

### Title:

Carlos B. De Guzman v. Toyota Cubao, Inc.: A Philippine Supreme Court Ruling on Warranty and Prescription Period

### Facts:

Carlos B. De Guzman purchased a brand new Toyota Hi-Lux from Toyota Cubao, Inc. on November 27, 1997, with a portion paid upfront and the balance to be paid in 36 monthly installments. The vehicle was delivered on November 29, 1997. On October 18, 1998, De Guzman requested a replacement of the vehicle's engine due to a crack developed after driving through heavy rain. Toyota Cubao refused, asserting the damage was not covered by warranty.

On April 20, 1999, De Guzman filed a complaint for damages against Toyota Cubao in the Regional Trial Court (RTC) of Quezon City. The RTC dismissed the complaint on September 9, 1999, based on prescription, noting the implied warranty under the Civil Code has a six-month prescriptive period which De Guzman failed to comply with. De Guzman's motion for reconsideration was denied on December 21, 1999.

De Guzman then filed a petition for review on certiorari with the Supreme Court, bypassing the Court of Appeals, which was recognized as a procedural misstep.

### Issues:

1. Whether De Guzman violated the hierarchy of courts by directly filing a petition with the Supreme Court.
2. Whether the trial court's dismissal of De Guzman's complaint for damages on the ground of prescription was appropriate.
3. Whether the prescriptive period under Republic Act No. 7394 (The Consumer Act of the Philippines) applies to De Guzman's complaint.

### Court's Decision:

1. The Supreme Court found De Guzman violated the hierarchy of courts principle by directly filing the petition with the Supreme Court instead of appealing to the Court of Appeals.
2. The Court ruled the RTC correctly dismissed De Guzman's complaint based on prescription. The Court stated that De Guzman's action, based on implied warranty against hidden defects, should have been filed within six months from the delivery of the vehicle.
3. The Court also addressed De Guzman's invocation of Republic Act No. 7394, stating that

even under this law, De Guzman's case would still be dismissed since the one-year prescriptive period for implied warranty had also lapsed.

**### Doctrine:**

The Supreme Court reiterated that actions based on implied warranty against hidden defects must be filed within six months from the delivery of the item per the Civil Code. It also emphasized the importance of adhering to the hierarchy of courts when seeking appellate review.

**### Class Notes:**

- Implied Warranty: Obligation of the seller to ensure the item sold is free from any hidden faults or defects.
- Prescription Period: The timeframe within which a legal action must be initiated. For implied warranty under the Civil Code, this period is six months.
- Article 1571, Civil Code: Governs the prescription period for actions based on implied warranty.
- Republic Act No. 7394: Provides for a one-year prescriptive period for implied warranty in the sale of consumer products but does not override specific provisions of the Civil Code.
- Bypassing Court Hierarchy: Directly appealing to the Supreme Court without first seeking recourse in lower appellate courts is generally discouraged except for compelling reasons.

**### Historical Background:**

This case underscores the Philippine legal framework governing sales, warranties, and consumer protection. It illustrates the procedural and substantive requirements that aggrieved consumers must navigate to pursue claims against sellers or manufacturers, highlighting the nuances between implied warranties under the Civil Code and the Consumer Act of the Philippines.