

Title: Nobio Sardane vs. Court of Appeals & Romeo J. Acojedo [(1988) 249 Phil. 478]

Facts:

1. ****Action Initiated****: Romeo J. Acojedo filed an action in the City Court of Dipolog to collect ₱5,217.25 from Nobio Sardane based on several promissory notes (Exhibits B, C, D, E, F, G, and H) signed by Sardane. The promissory notes were executed on various dates and involved different amounts of money.
2. ****Default Judgment****: Sardane failed to appear or file an answer. The City Court declared him in default and allowed Acojedo to present his evidence ex-parte, resulting in a default judgment in favor of Acojedo.
3. ****Motion to Lift Default****: Sardane filed a motion to lift the order of default, which was granted considering his answer was filed shortly after the ex-parte hearing.
4. ****City Court Decision****: On September 14, 1976, the City Court ruled in favor of Acojedo, ordering Sardane to pay the principal amount plus interest and attorney's fees.
5. ****Appeal to CFI****: Sardane appealed to the Court of First Instance (CFI) of Zamboanga del Norte, which reversed the City Court's decision, dismissed Acojedo's complaint, and awarded damages and fees to Sardane.
6. ****Petition for Review****: Acojedo petitioned the Court of Appeals to review the CFI's decision. The Court of Appeals reversed the CFI's ruling and reinstated the City Court's judgment.

Issues:

1. ****Parol Evidence Rule****: Whether the oral testimony offered to prove the existence of a partnership and to alter the terms of the promissory notes is admissible under the parol evidence rule.
2. ****Waiver of Admission****: Whether the failure of Acojedo to cross-examine Sardane on sur-rebuttal testimony constituted a waiver of the presumption under Section 8, Rule 8 of the Rules of Court.
3. ****Jurisdiction****: Whether the Court of Appeals had jurisdiction to entertain the petition for review without the CFI's decision affirming the City Court's judgment in full.

Court's Decision:

1. ****Parol Evidence****: The Supreme Court upheld the Court of Appeals' finding that there

was no ambiguity in the promissory notes. Since there was no dispute about the genuineness of the notes, parol evidence (oral testimony) was inadmissible to alter their terms. The promissory notes clearly indicated a loan, and Sardane's contention of them being partnership receipts was unconvincing.

2. **Waiver of Admission**: The Supreme Court agreed with the Court of Appeals that Sardane did not deny under oath the genuineness and due execution of the promissory notes, thus admitting their validity. Failure to cross-examine did not constitute a waiver as no new matters were introduced in the sur-rebuttal.

3. **Jurisdiction**: The Supreme Court dismissed the claim that the Court of Appeals had no jurisdiction, noting that procedural rules under Republic Act 6031 and subsequent guidelines did not require affirmance of the lower court's decision in full for a petition for review.

Doctrine:

1. **Parol Evidence Rule**: As established, when terms of an agreement are written and contain no intrinsic ambiguities, parol evidence is not admissible to alter the terms unless a mistake, imperfection, or ambiguity is pleaded.
2. **Actionable Documents & Admissions**: Under Rule 8, the failure to deny under oath the genuineness and due execution of an actionable document results in an implied admission of its validity.

Class Notes:

- **Parol Evidence Rule**: Written agreements, once executed without ambiguity, cannot be contradicted by oral evidence unless the writing's validity, ambiguity, or intent is properly questioned in pleadings (Rule 130, Sec. 7).
- **Actionable Documents**: In actions founded on written instruments, their genuineness and execution are considered admitted unless specifically denied under oath (Rule 8, Sec. 8).
- **Jurisdiction on Appeals**: Appeals from CFI decisions over municipal court-originating cases do not require full affirmation of lower court judgments per Republic Act 6031.

Historical Background:

The case took place in the context of evolving Philippine procedural law where the rules for appeal and jurisdiction were undergoing significant changes. The decision reflects the judiciary's effort to clarify procedural ambiguities and adhere strictly to established rules on

evidence and admissions to protect the integrity of written agreements and ensure proper judicial review.