

MOTOR SERVICE CO., INC., PLAINTIFF AND APPELLEE, VS. YELLOW TAXICAB CO., INC., ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. L-7063. March 29, 1955

Ponente: PARAS, C.J.

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PARAS, C.J.:

On March 12, 1952, the plaintiff filed a complaint in the Court of First Instance of Manila, to recover from the defendants the sum of P1,842.55, plus interest at twelve per cent per annum and twenty-five per cent of P1,842.55 as attorneys' fees and costs of suit. The basic allegations of the complaint are as follows:

"1. That plaintiff is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office in the City of Manila; and the defendant Yellow Taxicab Co., Inc., is also a corporation duly organized and existing under and by virtue of the laws in the Philippines, and defendant Felipe Monserrat is of legal age, and that both defendants have their offices at 1338 Arlegui St., Manila, where they may be served with summons;

"2. That from June 1, 1951, prior thereto, defendant Yellow Taxicab Co., Inc., maintained an open account with the plaintiff whereby said defendant would from time to time, buy automobile spare parts and other merchandise on credit from the plaintiff, and make periodic payments thereon;

"3. That pursuant to the said agreement, defendant Yellow Taxicab Co., Inc., bought and received from plaintiff automobile spare parts and other merchandise covered by the invoices listed on the attached Itemized Statement, marked Annex 'A' and made an integral part on the complaint;

"4. That copies of said invoices lifted in Annex 'A' have been furnished the defendants;

"5. That defendant company's account with the plaintiff has an outstanding balance of P1,842.55 as shown by the attached Itemized Statement, marked Annex A;

"6. That said balance is long overdue;

"7. That it is agreed upon by the plaintiff and defendant Yellow Taxicab Co., Inc., that said defendant would pay to the plaintiff 12% interest per annum in all overdue accounts and 25% of the amount due as Attorney's fees in case of suit;

"8. That defendant Felipe Monserrat has assumed to fulfill jointly and severally with defendant Yellow Taxicab Co., Inc., the obligation of the latter to the plaintiff;

"9. That defendants have failed and refused and still fail and refuse to pay the plaintiff the amount of P1,842.55 in spite of repeated demands."

On March 21, 1952, the defendants filed an answer which, aside from admitting the allegations contained in paragraphs 1 and 2 of the complaint, alleged as follows:

"2. That they admit that the defendant Manila Yellow Taxicab Co., Inc., bought and received from plaintiff

automobile spare parts and other merchandise, but defendants cannot now admit the correctness of the Itemized Statement mentioned in Annex 'A' of the Complaint on the ground that defendant Manila Yellow Taxicab Co., Inc., is still checking on the correctness of the same for which reason defendants specifically deny the said allegation;

"3. That the defendants admit having received the invoices listed on Annex 'A' of the complaint but they do not admit the correctness of the same in view of the fact that as previously averred, defendant Manila Yellow Taxicab Co., Inc., is still checking on the correctness thereof, for which reason they specifically deny the correctness of the said invoices;

"4. That the defendants have not yet finished checking the correctness of the outstanding balance of the company's indebtedness with the plaintiff for which reason the defendant specifically deny the allegations contained in paragraph 5 of the complaint;

"5. That the defendants' specifically deny the allegations in paragraphs 6 and 7 of the complaint;

"6. That the defendants admit the allegation in paragraph 8 of the complaint;

"7. That although the defendants admit that the defendant company has failed to pay its outstanding obligations with the plaintiff, it however specifically denies the allegation to the effect that it has refused to pay the said obligation; that the defendant company has failed to pay the said obligation up to this date because it is still checking on the correctness of the amount which the plaintiff now seeks to collect."

On April 3, 1952, the plaintiff served on the defendants a request for admission worded as follows:

"Plaintiff through undersigned counsel, request the defendants to make the following admissions for the purpose of this action only and subject to all (sic.) pertinent to admissibility-which may be interposed at the time;

"1. That the 'Itemized Statement' marked Annex 'A' of the complaint, copy of which had been furnished the defendants, and each and every item thereof, are true and correct;

"2. That each and every invoices referred to in said Itemized Statement, copies of which defendants admit having received in paragraph 3 of their answer, are true and correct;

"3. That on each and every invoices furnished the defendants, there appeared the following stipulation, to wit:

'Terms: 30 days. Interest of 12 per cent per annum will be charged to the vendee on all overdue accounts, plus a sum equal to 25 per cent of the amount due for attorney's fees in case of suit;'

and, that defendants never interposed any objection to said terms.

"It is further requested that said admission be made within ten days from receipt of tills request."

As the defendants had failed to make any answer to this request for admission within the ten-day period fixed therein, the plaintiff filed on April 16, 1952, a motion for summary judgment, to which the defendants filed an opposition, followed by a reply on the part of the plaintiff. On June 26, 1952, the Court of First Instance of Manila rendered a decision sentencing the defendants jointly and severally to pay to the plaintiff the sum of P1,842.55, plus interest at the rate of twelve per cent per annum, and twenty-five per cent of the aforesaid amount as attorneys' fees, with costs. The court ruled that the defendants' silence on the plaintiff's request for admission amounted to an implied acceptance of the facts set forth therein, with the consequence that plaintiff's claim stood undisputed.

It is contended that the appellants were not bound to comment on the request for admission, because they had already filed an answer denying the facts recited in said request, and the denial in the answer is effective at all

stages of the case. Section 2 of Rule 23 of the Rules of Court provides that "Each of the matters of which an admission is requested shall be deemed admitted unless within a period designated in the request, not less than ten days after service thereof" or within such further time as the court may allow on motion and notice, the party to whom the request is directed serves upon the party requesting the admission a sworn statement either denying specifically the matter of which an admission is requested or setting forth in detail the reasons why he cannot truthfully either admit or deny those matters." On the other hand, section 1 of Rule 23 provides that a request for admission may be served "at any time after the pleadings are closed." The result is that section 2 must be given full force even if an answer has already been filed. In other words, the party upon whom a request for admission is served, whether or not an answer has been presented, is bound to serve upon the party requesting the admission "a sworn statement either denying specifically the matters of which an admission is requested or setting forth in details the reasons which he cannot truthfully either deny or admit those matters." Otherwise, such matters will be deemed admitted, as in the case at bar. At any rate, a perusal of appellant's answer readily shows that the denials contained therein are not absolute, in that they are premised merely on the condition that the appellants were still checking on the correctness of the material facts alleged in the complaint. Between the filing of the answer on March 21 and the service for the request for admission on April 3, a reasonable time had elapsed, perhaps sufficient for the appellants to have already determined whether they could admit or deny the facts in question. This procedural step was conceived in a way to shorten litigations. It was easy for the appellants to answer the request for admission, thereby definitely apprising the court and the adverse party as to the genuine issues, if any.

It is also argued for the appellants that the motion for summary judgment was fatally defective because it was not supported by affidavits as required by section 1 of Rule 36 of the Rules of Court. It is sufficient to note that, aside from the fact that said motion is under oath, supporting affidavits were indeed superfluous, for the reason that it was already a matter of record that by their failure to answer appellee's request for admission, the appellants had admitted all the material facts necessary for judgment against them. As commented by former Chief Justice Moran, "depositions or admissions of parties are still better than, and may be used instead of, affidavits." (Moran, Comments on the Rules of Court, 1952 ed., Vol. I, p. 727.)

Wherefore, the appealed decision is affirmed and it is so ordered with costs against the appellants.

Pablo, Bengzon, Padilla, Montemayor, Reyes, A., Jugo, Bautista Angelo, Labrador, Concepcion and Reyes, J.B.L., JJ., concur.

Judgment affirmed.

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