

Title: Lourdes Suites vs. Noemi Binarao

Facts:

Lourdes Suites, a hotel in Makati City, Philippines, entered into two contracts for room accommodations with Noemi Binarao for two groups of students from AQ College of Nursing & Health Sciences and Mariano Marcos State University College of Nursing & Health Sciences, spanning several dates between March and June 2011, for a total contract price of P4,262,010.00. Post-service, the hotel claimed an unpaid balance of P47,810.00 from Binarao for alleged damages and additional charges, leading to a demand letter for payment sent to Binarao on July 25, 2011. In response to non-payment, Lourdes Suites filed a Statement of Claim for the collection of sum plus damages before the Metropolitan Trial Court of Makati (MeTC).

Binarao contested the claim, alleging over-billing and requesting an account reconciliation, which she claimed was ignored by the petitioner. The MeTC dismissed the complaint, recognizing an overpayment by Binarao and awarding her a refund and moral damages. Lourdes Suites' subsequent petition for certiorari to the Regional Trial Court (RTC) of Makati and later appeal to the Supreme Court questioned the decisions under the premise of procedural grounds and misinterpretations regarding cause of action dismissals.

Issues:

1. Whether a complaint can be dismissed with prejudice based on a lack of cause of action post-evidence presentation.
2. Clarification on the distinction between failure to state and lack of cause of action.
3. Applicability of the remedies mentioned in *Macaslang v. Zamora* in the instant case.

Court's Decision:

The Supreme Court denied the petition, affirming the RTC decision upholding the MeTC's dismissal based on lack of cause of action. The Court clarified that a dismissal for a lack of cause of action refers to insufficiency of evidence, not pleading, and it is within the court's discretion to dismiss a case if the plaintiff fails to prove their case by a preponderance of evidence. Moreover, the Supreme Court highlighted the distinctions and applications of remedies for failure to state and lack of cause of action, dismissing arguments of procedural misapplication by the petitioner.

Doctrine:

- In civil cases, courts must determine if the plaintiff was able to prove his case by a

preponderance of evidence. A complaint can be dismissed for lack of cause of action based on insufficiency of evidence.

- Decisions in small claims actions are final and unappealable, making a dismissal of such actions with prejudice a matter of course.

Class Notes:

1. **Distinction between Failure to State and Lack of Cause of Action**: Failure to state refers to insufficiency of pleading and is addressed through dismissal of the pleading, while lack of cause of action pertains to insufficiency of evidence and is addressed through a demurrer to evidence.
2. **Preponderance of Evidence**: The evidence which is more convincing to the court as worthy of belief than that which is offered in opposition. It is the standard for proving civil cases.
3. **Small Claims Procedure**: Decisions rendered under this procedure are final and unappealable, making any dismissals therein effectively with prejudice.

Historical Background:

This case reflects the procedural intricacies in Philippine small claims and civil litigation, particularly the distinctions between types of dismissals and causes of action evaluations. It also highlights the Philippine judiciary's emphasis on preponderance of evidence as the standard for civil disputes resolution.