v. Bank of the Philippine Islands**, 51 Phil. 926, 927 (1924) [Per J. Romualdez, *En Banc*].

^[61] 716 Phil. 267 (2013) [Per J. Peralta, *En Banc*].

Date created: November 16, 2023