

RAVAGO EQUIPMENT RENTALS, INC., PLAINTIFF-APPELLEE, VS.COURT OF APPEALS AND ALCOLEX CORPORATION, RESPONDENTS.

G.R. No. 121313. April 10, 1997

Ponente: PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-121313/>

PADILLA, J.:

This petition for review on certiorari seeks to annul and set aside the decision dated 10 January 1995 and the resolution dated 24 July 1995 of respondent Court of Appeals in CA G.R. CV No. 41482 entitled *Ravago Equipment Rentals, Inc. v. Alcolex Corporation*.

The issues in this case arose from a complaint for a sum of money filed by herein petitioner *Ravago Equipment Rentals, Inc.* (hereinafter "*Ravago*").

The complaint avers that on or about 10 October 1990, *Ravago* entered into a Lease Contract with herein private respondent *Alcolex Corporation* (hereinafter "*Alcolex*") wherein the former leased to the latter one (1) unit Caterpillar Diesel Generator, Model 3412 under terms and conditions provided for in a Rental Contract attached as Annex "A" to the complaint.[1]

The aforementioned lease contract includes the following stipulations:

- a) The lessee (*Alcolex*) shall pay One Hundred Twenty Thousand Pesos (P120,000.00) per month;
- b) The above rental price shall be for "use, non-use or standby" of the generator unit or "for 200 operating hours within the period whichever comes first";
- c) Operation in excess of 200 hours shall be charged P600.00 per hour; one month is to be computed at eight (8) hours (of operation) per day for 25 days (equivalent to 200 hours);
- d) In cases where the generator is to be used on a holiday or a Sunday, a minimum of eight (8) hours per day shall be charged to the lessee.

The complaint further avers that from 10 October 1990 to 1 February 1991, the total rental/charges due from *Alcolex* amounted to P1,172,406.50, of which only P525,437.50 had been paid. *Ravago* therefore prays that *Alcolex* be ordered to pay the balance of P646,969.00 as well as exemplary damages, attorney's fees and costs of suit.[2]

Alcolex, in its answer to the complaint, denied the genuineness and due execution of the lease contract. *Alcolex* averred that Mr. Edgardo Chua who signed the contract for *Alcolex* was not authorized by the corporation to represent it since he was merely a messenger who was dismissed even before he could complete his probationary employment status. *Alcolex* further admitted paying P525,437.50 but argued that the same represented full and total payment for the entire duration of their use of the leased generator.[3]

On 14 September 1992, the trial court rendered a decision* ordering Alcolex to pay the following sums:

- a) P646,969.00 for overtime use of and unpaid rentals/charges for the generator;
- b) P20,000.00 as exemplary damages;
- c) P20,000.00 as attorney's fees;
- d) All expenses of litigation.

On appeal, the Court of Appeals rendered a decision** dated 10 January 1995 setting aside the decision of the trial court and dismissing the complaint filed therein.

Ravago's motion for reconsideration was denied on 24 July 1995, hence, the present petition for review based on the following errors allegedly committed by the Court of Appeals:

"THE RESPONDENT COURT ERRED IN CONSIDERING AN ISSUE WHICH WAS RAISED FOR THE FIRST TIME ON APPEAL.

THE RESPONDENT COURT ERRED IN HOLDING THAT PETITIONER FAILED TO PROVE ITS CLAIM AGAINST PRIVATE RESPONDENT."[4]

Ravago argues that the issue of the veracity of the overtime charges for the use of the generator was never raised by Alcolex before the trial court, the only issue raised then being whether or not the lease contract is binding on Alcolex. It is thus contended that the Court of Appeals erred in considering an issue raised for the first time on appeal,[5] since Ravago maintains that Alcolex never denied the overtime use of the leased equipment and the charges therefor.[6]

On the other hand, Alcolex denies liability under the lease contract which it maintains is unenforceable against the corporation since Edgardo Chua who supposedly signed for the corporation was not authorized to do so.

Alcolex additionally avers that there was no admission, expressed or implied, of the alleged overtime charges, contrary to the argument of Ravago. It is argued that the answer of Alcolex to the complaint before the trial court admitted payment of P525,437.50 which amount represents "full, total and final payment on the use of the generator under the terms and price agreed upon by the parties."[7]

The core issue in this appeal is whether or not Alcolex is liable to pay overtime charges for the use of the generator leased from Ravago.

The complaint before the trial court having been filed by herein petitioner Ravago, the burden of proving Alcolex's liability for overtime use of the leased generator lies with petitioner. *Probandi necessitas incumbit illi qui agit*.

The first issue raised by petitioner Ravago need not be discussed at length. It would suffice to state that the statement of Alcolex in its answer to the complaint that "defendant was made to believe that when it agreed to a very excessive rental of P120,000.00 a month, that said amount covers the maximum and full monthly charges of operation during the lease period"[8], is an effective denial by Alcolex of liability for any overtime charges. Moreover, Alcolex stated in its memorandum before the trial court thus:

"It may well be noted that instant suit is for collection of alleged overtime charges on the operation of the leased generator. The record is bereft of any proof whatsoever about the alleged overtime, whether actually incurred their respective duration on specific dates and other relevant data. No testimony was introduced to show actual overtime, their specific duration and over what period. Of course, testimony of this nature proceeds from persons who have actually operated the generator or the one in charge of checking about the

duration of its working period."[9]

It is thus not correct for petitioner to state that the issue of the veracity of the overtime charges was never raised before the trial court.

On whether petitioner Ravago is entitled to the reliefs prayed for in its complaint, the evidence presented leaves much to be desired.

Ravago presented the alleged rental contract with Alcolex,[10] a summary of accounts prepared by its employee, a certain Nicia Ramos,[11] a demand letter addressed to Alcolex signed by Ravago's counsel, Atty. Larry Iguidez as well as a five (5) page itemized version of the above-mentioned statement of account.[12]

Respondent Alcolex cannot assail the enforceability of the rental contract on the ground that Edgardo Chua, who signed the contract for Alcolex, had no authority to bind the corporation. The Court of Appeals correctly held that the contract, assuming that Edgardo Chua had no authority to sign for Alcolex, was impliedly ratified when the generator subject of the contract was used by Alcolex for its operations. Thus, under Article 1317 of the Civil Code, which provides that:

"ART. 1317. No one may contract in the name of another without being authorized by the latter, or unless he has by law a right to represent him.

A contract entered into in the name of another by one who has no authority of legal representation, or who has acted beyond his powers, shall be unenforceable, unless it is ratified, expressly or impliedly, by the person on whose behalf it has been executed, before it is revoked by the other contradicting party."

the contract is enforceable against respondent Alcolex.

While the subject contract of lease is binding on Alcolex, petitioner Ravago has not sufficiently proved the overtime use of the generator. As correctly noted by the Court of Appeals, the person who prepared the statement of account against Alcolex was not presented in court. Moreover, said statement of account does not per se prove actual overtime use by Alcolex of the generator. There is, in short, a dearth of evidence to show whether the overtime charges reflected in the statement of account were actually incurred by Alcolex. Absent sufficient proof of how the overtime charges were arrived at, the complaint before the trial court must perforce fail.

The argument of Ravago that respondent Alcolex's failure to reply to the demand letters is sufficient basis for the latter's liability for overtime charges is non-sequitur and without merit.

As early as 1927, the United States Federal Supreme Court through Mr. Justice Oliver Wendell Holmes laid down a basic principle in the law on evidence, thus:

"A man cannot make evidence for himself by writing a letter containing the statements that he wishes to prove. He does not make the letter evidence by sending it to the party against whom he wishes to prove the facts [stated therein]. He no more can impose a duty to answer a charge than he can impose a duty to pay by sending goods. Therefore a failure to answer such adverse assertions in the absence of further circumstances making an answer requisite or natural has no effect as an admission."[13]

All told, Ravago's failure to prove by preponderance of evidence the liability of Alcolex for overtime charges precludes an award in its favor for overtime charges.

WHEREFORE, based on the foregoing, the decision of the Court of Appeals is hereby **AFFIRMED**.
SO ORDERED.

Bellosillo, Vitug, and Kapunan, JJ., concur.

Hermosisima, Jr., J., on leave.

* Penned by Judge Benjamin M. Aquino, Jr., Regional Trial Court, Branch 72, Malabon, Metro Manila

** Penned by Associate Justice Gloria C. Paras with Justices Salome A. Montoya and Hector L. Hofileña, concurring.

[1] Original Records, p. 5.

[2] Complaint, pp. 1-3.

[3] Answer to the Complaint, pp. 1-4.

[4] Rollo, p. 10.

[5] Citing Reparations Commission v. Visayan Packing Corporation, G.R. No. 30712, 6 February 1991, 193 SCRA 531.

[6] Petitioner's Memorandum, p. 3; Rollo, p. 126.

[7] Original Records, p. 10.

[8] Original Records, pp. 10-11.

[9] Original Records, p. 119.

[10] Annex "A"; Original Records, p. 5.

[11] Annex "B", Original Records, p. 6.

[12] Exhibit "A-1" to "A-5", Original Records

[13] A.B. Leach and Co. v. Peirson, 275 US 120 [1927].

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.