

Title:

Asian Construction and Development Corporation v. Lourdes K. Mendoza, G.R. No. 179622, April 10, 2013

Facts:

1. Initial Transaction:

- **August 7, 1997 - March 4, 1998:** Asian Construction and Development Corporation (ACDC) purchased fabricated steel materials and supplies from Highett Steel Fabricators, owned by Lourdes K. Mendoza, amounting to PHP 1,206,177.00.
- **Failure to Pay:** Despite demands from Mendoza, ACDC failed or refused to make payments.

2. First Pleading and Procedural Posture:

- **January 6, 2000:** Mendoza files a Complaint for a sum of money with the Regional Trial Court (RTC) of Caloocan City, Branch 126 (Civil Case No. C-19100).
- **Motion for Bill of Particulars:** ACDC moved for a bill of particulars, claiming the complaint lacked purchase orders and invoices.
- **March 1, 2000:** RTC denies ACDC's motion.

3. RTC Proceedings:

- **Answer with Counterclaim:** ACDC denies liability, arguing lack of cause of action.
- **Evidence Presented by Mendoza:** Testimonies of Artemio Tejero (Highett's salesman) and Arvin Cheng (Highett's General Manager) confirmed the deliveries.
- **ACDC's Presentation of Evidence:** Waived due to repeated non-appearances by ACDC and its counsel.

4. RTC Ruling:

- **December 1, 2000:** RTC rules in favor of Mendoza, ordering ACDC to pay:
 1. PHP 1,206,177.00 as the principal amount.
 2. PHP 244,288.59 in interest up to August 31, 1999, with further interest of 12% per annum until full payment.
 3. PHP 150,000.00 for attorney's fees.
 4. Cost of suit.

5. Appeal to the Court of Appeals (CA):

- **CA Decision:** Affirms RTC's decision with a modification that the 1% monthly interest be computed 30 days from each delivery.

- **Motion for Reconsideration:** Filed by ACDC but denied by the CA.

Issues:

1. **Whether the invoices can be considered actionable documents necessitating specific denial under oath.**
2. **Whether the delivery of the materials was sufficiently proven by Mendoza.**
3. **Whether Mendoza is entitled to attorney's fees.**

Court's Decision:

Issue 1: Actionable Documents

- **Ruling:** The Court held that charge invoices are not actionable documents as they merely provide transaction details and are evidentiary in nature. The cause of action resides in the contractual agreement, not the invoices.

Issue 2: Proof of Delivery

- **Ruling:** The Court found that the charge invoices, along with testimonies and purchase orders, adequately demonstrated that materials were delivered to and received by ACDC. The evidence preponderated in Mendoza's favor due to ACDC's failure to present contrary evidence.

Issue 3: Entitlement to Attorney's Fees

- **Ruling:** The Court deleted the award for attorneys' fees, citing the RTC's failure to state the rationale in the text of the decision, which is a requirement for grant of such fees.

Doctrine:

Non-actionable Documents:

- Charge invoices are not considered actionable documents under Section 7, Rule 8 of the Rules of Court, and thus, do not require specific denial under oath.

Preponderance of Evidence:

- In civil cases, the party with the preponderance of evidence (greater weight of evidence) prevails.

Attorney's Fees:

- Attorney's fees must be articulated within the text of judicial decisions to be validly awarded.

Class Notes:

Key Elements/Concepts:

1. **Preponderance of Evidence:** Greater weight of the evidence in civil cases.

2. **Non-actionable Document:** Documents not forming the basis of action or defense.
3. **Attorney's Fees Requirement:** Reasoning must be provided in decision text. (Section 7, Rule 8 of the Rules of Court)

Historical Background:

- **Economic Context:** The late 1990s in the Philippines saw a period of economic adjustment and stabilization, with construction companies often obtaining materials on credit and facing liquidity challenges.
- **Legal Evolution:** The case underscores the judicial insistence on adherence to procedural requirements in the awarding of attorney's fees and clarifies the evidentiary role of invoices in collection cases.