

Villuga v. Kelly Hardware and Construction Supply Inc.

Facts:

1. **November 19, 1992 – January 5, 1993:** Spouses Ramon and Mercedita Villuga (petitioners) purchased various construction materials from Kelly Hardware and Construction Supply Inc. (respondent) amounting to PHP 259,809.50.
2. **Post-January 1993:** Respondent alleged that the said amount remained unpaid despite several demands.
3. **March 3, 1995:** Respondent filed a Complaint for a Sum of Money and Damages with the RTC of Bacoor, Cavite.
4. **Petitioners' Response:**
 - Admitted the purchases but could not recall the total amount.
 - Asserted partial payments of PHP 110,301.80 on March 4, 1994, and PHP 20,000.00 on August 9, 1994.
 - Willing to settle the remaining balance on installment, minus the partial payments and upon verification.
5. **July 18, 1995:** Petitioners manifested willingness to pay the principal amount of PHP 259,809.50 without interest and costs.
6. **Respondent's Reaction:** Agreed to receive the principal but insisted on interests, litigation expenses, and attorney's fees.
7. **August 11, 1995:** Respondent filed a Motion for Partial Judgment on the Pleadings.
8. **RTC Action:** Deferred resolution, stating there was no clear admission on the exact amount owed by petitioners.
9. **January 30, 1996:** Respondent amended the complaint, specifying the period of purchases and acknowledging only PHP 20,000.00 paid.
10. **March 8, 1996:** Respondent filed a Request for Admission regarding documents and facts of the indebtedness.
11. **June 3, 1996:** Respondent petitioned for deemed admissions due to petitioners' delay in response.
12. **June 6, 1996:** Petitioners objected to the Request for Admission.
13. **January 24, 1997:** Respondent filed a Second Amended Complaint, updating the purchase period and payment application.
14. **September 4, 1997:** Respondent moved to expunge petitioners' comments on the Request for Admission and sought summary judgment.
15. **RTC Order (September 28, 1998):** Granted summary judgment in favor of the respondent, ordering petitioners to pay PHP 259,809.50 plus interest.

16. **Petitioners' Appeal:** RTC order affirmed by the CA via decisions dated November 30, 2006 and February 8, 2007.

17. **Petition to the Supreme Court:** Petitioners contested the implied admissions and the propriety of the summary judgment.

Issues:

1. Whether the CA and RTC erred in denying the petitioners' comments on the Request for Admission and ruling there were implied admissions.
2. Whether the summary judgment against petitioners was proper.

Court's Decision:

- **Implied Admission Issue:**

- The Court ruled the Request for Admission wasn't waived by the Second Amended Complaint, citing Rule 10, Section 8 of the Rules of Court.
- Determined the petitioners' objections to the Request for Admission were untimely; thus, the matters were deemed admitted.
- However, found that the specific denials in prior pleadings meant no new admissions were necessitated, indicating the issues were already asserted.

- **Summary Judgment Issue:**

- Summary judgment was deemed proper as petitioners' repetitive defenses failed to establish genuine issues requiring full trial.
- Petitioners' consistent partial payment defense couldn't refute the respondent's claims, especially once respondent provided updated allocation of payments.

Doctrine:

- **Effect of Amended Pleadings:** Rule 10, Section 8 - An amended pleading supersedes the original but does not dismiss prior discovery unless explicitly abandoning defenses or admissions.
- **Summary Judgment:** Applicable when no genuine factual dispute exists, and the moving party is entitled to judgment by law (Rule 35, Sections 1 and 3).

Class Notes:

- **Amended Pleadings:** When amended, all claims/defenses not reiterated are waived. Previous admissions may still be used.

- **Summary Judgment:** Affidavits, depositions, pleadings, and admissions showing no genuine material fact issue can lead to judgment without trial.
- **Request for Admission:** Strategic tool to simplify facts by compelling admission or timely specific denial.

Historical Background:

This case reflects the enforcement of collection measures and procedural rules within the Philippine legal system. It highlights how courts deal with the procedural aspects of amending complaints, handling summary judgments, and ensuring judicial efficiency by expediting clear-cut cases. The ruling showcases the interplay between pleading amendments and the continuity of discovery mechanisms, shedding light on civil procedure complexities in a rapidly evolving legal context.