

****Title:****

Joaquin S. Gaw vs. Court of Appeals, et al. (G.R. No. L-58362, December 30, 1990)

****Facts:****

1. ****Complaint Initiation:****

- On February 2, 1981, Worldwide Philippines Marketing Corporation (WPMC) filed a complaint against Joaquin S. Gaw in the Court of First Instance of Manila for sums of money with damages and preliminary attachment (Civil Case No. 137703).

2. ****Amendments:****

- WPMC amended its complaint twice, the last on May 22, 1981. Gaw filed an answer with a counterclaim on July 29, 1981.
- WPMC alleged that Gaw encashed personal and postdated checks totaling P315,332.00, listing details of the checks.

3. ****Defense Submission:****

- Gaw raised several defenses in his answer, notably asserting the Equitable Banking Corporation (Divisoria Branch) check for P100,000.00 was not his, and that he had repaid an Allied Banking Corporation (Padre Rada Branch) loan of P40,000.00 evidenced by another check.

4. ****Pre-Trial and Motions:****

- On August 3, 1981, the court scheduled a pre-trial hearing for August 25, 1981.
- On August 4, 1981, WPMC filed a motion for judgment on the pleadings, alleging admissions by Gaw due to lack of specific denial under oath.
- Gaw opposed on August 13, 1981, asserting no need to deny under oath due to the lack of allegation about the signatures on the checks.

5. ****Motions for Third Party Complaint:****

- Gaw's motion for leave to file a third-party complaint was denied on August 21, 1981.
- Gaw filed a motion for reconsideration on August 22, resulting in a pre-trial reset to September 16, 1981.
- The third-party complaint was admitted on September 4, 1981.

6. ****Partial Judgment and Further Motion:****

- Despite pending issues, the trial court rendered a partial decision on September 16, 1981, ordering Gaw to pay P140,000.00.
- On October 27, 1981, the trial court modified the judgment, reducing the amount to

P100,000.00.

7. ****Reconstitution and Execution:****

- Following a court fire, WPMC filed a petition for reconstitution of records on December 9, 1981.
- Execution of the partial judgment was granted, and a writ of execution issued on February 4, 1982.

8. ****Certiorari and Appeal:****

- Gaw filed a certiorari petition with the Court of Appeals, which dismissed it, instructing that an appeal was the proper remedy. The motion for reconsideration was denied.

9. ****Supreme Court Petition:****

- Gaw elevated the case to the Supreme Court, questioning the appellate court's decision.

****Issues:****

1. Whether the respondent Appellate Court committed grave abuse of discretion in dismissing the petition for certiorari.
2. Whether the lower court erred by rendering judgment on the pleadings without conducting a hearing and allowing presentation of evidence.

****Court's Decision:****

The Supreme Court found the petition meritorious and resolved to reverse the decision of the Court of Appeals.

1. ****Grave Abuse of Discretion:****

- The Court of Appeals erred by concluding that an appeal, not certiorari, was the appropriate remedy.
- Illustrating similar precedents, the Supreme Court underscored that certiorari is available despite an available appeal when there is an excess of jurisdiction or a denial of due process.

2. ****Judgment on the Pleadings:****

- The trial court improperly rendered a partial judgment on the pleadings without a proper hearing and despite factual issues necessitating trial.
- The petitioner's defense constituted a specific denial raising material issues that merited a full trial rather than summary judgment.

3. ****Rule 8, Section 8 - Genuineness and Due Execution:****

- Since no allegation confirmed Gaw's signature on the questioned checks, Section 8, Rule 8 regarding implied admission by failure to deny under oath did not apply.
- Petitioner's clear statutory defense required factual examination, which was not afforded by the hasty judgment of the lower court.

Doctrines:

- **Judgment on the pleadings** under Rule 19, Sec. 1, is appropriate only where an answer fails to tender an issue or admits the material allegations.
- **Due Process Principle**: summary judgments without proper hearings and examination of all factual issues deny due process and constitute grave abuse of discretion.

Class Notes:

- **Judgment on the Pleadings (Rule 19, Sec. 1)**: Can be rendered when the answer neither contests the material allegations nor tenders any issue.
- **Section 8, Rule 8** of the Revised Rules of Court: Outlines the need for specific denials under oath in pleadings unless exceptions apply (e.g., no allegation of document's genuineness or adverse party is not part of the instrument).
- **Certiorari**: Available as a remedy in the presence of a grave abuse of discretion, notwithstanding the existence of appeal (precedent: *Marina vs. Eastern Quezon College*).

Historical Background:

- This case is set in the context of the procedural rigor aimed at ensuring fair trials and preventing abuse of judicial processes.
- The backdrop of the case is crucial for understanding judicial conduct and remedies when lower courts short-circuit procedural fairness by erroneously applying summary judgments.

This landmark decision reinforces the protection of due process rights and the necessity of hearing factual disputes before granting judgments based solely on pleadings.