

LUIS MA. ARANETA, PETITIONER, VS. ANTONIO R. DE JOYA, RESPONDENT.

G.R. NO. L-25172. May 24, 1974

Ponente: CASTRO, J.

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CASTRO, J.:

Petition for review of the decision of the Court of Appeals in CA-G.R. 34277-R ordering Luis Ma. Araneta (hereinafter referred to as the petitioner) to indemnify Antonio R. de Joya (hereinafter referred to as the respondent) for one-third of the sum of P5,043.20 which the latter was adjudged to pay the Ace Advertising Agency, Inc., the plaintiff in the recovery suit below.

Sometime in November 1952 the respondent, then general manager of the Ace Advertising, proposed to the board of directors[1] that an employee, Ricardo Taylor, be sent to the United States to take up special studies in television. The board, however, failed to act on the proposal. Nevertheless, in September 1953 the respondent sent Taylor abroad. J. Antonio Araneta, a company director, inquired about the trip and was assured by the respondent that Taylor's expenses would be defrayed not by the company but by other parties. This was thereafter confirmed by the respondent in a memorandum.

While abroad, from September 1, 1953 to March 15, 1954, Taylor continued to receive his salaries. The items corresponding to his salaries appeared in vouchers prepared upon the orders of, and approved by, the respondent and were included in the semi-monthly payroll checks for the employees of the corporation. The petitioner signed three of these checks on November 27, December 15 and December 29, 1953. The others were signed by either the respondent, or Vicente Araneta (company treasurer) who put up part of the bill connected with Taylor's trip and also handed him letters for delivery in the United States. The Ace Advertising disbursed P5,043.20, all told, on account of Taylor's travel and studies.

On August 23, 1954 the Ace Advertising filed a complaint with the court of first instance of Manila against the respondent for recovery of the total sum disbursed to Taylor, alleging that the trip was made without its knowledge, authority or ratification. The respondent, in his answer, denied the charge and claimed that the trip was nonetheless ratified by the company's board of directors, and that in any event under the by-laws he had the discretion, as general manager, to authorize the trip which was for the company's benefit.

A 3rd-party complaint was also filed by the respondent against Vicente Araneta, the petitioner and Ricardo Taylor. The respondent proved that Vicente Araneta, as treasurer of the firm, signed a check representing the company's share of the transportation expense of Taylor to the United States, and that a series of payroll checks from September 15, 1953 to December 31, 1953, inclusive, which included the salaries of Taylor, was signed, by Vicente Araneta and the petitioner who is a vice-president of the company. Both Aranetas disowned any personal liability, claiming that they signed the checks in good faith as they were approved by the respondent.

On April 13, 1964 the trial court rendered judgment ordering the respondent to pay the Ace Advertising "the sum of P5,043.20 with interest at the legal rate from August 23, 1954 until full payment," and dismissing the 3rd-party

complaint.

The respondent appealed to the Court of Appeals, which on August 2, 1965, rendered a decision affirming the trial court's judgment in favor of the Ace Advertising but reversing the dismissal of the 3rd-party complaint. The appellate court found as a fact that Taylor's trip had been neither authorized nor ratified by the company.

The appellate court's full statement of its categorical and unequivocal findings of fact on the nature and extent of the participation of the petitioner as well as Vicente Araneta is hereunder quoted:

"The evidence not only is clear, but is even not disputed at all by Vicente and Luis Araneta who neither of them took the witness stand to refute appellant's evidence, that as to Vicente it was to him that appellant first broached the subject-matter of sending Taylor to America, that Vicente Araneta evinced unusual interest, and went to the extent of entrusting Taylor with letters for delivery to certain principals of Gregorio Araneta, Inc. in the United States, and he even signed the check for P105.20 to cover expenses for his tax clearance, documentary stamps and passport fees, in connection with the trip, on 8 September, 1953, and then on 5 October, 1953, still another check for P868.00 which was half the amount for his plane ticket; and as to Luis Araneta, it not at all being disputed that when Taylor was already in America, his salaries while abroad were paid on vouchers and checks signed either by him or by Vicente, or by appellant himself; because of all these, the conclusion is forced upon this Court that it could not but have been but that both Vicente and Luis were informed and gave their approval to Taylor's trip, and to the payment of his trip expenses and salaries during his absence, from corporate funds; if this was the case as it was, there can be no question but that they two were also privy to the unauthorized disbursement of the corporate moneys jointly with the appellant; what had happened was in truth and in fact a venture by them given their stamp of approval; and as it was an unauthorized act of expenditure of corporate funds, and it was these three without whose acts the same could not have happened, the juridical situation was a simple quasi-delict by them committed upon the corporation, for which solidary liability should have been imposed upon all in the first place, Art. 2194, New Civil Code; and only de Joya having been sued and made liable by the corporation, it was the right of the latter to ask that his two joint tortfeasors be made to shoulder their proportional responsibility." (italics supplied)

The basic legal issue is whether the petitioner is guilty of a quasi-delict as held below.

It is our view, and we so hold, that the judgment of the Court of Appeals should be upheld. The petitioner's assertion that he signed the questioned payroll checks in good faith has not been substantiated, he in particular not having testified or offered testimony to prove such claim. Upon the contrary, in spite of his being a vice-president and director of the Ace Advertising, the petitioner remained passive, throughout the period of Taylor's stay abroad, concerning the unauthorized disbursements of corporate funds for the latter. This plus the fact that he even approved thrice payroll checks for the payment of Taylor's salary, demonstrate quite distinctly that the petitioner neglected to perform his duties properly, to the damage of the firm of which he was an officer. The fact that he was occupying a contractual position at the Ace Advertising is of no moment. The existence of a contract between the parties, as has been repeatedly held by this Court, constitutes no bar to the commission of a tort by one against the other and the consequent recovery of damages.[2]

ACCORDINGLY, the judgment of the Court of Appeals is affirmed at petitioner's cost.

Makalintal, C.J., Makasiar, Esguerra, and Munoz Palma, JJ., concur.
Teehankee, J., took no part.

[1] The board at that time was composed of J. Antonio Araneta, Vicente Araneta, Gregorio Araneta II, the petitioner Luis Ma. Araneta and the respondent Antonio R. de Joya.

[2] Singson vs. Bank of the Phil. Islands, 23 SCRA 1120; Air France vs. Carrascoso, 18 SCRA 155.

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