

Title:

Manufacturers Hanover Trust Co. and/or Chemical Bank vs. Rafael Ma. Guerrero (445 Phil. 770)

Facts:

1. **Initial Complaint (May 17, 1994)**:

- Rafael Ma. Guerrero filed a complaint for damages against Manufacturers Hanover Trust Co. and/or Chemical Bank ("the Bank") before the Regional Trial Court of Manila.
- Claims included illegally withheld taxes on his checking account interest, a returned check worth US\$18,000 due to signature verification problems, and unauthorized conversion of his account.

2. **Amended Complaint (April 18, 1995)**:

- Guerrero amended his complaint, retaining his initial claims.

3. **Bank's Answer and Motion (September 1, 1995)**:

- The Bank filed an Answer stating New York law governs Guerrero's account, which only permits actual damages.
- The Bank simultaneously moved for partial summary judgment to dismiss Guerrero's claims for consequential, nominal, temperate, moral, and exemplary damages, and attorney's fees.

4. **Affidavit Submission**:

- The Bank supported its motion with an affidavit from Alyssa Walden, a New York attorney, explaining New York law.
- The affidavit was authenticated by the Philippine Consular Office in New York but was considered insufficient proof of New York law and jurisprudence.

5. **RTC Decisions**:

- The RTC denied the Bank's Motion for Partial Summary Judgment (March 6, 1996) and the subsequent motion for reconsideration (July 17, 1996).

6. **Court of Appeals (CA-G.R. SP No. 42310)**:

- The Bank petitioned for certiorari and prohibition with the Court of Appeals, challenging the RTC orders.
- The Court of Appeals upheld the RTC's decision, rejecting the Walden affidavit as proper proof of New York law (August 24, 1998) and denied the Bank's motion for reconsideration (December 14, 1998).

7. **Petition for Review**:

- The Bank filed a petition for review with the Supreme Court under Rule 45 of the Rules of Court.

Issues:

1. **Whether the Court of Appeals erred in holding that facts to support a motion for summary judgment may not be proven by affidavit.**
2. **Whether the Court of Appeals erred in holding the Walden affidavit, which purported to prove foreign law, as hearsay.**

Court's Decision:

1. **Affidavit Use in Summary Judgment**:

- The Supreme Court reiterated that affidavits can indeed be used in motions for summary judgment, but these must effectively prove the absence of any genuine issues of material fact. The Walden affidavit failed to meet this standard, as it did not conclusively demonstrate that Guerrero's claims were baseless or fictional, hence formal trial was necessary.

2. **Proof of Foreign Law**:

- The Court ruled that the lower courts were correct in requiring more stringent proof of foreign law. Citing Rule 132, Section 24, public documents, including foreign laws, must be proved by official publications or certified true copies authenticated by appropriate foreign service officials. The Walden affidavit did not meet these evidentiary standards as it was ex parte and not supported by in-court testimonies or authenticated documentation as required by the rules.

Doctrine:

- **Proof of Foreign Law**: Foreign laws and legal provisions must be proved through official publications or certified true copies authenticated by the proper authorities, and not by mere affidavits.
- **Summary Judgment Criteria**: Affidavits used in summary judgment must clearly demonstrate the lack of any genuine issue of material fact and compliance with the procedural rules is mandatory.

Class Notes:

- **Summary Judgment**:
- Key Rule: Section 2, Rule 34 (old Rules of Court)

- Principles: Affidavits can be used but must conclusively prove the absence of ^{/ Digest} genuine issues of material fact.
- **Proof of Foreign Law**:
- Key Rule: Section 24, Rule 132 (Rules on Evidence)
- Principles: Must be proved via official publications or certified true copies with proper authentication.
- **Cases**:
- **Asiavest Limited v. Court of Appeals**: Explored exceptions to the strict formalities in proving foreign law.
- **Willamette Iron and Steel Works v. Muzzal** and **Collector of Internal Revenue v. Fisher**: Demonstrated acceptable proofs of foreign law when attorneys testified in open court.

Historical Background:

- During the time of this case, the Philippine legal system was grappling with increased cross-border financial transactions. This case highlights the judiciary's insistence on stringent proof standards for foreign laws in an era of globalization and complex international banking relations. This compounded interest in harmonizing local practices with international laws, yet adhering stringently to procedural proprieties and evidentiary standards to avoid miscarriage of justice.