

E.EXCEL INTERNATIONAL (PHILIPPINES), INC., JAU-FEI CHEN AND PHOOI-HING LAU, DEFENDANTS-APPELLANTS, VS. RODRIGO OLIVAR, PLAINTIFF-APPELLEE.

Ponente: FRANCISCO, J.

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FRANCISCO, J.:

This is an appeal under Rule 41 of the 1997 Rules of Procedure of the Decision[1] dated 24 March 2008 of the Regional Trial Court (RTC), 11[th] Judicial Region, Branch 17, Davao City in Civil Case No. 29,055-02 for Moral Damages, Sum of Money, Damages, Interests, Attorney's Fees and Costs of Suit.

Factual Antecedents

Defendant E. Excel International (Philippines), Inc. (E.Excel for brevity) is a corporation duly organized and existing under Philippine laws[2] engaged in the marketing of health, nutritional and cosmetic products nationwide, with its mother company located in the U.S.A. and manufacturing plant located in Springville, Utah with branches in California, Taiwan, China and Singapore.[3] Defendant Ms. Jau-Fei Chen, an American citizen, is the Chairman and President of E.Excel; whereas, defendant Ms. Phooi-Hing Lau, a Malaysian citizen, is the local General Manager of Excel.[4]

On the other hand, plaintiff Rodrigo Olivar is a businessman engaged in the RTW business.[5] He entered into a Distributorship Agreement with E.Excel for the selling of its products.

The case arose from the Complaint[6] for Moral Damages, Sum of Money, Damages, Interests, Attorney's Fees and Costs of Suit filed by plaintiff against the defendants.

On 2 August 2002, the defendants filed a Motion to Dismiss[7] raising the grounds, viz: (a) the venue was improperly laid and (b) the complaint states no cause of action against defendants Jau-Fei Chen and Phooi-Hing Lau.

Anent the first ground, defendants invoked page 38 of E.Excel's Business Manual, which provides:

“Any and all actions or suits arising from the interpretation or implementation of this business manual or on any matter connected or related thereto shall be filed solely in the courts of Makati City to the exclusion of any and all other courts.” [8]

Anent the second ground, defendants invoked the separate juridical personality of E.Excel; thus, defendants Jau-Fei Chen and Phooi-Hing Lau cannot be held liable in their personal capacities.

In an Order[9] dated 9 September 2002, the RTC resolved to deny the motion.

As regards the issue on venue, the RTC ruled that the E.Excel Business Manual cannot serve as a contract between the plaintiff and the defendants in the absence of evidence that the plaintiff expressly agreed to the document as binding between them. It added that the manual cannot serve as a source of obligation of the parties without their signatures thereon for their mutual observance. At most, the manual can only be considered as an

advertisement for prospective dealers and/or buyers.[10]

As regards the second issue, the RTC held that a perusal of the complaint reveals that defendants Chen and Hing were sued in their personal capacities, along with the corporation.

On 12 November 2002, the defendants filed a Motion for Reconsideration[11] of the 9 September 2002 Order.

In an Order dated 13 December 2002, the RTC, holding that defendants' motion for reconsideration merely re-stated the same arguments and grounds, denied the motion and ordered defendants to file their answer to the complaint.

On 10 July 2003, defendants filed their Answer with Counterclaim[12] invoking, inter alia, the following:

- That plaintiff, admitting that he is a distributor of E.Excel, must have agreed to the Distributor's Agreement of E.Excel, thus the stipulation providing for the venue for actions arising from the business manual is binding upon the plaintiff;[13]

- That the RTC had no jurisdiction over the persons of the defendants, viz: (a) service upon corporation E.Excel was defective because it was not made on the "president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel" of E.Excel but on Ms. Winniefer Go-Tam, the administrative manager of E.Excel; (b) service of summons upon Phooi-Hing Lau and Jau Fei-Chen was defective because it was made by substituted service, without any attempt of effecting personal service;[14]

- That defendants Phooi-Hing Lau and Jau Fei-Chen cannot be held personally liable for the acts of E.Excel, which has a personality separate and distinct from the officers composing it;[15]

- That the plaintiff's complaint was unfounded and had tarnished the good name and reputation of E.Excel; thus, the plaintiff should be made liable to pay moral damages in the amount of P 1 M each to E.Excel and the individual defendants; [16]

- That plaintiff was guilty of bad faith in filing the complaint; thus, he should be held liable for exemplary damages in the amount of P1 M to each of the defendants.[17]

Thereafter, trial on the merits ensued.

Ruling of the RTC

On 24 March 2008, the RTC ruled for the plaintiff. It sustained the cause of action of plaintiff against defendants. The dispositive portion of the decision reads:

"WHEREFORE, finding the evidence of plaintiff, sufficient to prove by preponderance its cause of action against the defendant company and individual defendants, Decision is rendered in favor of plaintiff, Rodrigo Olivar and against defendant company, E. Excel International (Philippines), Inc., and individual defendants, Ms. Jau-Fen Chen, and Ms. Phooi-Hing Lau, ordering the above-mentioned defendants, jointly and severally the following:

- To pay plaintiff, the amount of P25,000.00 by way of actual damages for non-payment of income or rebates the plaintiff is entitled as his earned income for the months of September and October, 2001, withheld payment

by defendant company and individual defendants, in the illegal termination of plaintiff of his services as distributor of defendant company;

- To pay the amount of P100,000.00 by way of moral damages, for all the sufferings, humiliation and embarrassment and worries of plaintiff, as result of his illegal termination of his right as distributor of defendant company[;]

- Moreover, defendants are ordered to pay plaintiff, exemplary damages of P50,000.00 and reasonable attorney[']s fees of P30,000.00 and finally the cost of suit in the amount of P24,925.00

SO ORDERED.”[18]

Hence, this Appeal[19].

In this recourse, defendants (hereinafter appellants) submit the following issues, to wit:

“I.

THE LOWER COURT ERRED IN FINDING THAT JURISDICTION OVER THE APPELLANTS WAS VALIDLY ACQUIRED[;]

II.

THE LOWER COURT ERRED IN FINDING THAT THE VENUE WAS PROPERLY LAID[;]

III.

THE LOWER COURT ERRED IN FINDING THAT THE APPELLEE IS ENTITLED TO HIS CLAIMS FOR SUM OF MONEY PLUS OTHER DAMAGES[;]

IV.

THE LOWER COURT ERRED IN FINDING THAT THE APPELLANTS ARE NOT ENTITLED TO THEIR COMPULSORY COUNTERCLAIMS.”[20]

The Issues

The key issues in this case may be re-stated, thus:

- Jurisdiction over the persons of appellants;
- Propriety of the venue; and
- Award of damages.

Our Ruling

Jurisdiction over the persons
of appellants

The appellants reiterate the issue of lack of jurisdiction of the RTC over their persons, viz:

- Defective service of summons over appellant E. Excel, Inc.

Invoking Sec. 11 of Rule 14 of the Rules of Court, which provides that service upon a corporation, partnership or association organized under the laws of the Philippines with a juridical personality may be made on the “president, managing partner, general manager, corporate secretary, treasurer or in-house counsel,” the appellants posit that the summons was served on Winniefer Go-Tam, the Administrative Manager of E. Excel. Said officer is not among those authorized under the rules to receive the summons on behalf of a domestic juridical entity. [21]

- Defective service of summons over appellants Jau-Fei Chen and Phooi-Hing Lau

The appellants claim that the summonses were served at the office of E. Excel and received by Winniefer Go-Tam. Invoking Sections 6 and 7 of Rule 14, defendants-appellants posit that the service of summons was defective because it was effected by substituted service, without any attempt of effecting personal service. [22]

Section 11 of Rule 14 of the Rules of Court reads:

Sec. 11. Service upon domestic private juridical entity.— When the defendant is a corporation, partnership or association organized under the laws of the Philippines with a juridical personality, service may be made on the president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel. (Emphases Supplied)

On the other hand, Section 7, Rule 14 of the Rules of Court provides:

“SEC. 7. Substituted Service. — If, for justifiable causes, the defendant cannot be served within a reasonable time as provided in the preceding section, service may be affected (a) by leaving copies of the summons at the defendant’s residence with some person of suitable age and discretion then residing therein, or (b) by leaving the copies at defendant’s office or regular place of business with some competent person in charge thereof.”

At first sight, it would appear that the arguments raised by the appellants could elicit a favorable response from this Court inasmuch as the service of summonses was made in violation of the rules.

Section 11 sets out an exclusive enumeration of the officers who can receive summons on behalf of the corporation and that service of summons to someone other than those enumerated is not valid.[23]

Here, the summons on E. Excel was served on Winniefer Tam, the Administration Manager of Excel. [24] Clearly, an administrative manager is not one of those exclusively enumerated under the Rules to receive the summons.

On the other hand, Section 7 provides for the rule on substituted service.

The general rule requires that summons be personally served upon the defendants.[25] However, if this mode of service cannot be effected within a reasonable time, a substituted service may be resorted to.[26] There must be a justification in resorting from personal service to a substituted service.

Here, no justification for resorting to a substituted service of summons upon the appellants Jau-Fei Chen and Phooi-Hing Lau was indicated in the return. The records reveal that the summonses were served to Winniefer Tam, the administrative manager of E.Excel, in violation of the rule.

The foregoing, notwithstanding, We are constrained to rule that the appellants have acquiesced to the jurisdiction of the court a quo.

Sec. 20 of Rule 14 of the Rules of Court provides:

Sec. 20 Voluntary Appearance. – The defendant’s voluntary appearance in the action shall be equivalent to service of summons. The inclusion in a motion to dismiss of other grounds aside from the lack of jurisdiction over the person of the defendant shall not be deemed a voluntary appearance.

Jurisdiction over the person of the defendant can also be acquired by his voluntary appearance in court and his submission to its authority, for voluntary appearance is equivalent to service of summons. [27]

One who seeks an affirmative relief is deemed to have submitted to the jurisdiction of the court.[28] Thus, the filing of motions to admit answer, for additional time to file answer, for reconsideration of a default judgment, and to lift order of default with motion for reconsideration, is considered voluntary submission to the court’s jurisdiction.[29] This, however, is tempered by the concept of conditional appearance, such that a party who makes a special appearance to challenge, among others, the court’s jurisdiction over his person cannot be considered to have submitted to its authority.[30]

The following principles are laid down by *PCIB v. Spouse Dy*, viz:

- (1) Special appearance operates as an exception to the general rule on voluntary appearance;
- (2) Accordingly, objections to the jurisdiction of the court over the person of the defendant must be explicitly made, i.e., set forth in an unequivocal manner; and
- (3) Failure to do so constitutes voluntary submission to the jurisdiction of the court, especially in instances where a pleading or motion seeking affirmative relief is filed and submitted to the court for resolution.[31]

Here, it will not be amiss to emphasize that appellants did not raise the issue of lack of jurisdiction over their persons in their Motion to Dismiss. It was only in their Answer that they raise for the first time the issue and after they filed the following, to wit: (a) Motions requesting for additional time to file an answer; (b) Motion to Dismiss without specifically specifying therein the ground of lack of jurisdiction over their persons by virtue of the defective service of summonses upon them; (c) Motion for Reconsideration of the denial of their motion to dismiss, re-iterating the same grounds and without raising the issue of jurisdiction over their persons; (d) another motion requesting for additional time to file an answer; (e) Motion for Bill of Particulars dated 15 January 2003; (f) Answer with Counter-claim; and (g) Motion for additional time to avail of the different modes of discovery.

Thus, the appellants are precluded from, anymore, questioning the jurisdiction of the court a quo over their persons. They have voluntarily submitted their persons to the jurisdiction of the court a quo.

Propriety of venue

Appellants reiterate their stance that the appellee’s complaint was improperly laid at the RTC-Davao. They invoked the stipulation in the E. Excel Business Manual, which provides that:

“Any and all actions or suits arising from the interpretation or implementation of this business manual or on any matter connected or related thereto shall be filed solely in the courts of Makati City to the exclusion of any and all other courts.”[32]

In support of their stance, they argued, thus:

- That the appellee filed the complaint to collect money allegedly due him as a distributor of E. Excel products;[33]
- That before any person can become an E. Excel Distributor, he must enter into a distributorship contract with E. Excel, Inc., governed by the following procedure:

“1. The individual applicant will fill up the Form 100 or the Independent Distributor application and agreement form. xxx

xxx xxx xxx

3. The OCR will then print a distributor[']s ID and have it signed by the new distributor xxx.
4. The new distributor will xxx claim the product together with the sales kit and all the Wholesale Confirmation Form. The E.Excel Business Manual is included in the [s]ales kit.
5. The applicant upon approval of his application then becomes a distributor. As a distributor he consents to the Distributor’s agreement printed at the back of form 100.
6. One of the stipulations in the distributor’s agreement is that the distributor agrees to be bound by, and comply with the (E.Excel) business manual.xxx”[34]

To the appellants, the cause of action of the appellee in his complaint is clearly predicated on the interpretation and implementation of the E. Excel Business Manual. An E. Excel distributor’s entitlement, including the manner thereof, to rebates and commissions is governed by the manual. Thus, following the stipulation contained in the E.Excel business manual limiting the venue to the courts of Makati “to the exclusion of any and all other courts”, the appellee’s complaint was improperly laid in RTC-Davao.

We do not agree.

We share the view of the court a quo that the E.Excel Business Manual cannot be considered as a contract between the parties in the absence of evidence that the appellee expressly agreed to the provisions thereof.

Stipulations limiting the venue for actions under Rule 4 of the Rules of Court must be expressly agreed upon by the parties. As in any other agreement, what is essential is the ascertainment of the intention of the parties respecting the matter.[35]

A perusal of the records reveals that the appellee affixed his signature only on the Distributor’s Application and Agreement Form provided by E.Excel. The form provides for the following stipulations:

xxx

xxx

xxx

By my signature below, I hereby acknowledge that I have read this agreement and I willingly accept and agree to comply with all terms and conditions contained in the E.Excel Business Manual and on the reverse side of this agreement.

xxx

xxx

xxx[36]

On the other hand, the reverse side of the agreement reveals the following stipulation:

xxx

xxx

xxx

- I have read and understood the content of the E.Excel Business Manual. I agree to be bound by and comply with the business manual and any amendments or additions thereon and all other rules and regulations, policies and procedures and publications of E.Excel which are incorporated herein by reference and form an integral part hereof.xxx

Here, if it were really the intention of the parties to limit the venue for actions arising from the relationship of the parties; then, the stipulation should have been expressly indicated in the agreement form itself where the appellee affixed his signature.

In addition, the venue stipulation in the business manual is unenforceable on the appellee for being a contract of adhesion. Contracts of adhesion, where the provisions have been drafted only by one party and the only participation of the other party is the signing of his signature or his adhesion thereto, are contrary to public policy and are injurious to the public or public good.[37]

Worth emphasizing are the following:

- (a) The business manual comprises of twenty-four (24) pages; and
- (b) As admitted by the appellants, the business manual is given to the distributor-applicant only after he has filled up the agreement form and affixed his signature thereon.

At the time the appellee affixed his signature on the agreement form, he was not yet provided with a copy of the business manual. Thus, the appellee is not expected and cannot be logically presumed to have read the business manual purportedly incorporated by reference to the form signed by the appellee.

Award of Damages

In his complaint for Moral Damages, Sum of Money, Damages, Interests, Attorney's Fees and Costs of Suit, the appellee alleges, inter alia, the following:

- That appellee was enticed to join appellants in selling Excel products in Davao City, with grandiose promises of earning;[38]
- That appellee went full-time with appellants upon the inducements and promises of appellant Jau-Fei-Chen;[39]
- That appellee was compensated in the amount of 5% of P 2,700.00 worth sale of Excel products;[40]
- That appellee was persuaded to recruit more employees for appellants with the incentive of receiving 5% of whatever his recruits earned;[41]
- That in the course of the business endeavor with appellants, appellee was able to gather sales force of 500 to 700 agents, generating more than P50,000,000.00 sales for E. Excel;[42]
- That the business was running smoothly but in October 2000, appellants abandoned appellee and the other

distributors;[43]

- That the setback caused the reduction in the volume of sales of the appellee, including his earnings of P50,000.00 monthly, along with the difficulty of explaining to his clients the delivery of the items they ordered;[44]

- That appellee was mocked and blamed by his recruits, who left their jobs, for his “false promises” on profitable commitments to appellants;[45]

- That when appellee tried to procure products from the appellants, he was refused for no reason at all;[46]

- That the rebates to which appellee was entitled were withheld from him without any explanation;[47]

- That had appellee been allowed to secure the products, he would have made sales and obtain rebates;[48]

- That appellee obtained hostile reaction from the representatives from Manila when informed of the lack of supplies of E. Excel products;[49]

- That the appellee was not allowed to attend the meeting of leaders at the Mandarin Oriental Hotel in Makati, on August 2001, disregarding his business potentials of earning millions for defendant company;[50]

- That appellee defrayed his own expenses just to attend the said meeting; that he was denied entrance to his embarrassment and humiliation;[51]

- That appellants owed him P25,000.00 representing his production sales ;[52]

- That E. Excel was to account his group sales of P50,000.00 and his P2,700.00 worth of personal purchase entitling him to a rebate in the amount of P25,000.00 but the same was not accounted to him despite waiting for a very long period of time until his services were terminated, without any reason or valid cause;[53]

The appellee characterized the acts of appellants as “unjust, oppressive and inhuman treatment” in violation of law and rules on human relations. Appellee, thus, prayed for the following:

- (a) P 1,000,000.00 by way of moral damages;
- (b) P 1,000,000.00 as exemplary damages;
- (c) P 25,000.00 as the amount due to plaintiff for the products of defendants sold by him or by his recruits;
- (d) P 300,000.00 as attorney’s fee or 25% of whatever sum that plaintiff may be able to recover in this case;

- (e) The amount of at least P 300,000.00 as reimbursement for litigation expenses in this case;
- (f) Interests on all the above claims of plaintiff until they are fully paid by defendants; and
- (g) Costs of suit. [54]

The award of actual damages in the P25,000.00 is warranted. Actual damages are adequate compensation for pecuniary loss suffered and proved and are recoverable pursuant to Articles 2199 to 2201 of the New Civil Code. We adopt the findings of the court a quo:

“Apparently as shown on the evidence of plaintiff on record, through various printouts, directly coming from defendant company of the sales volume of plaintiff himself and his downline, supported in Exh. “C” to “C-9” of plaintiff, the latter was entitled to a rebates (sic) of P25,000.00, arising out of his sales transaction for the months of September up to October 2001, his alleged last sales products before his termination was withheld by defendant company, due to his alleged intervening termination from his distributorship, not legally and validly proved in evidence.

Although the evidence of plaintiff in its entirety, suffers from inadequacy of providing a clear and definite evidence, to prove the extent of his recoverable income with defendant company, as a result of plaintiff’s volume of sales, taking into account his exhibit “C” to “C-9”, it is however evident and undeniable, plaintiff is entitle[d] of corresponding income of rebates out of his documented sales volume of defendant company products.

The evidence of plaintiff despite admission of his own evidence, furnishes no proof other than the amount of P 25,000.00 as expected rebated of plaintiff of his volume of sales for the months of September and October 2001, the only amount plaintiff, can recover from defendant company and individual defendants as a result of his commission in the sales of the product of defendant company.”

In seeking to deny appellee’s monetary claims, the appellants invoke the valid termination of the distributorship agreement with the appellee. The appellants claim that the appellee maligned and spread vicious rumors about E.Excel and its products thereby committing serious violation of his undertaking as a distributor of E.Excel.

The RTC held that the termination of the distributorship agreement was unfounded and attended with bad faith. It held:

“Without affording plaintiff opportunity of a formal investigation, to know the evidence against him and present his own side of the accusation, is a blatant denial of the rights of plaintiff xxx. [55]

xxx

xxx

xxx

Finding the termination of plaintiff by defendant company, illegal without providing plaintiff, sufficient opportunity to prove the lack of quantum of evidence for defendants company against the plaintiff, otherwise, merely an unsupported accusation, plaintiff is entitled [to] moral damages for all the miseries brought about to him and his family of said fabricated charges, leading to his unsupported termination of his services and/or distributorship, all together brought about plaintiff’s desperation, various sleepless nights and anxiety in the approximate amount of P100,000.00. xxx”[56]

We see no reason to depart from the findings of the court a quo. We thus, sustain the award of moral damages in the amount of P100,000.00. Moral damages in breach of contract may be recovered when the defendant acted in bad faith or guilty of gross negligence (amounting to bad faith) or in wanton disregard of his contractual obligation.[57] As found by the court a quo, appellants unilaterally terminated the distributorship agreement with

appellee based on the unsupported and fabricated accusation that appellee had been maliciously spreading negative rumors against the E.Excel. It, likewise, did not give the appellee the opportunity to explain his side. The E.Excel unilaterally reneged its obligation under the distributorship agreement by refusing to deliver, with no explanation, E.Excel products to the appellee. Such withholding of products caused hostile reaction from Manila business representatives; thereby, causing the humiliation to the appellee.

We find the award of exemplary damages in the amount of P50,000.00 in order pursuant to Article 2232[58] of the New Civil Code. The records reveal that the appellants acted in a wanton, fraudulent, reckless, oppressive, and malevolent manner when they deliberately abandoned the appellee in mid-stream by unilaterally, without justifiable reasons, terminating the distributorship agreement with the appellee in contravention with their contractual obligations.

Finally, the award of attorney's fees in the amount of P 30,000.00 and litigation expenses in the amount of P24,925.00 is in order. Pursuant to Article 2208[59] of the New Civil Code, attorney's fees and expenses of litigation are awarded when exemplary damages are awarded and where the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest

Lastly, SIX PERCENT (6%) per annum of the aforesaid amounts computed from the time of promulgation of this decision until fully paid shall be imposed. A TWELVE PERCENT (12%) interest, in lieu of SIX PERCENT (6%), shall be imposed on said amounts upon finality of this decision until the full payment thereof.⁶⁰

WHEREFORE, premises considered, the instant appeal is hereby DENIED. The Decision⁶¹ dated 24 March 2008 of the Regional Trial Court, 11[th] Judicial Region, Branch 17, Davao City is hereby AFFIRMED.

The payment of the total amount above is subject to SIX PERCENT (6%) per annum from the time of promulgation of this decision to full satisfaction. A TWELVE PERCENT (12%) interest, in lieu of SIX PERCENT (6%), shall be imposed on the said amount upon finality of this decision until the full payment thereof.

SO ORDERED.

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

Borja, J., Ch., and Badelles, JJ., concur.

[1] Records-Pieza 6, pp. 929-949

[2] Records-Pieza 1, p.2

[3] Records-Pieza 1, p. 3

[4] Records-Pieza 1, pp. 2-3

[5] Records-Pieza 6, p. 929

[6] Records-Pieza 1, pp. 2-9

[7] Records-Pieza 1, pp. 89-94

[8] Records-Pieza 6, p. 878

- [9] Records-Pieza 1, pp. 144-145
- [10] Records-Pieza 1, p. 144
- [11] Records-Pieza 1, pp. 167-173
- [12] Records-Pieza 2, pp. 294-310
- [13] Records-Pieza 2, p. 304
- [14] Records-Pieza 2, pp. 305-306
- [15] Records-Pieza 2, p. 306
- [16] Records-Pieza 2, p. 307
- [17] Ibid
- [18] Records-Pieza 6, p. 949
- [19] Rollo, pp. 16-35
- [20] Rollo, p. 19
- [21] Rollo, pp. 22-23
- [22] Rollo, p. 23
- [23] Paramount Insurance Corporation v. A.C. Ordonez Corporation, G.R. No. 175109, 6 August 2008
- [24] Records-Pieza 4, p. 586
- [25] Bank of Philippine Islands v. Spouses Evangelista, G.R. No. 146553, 27 November 2002
- [26] Ibid
- [27] Busuego v. CA, G.R. No. L-48955, 30 June 1987
- [28] Sapugay v. Court of Appeals, G.R. No. 86792, 21 March 1990
- [29] (Galicia, et al. v. Manriquez, et al., G.R. No. 155785, 13 April 2007, 521 SCRA 85, 94; Hongkong and Shanghai Banking Corporation Limited v. Catalan, G.R. No. 159590, 18 October 2004, 440 SCRA 498, 515; Herrera-Felix v. Court of Appeals, G.R. No. 143736, 11 August 2004, 436 SCRA 87, 93.)
- [30] (Hongkong and Shanghai Banking Corporation Limited v. Catalan, id., 516; Casimina v. Legaspi, et al., G.R. No. 147530, 29 June 2005, 462 SCRA 171, 180)
- [31] PCIB v. Spouse Dy, G.R. No 171137, 5 June 2009
- [32] Supra at note 8
- [33] Rollo, p. 25
- [34] Rollo, p. 26
- [35] Unimasters Conglomeration, Inc. v. Court of Appeals, G.R. No. 119657, 7 February 1997
- [36] Records-Pieza 2, p. 357
- [37] Sweet Lines, Inc. v. Bernardo Teves, et al., 83 SCRA 361

[38] Records-Pieza 6, p. 929

[39] Ibid

[40] Records-Pieza 1, p. 3

[41] Ibid

[42] Records-Pieza 6, p. 930

[43] Ibid

[44] Ibid

[45] Records-Pieza 1, p. 4

[46] Ibid

[47] Ibid

[48] Ibid

[49] Records-Pieza 6, p. 930

[50] Ibid

[51] Ibid

[52] Ibid

[53] Records-Pieza 6, pp. 930-931

[54] Records-Pieza 1, pp. 7-8

[55] Records-Pieza 6, pp. 946-947

[56] Records-Pieza 6, p. 948

[57] *Expertravel & Tours, Inc. v. Court of Appeals*, 309 SCRA 141, 145-146 [1999].

[58] ARTICLE 2232. In contracts and quasi-contracts, the court may award exemplary damages if the defendant acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.

[59] ARTICLE 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

(1) When exemplary damages are awarded;

xxx

xxx

xxx

In all cases, the attorney's fees and expenses of litigation must be reasonable.

[60] *Eastern Shipping Lines, Inc. v. Court of Appeals*, G.R. No. 97412, 12 July 1994

xxx

XXX

XXX

- When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum.

XXX

XXX

XXX

The interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

- 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 para-graph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction.

XXX

XXX

XXX

[61] Supra at note 1

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