

PACITA CHUA, DOING BUSINESS UNDER THE NAME AND STYLE MSC TRADING REPRESENTED BY MANUEL P. CHUA AND/OR NESTOR D. SANTOS, PLAINTIFFS-APPELLEES, VS. GRACE PARK INTERNATIONAL, INC.,...

Ponente: DIMAAMPAO, J.

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DIMAAMPAO, J.:

Assailed in this instant Appeal is the Decision[1] dated 31 August 2012 of the Regional Trial Court of Valenzuela City, Branch 269, in Civil Case No. 94-V-10, the fallo of which reads:

“WHEREFORE, judgment is hereby rendered in favor of plaintiff and against defendant. Defendant GRACE PARK INTERNATIONAL, INC., is hereby ordered to pay plaintiff PACITA CHUA the following:

- P567,790.00, representing its total principal obligation, plus legal interest thereon from date of extrajudicial demand(;
- P30,000.00, as and for attorney's fees(;) and(,)
- Costs of suit.

SO ORDERED.”[2]

The salient facts of the case are uncomplicated.

Plaintiff-appellee Pacita Chua (Pacita), doing business under the name and style of MSC Trading and represented by Manuel Chua and/or Nestor Santos (Santos), filed a Complaint for Sum of Money with Damages[3] against Grace Park Inter-national, Inc. (Grace Park).

Pacita averred that she is engaged in the sale of furniture materials such as stretch film, vinyl and contact cement. In 2008, Grace Park purchased these furniture materials in the total amount of P515,540.00, evidenced by the counter-receipts[4] it issued. Despite the lapse of the period given to Grace Park, it failed and refused to pay its obligation to Pacita prompting her to send a demand letter.[5] All the same, her demand went unheeded.

Expostulating with the averments in the Complaint, Grace Park maintained that Pacita had no cause of action against it given that the purported counter-receipts merely proved the acquisition of the goods stated therein by the person who signed the same but were not proof of its alleged liability. Besides, nowhere was it expressed in the counter-receipts the due date of the obligation in dispute. Thence, the aforesaid Complaint was premature.[6]

During the pre-trial conference, Grace Park admitted being one of the customers of Pacita.[7] Thereafter, trial on the merits ensued where Pacita presented Santos and Nerissa San Miguel (San Miguel), her sales consultant secretary and dispatcher, respectively. They confirmed and affirmed the allegations in the Complaint. They further explained[8] that there was a typographical error on the amount reflected in the demand letter, such that the total of the amounts indicated on the counter-receipts should be P567,790.00.

Inevitably, Pacita rested her case.

Grace Park, for its part, filed a Demurrer to Evidence[9] asseverating that the Complaint should be dismissed for Pacita's failure to present evidence establishing its liability. This, however, was denied by the court a quo in the Order[10] dated 31 May 2012.

The case was then set for presentation of defendant's evidence. It having failed to do so despite being given ample opportunity, Grace Park was deemed to have waived its right to present evidence.[11]

Ensuingly, the court a quo rendered the impugned Decision.

Unflustered, Grace Park (now, appellant) interposed the present Appeal postulating that—

I

THE LOWER COURT ERRED IN RELAYING ON THE TESTI-MONY OF PLAINTIFF-APPELLEE'S WITNESS DESPITE THAT HER TESTIMONY IS HEARSAY.

II

THE LOWER COURT ERRED IN DECLARING THAT THE DEFENDANT-APPELLANT HAS IMPLIEDLY ADMITTED ITS LIABILITY.

III

THE LOWER COURT ERRED IN ORDERING THE DEFEN-DANT-APPELLANT TO PAY THE PLAINTIFF-APPELLEE THE AMOUNT OF PHP597,790.00 PLUS LEGAL INTEREST THEREON AND ATTORNEY'S FEES OF PHP30,000.00

We affirm the court a quo's disposition albeit with modification as to the legal interest.

Section 1, Rule 131 of the Rules of Court defines "burden of proof" as "the duty of a party to present evidence on the facts in issue necessary to establish his claim or defense by the amount of evidence required by law." In civil cases, the burden of proof rests upon the plaintiff, who is required to establish his case by a preponderance of evidence. Once the plaintiff has established his case, the burden of evidence shifts to the defendant, who, in turn, has the burden to establish his defense.[12]

Here, the burden of proof rests upon Pacita (now, appellee) who must prove her case by preponderance of evidence. Preponderance of evidence is a phrase which, in the last analysis, means probability to truth. It is evidence which is more convincing to the court as worthier of belief than that which is offered in opposition thereto.[13]

In light of the foregoing jurisprudential touchstone, this query comes down the pike— Did appellee preponderantly prove her case?

We rule in the affirmative.

To Our mind, appellee's witnesses were able to establish that the subject goods were indeed delivered to appellant as evinced by the delivery receipts which were signed by the authorized personnel of the latter.[14] Therewithal, this fact of delivery was substantiated by the counter-receipts[15] which appellant issued through its authorized representatives. Along this grain, the testimonial avowal of witness San Miguel cannot be any clearer:

“Q

Awhile ago, Ms. Witness, you were asked about Counter Receipts?

A

Yes, Sir.

Q

Who issued these Counter Receipts?

A

Their office, Sir.

Q

And when you said their office, whose office are you referring to?

A

Grace Park, Sir.

Q

The defendant?

A

Yes, Sir.

Q

And why do you know that the defendant, Grace Park International(,) Inc., was the source of these Counter Receipts?

A

Because every Saturday, we cause our Delivery Receipts to be countered by them. When we go to their office to bring the original copies of the Delivery Receipts, they issue us Counter Receipts reflecting therein the Delivery Receipts that we brought.

Q

Ms. Witness, when you said we go to their office for the Counter Receipts, who are you referring to?

A

Nestor Santos, Sir.

Q

And do I get it right, Ms. Witness, that you also go to their office as you stated earlier?

A

Yes, Sir, correct”[16]

x x x x x

ATTY. FAJARITO

Q

You stated that it was the defendant who prepared the Counter Receipts?

A

Yes, sir.

Q

Who in Grace Park prepared the Counter Receipts?

A

If I'm not mistaken, Zeny, Edith, Myren, they are the ones preparing the Counter Receipts because their signatures are reflected there.

Q

Did you actually see them prepared (sic) the Counter Receipts?

A:

Yes, Sir, I can see them.

Q

You stated that they are employees of Grace Park International, did you see their Ids?

A

Because it's their office.

Q

And these Counter Receipts were based on your Delivery Receipts which you brought with you?

A:

Yes, Sir.”[17] (Emphasis Ours)

Plain as day, appellee was able to preponderantly demonstrate that appellant had an unpaid obligation to her.

Ineludibly, the burden of evidence shifts to appellant, which now has the burden to establish its defense.

To eschew payment, appellant asserts that it had no unpaid obligation to appellee since the latter proffered no proof that the goods were actually delivered and received by it.

We are not persuaded.

Appellant's assertion crumbles when juxtaposed with the extant testimonial and documentary evidence presented. It strains credulity that if, indeed, it had no outstanding obligation to appellee, why did it not present any evidence to countervail the delivery receipts as well as the counter-receipts, the authenticity of which were never put in question? Moreover, if it were true that appellant did not have any obligation to appellee, then prudence dictates that even from the very beginning, i.e., upon appellant's receipt of the demand letter, it should have made the appropriate refutation. As it happened, appellant took no issue therewith.

Quite palpably, appellant's disputations are barren of factual and legal mooring. Au contraire, records tellingly reflect that appellant had an unpaid obligation to appellee in the principal amount of P567,790.00. Still and all, We find it judicious to modify the rate of legal interest.

Upon this point, the recent case of *Raymundo v. Galen Realty and Mining Corporation*[18] decreed this edifying discourse:

"In *Sunga-Chan v. Court of Appeals*, the Court, citing *Eastern Shipping Lines, Inc. v. Court of Appeals*, reiterated the rule on the rates and application of interests, viz:

Eastern Shipping Lines, Inc. synthesized the rules on the imposition of interest, if proper, and the applicable rate, as follows: The 12% per annum rate under CB Circular No. 416 shall apply only to loans or forbearance of money, goods, or credits, as well as to judgments involving such loan or forbearance of money, goods, or credit, while the 6% per annum under Art. 2209 of the Civil Code applies "when the transaction involves the payment of indemnities in the concept of damage arising from the breach or a delay in the performance of obligations in general," with the application of both rates reckoned "from the time the complaint was filed until the [adjudged] amount is fully paid." In either instance, the reckoning period for the commencement of the running of the legal interest shall be subject to the condition "that the courts are vested with discretion, depending on the equities of each case, on the award of interest."

Otherwise formulated, the norm to be followed in the future on the rates and application thereof is:

x x x x x x

II. — With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

1. When the obligation [is] breached[, and it] consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

x x x x x x

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit."

Recently, the Monetary Board of the Bangko Sentral ng Pilipinas issued Resolution No. 796 dated May 16,

2013, revising the interest rate to be imposed for the loan or forbearance of any money, goods or credits, in the absence of an express contract, to six percent (6%) per annum. This was implemented by BSP Circular No. 799 dated June 21, 2013 and effective July 1, 2013.” (Emphasis supplied)

Guided by the foregoing doctrinal precedent, the amount of P567,790.00 should earn interest at the rate of 12 per cent per annum from the date appellant received the demand letter on 24 May 2010 until 30 June 2013. The interest to be imposed thereafter should be six (6) per cent per annum until fully paid.

WHEREFORE, the Decision dated 31 August 2012 of the Regional Trial Court, Valenzuela City, Branch 269 in Civil Case No. 94-V-10, is hereby **AFFIRMED** with the **MODIFICATION** that the amount of P567,790.00 shall earn interest at the rate of 12 per cent per annum from the date defendant-appellant Grace Park International, Inc. received the demand letter on 24 May 2010 until 30 June 2013. Thereafter, it shall earn the interest rate of six (6) per cent per annum until fully paid.

SO ORDERED.

Ybañez, and Paredes,* JJ.; concur.

* Vice Justice Carmelita S. Manahan, per Office Order No. 149-14-RSF dated 21 April 2014.

[1] Original Record, pp. 354-359.

[2] Original Record, p. 359.

[3] Id., pp. 1-4.

[4] Id., pp. 7-16.

[5] Id., p. 17.

[6] Id., pp. 77-80.

[7] Id., p. 200.

[8] See Judicial Affidavits of Nestor D. Santos and Nerissa R. San Miguel, Id., pp. 193 and 232-233, respectively, in relation to TSN, 25 October 2011, p. 3 and 15 December 2011, p. 5.

[9] Original Record, pp. 317-323.

[10] Id., pp. 343-345.

[11] Id., p. 352.

[12] See De Leon v. BPI, G.R. No. 184565 (20 November 2013).

[13] Pua v. Spouses Lo Bun Tiong, G.R. No. 198660 (23 October 2013).

[14] Original Records, pp. 158-181, 183.

[15] Id., pp. 7-16, 182.

[16] TSN, 12 January 2012, pp. 3-4.

[17] Id., p. 5.

[18] G.R. No. 191594 (16 October 2013).

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