

PHILIPPINE COCONUT AUTHORITY, PETITIONER, VS. CORONA INTERNATIONAL, INC., RESPONDENT.

G.R. No. 139910. September 29, 2000

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

For failing to strictly comply with the provisions of Sec. 13, Rule 44 of the 1997 Rules on Civil Procedure, which specifies the form and contents of the appellant's brief, petitioner Philippine Coconut Authority's appeal was dismissed by the Court of Appeals in CA-G.R. SP No. 56586. Hence, petitioner invokes the jurisdiction of this Court and seeks the reversal of the resolutions of the court a quo.

As antecedents, respondent corona International Inc. filed a case against petitioner for the recovery of the sum of P9,082,221.14 before the Regional Trial Court of Quezon City. The amount allegedly represented the unpaid balance of the purchase price of communication and computer facilities sold by the respondent to the petitioner as well as interest and damages.[1] Petitioner, in its answer, set up the following defenses: that the installation of said equipment was not done in accordance with good engineering standards and practices; that some of the equipment delivered were not those specified in the bid; that private respondent failed to install the communication system it undertook to put up; and that the certificate of acceptance issued to private respondent was entered either through misrepresentation or collusion. Hence, as counterclaim, petitioner sought the rescission of the contract of sale as well as damages.[2]

On 10 September 1996, the trial court rendered a decision ruling in favor of the respondent, and ordered among others that petitioner pay the respondent the amount of P9,082,068.00, plus interest representing the balance of the contract price as well as P1,000,000 as attorney's fees.[3]

Not satisfied with the decision of the trial court, petitioner elevated the case to the Court of Appeals. In due course, petitioner filed its appellant's brief, to which respondent filed a Motion to Dismiss appeal based on the following grounds: (1) failure of the petitioner to comply with the mandatory requirements of Section 13, paragraphs (a), (c), (d) and (f) of Rule 44 of the Rules of Court; and (2) the palpable dilatory character of the appeal.[4] In a Resolution dated 14 October 1998, the appellate court granted respondent's motion to dismiss, the dispositive portion reads:

WHEREFORE, the plaintiff-appellee's meritorious Motion to Dismiss Appeal is GRANTED, and accordingly this appeal on authority of Section 1(f), Rule 50 of the 1997 Rules of Civil Procedure is DISMISSED.

SO ORDERED.[5]

Petitioner sought reconsideration of the resolution, but the same was denied by the Court of Appeals in its Resolution dated 25 August 1999.[6]

Petitioner now comes before this Court raising the following assignment of errors:

FIRST ERROR

The Honorable Court of Appeals Erred in ruling that Appellant's brief does not Comply with the Requirements prescribed for its contents.

SECOND ERROR

The Honorable Court of Appeals Gravely Erred in Sacrificing Substantial Right in favor of Procedure.

THIRD ERROR

The Honorable Court of Appeals Erred in Dismissing Petitioner (sic) Appeal.[7]

We find the petition meritorious.

In dismissing the appeal before it, the Court of Appeals gave the following explanation:

xxx

An examination of the defendant-appellant's brief reveals that it does not comply with the requirements prescribed for its contents. The appellant's brief under the heading Statement of the Case does not contain a clear and concise statement of the nature of the action, nor a summary of the proceedings, nor the nature of the judgment, nor any of the other matters necessary to an understanding of the nature of the controversy, with page references to the record. The defendant-appellant simply averred that This is an appeal from the trial court's Decision,... and thereafter merely quoted the dispositive portion of the said Decision. In the same manner, the defendant-appellant under the heading Statement of Facts failed to asseverate a clear and concise statement in narrative form the facts admitted by both parties and of those in controversy, together with the substance of the proof relating thereto in sufficient detail to make it clearly intelligible, with page references to the record.

xxx[8]

We disagree. Our examination of petitioner-appellant's brief reveals that the same has substantially complied with the requirements set forth in Section 13, Rule 43 of the 1997 Rules of Civil Procedure:

SEC. 13. Contents of appellant's brief.—The appellant's brief shall contain, in the order herein indicated, the following:

(a)

A subject index of the matter in the brief with a digest of the arguments and page references, and a table of cases alphabetically arranged, textbooks and statutes cited with references to the pages where they are cited;

xxx

(c)

Under the heading "Statement of the Case," a clear and concise statement of the nature of the action, a summary of the proceedings, the appealed rulings and orders of the court, the nature of the judgment and any other matters necessary to an understanding of the nature of the controversy, with page references to the record;

(d)

Under the heading "Statement of Facts," a clear and concise statement in a narrative form of the facts admitted

by both parties and of those in controversy, together with the substance of the proof relating thereto in sufficient detail to make it clearly intelligible, with page references to the record;

xxx

(f)

Under the heading "Argument," the appellant's arguments on each assignment of error with page references to the record. The authorities relied upon shall be cited by the page of the report at which the case begins and the page of the report on which the citation is found; xxx

In compliance with the requirement of Section (c) of the above-quoted, the appellant's brief contained the following "Statement of the Case:"

STATEMENT OF THE CASE

This is an appeal from the trial court's Decision, the dispositive portion of which reads as follows:

WHEREFORE, in view of all the foregoing premises, judgment is hereby rendered-

1. Ordering the defendant to pay plaintiff the total sum of P9,082,068.00 representing the balance of the contract price for Phase III of the project, the 10% retention for Phase I, II and III of the project, and the contract price for Phase IV of the project;
2. Ordering the defendant to indemnify plaintiff the sum equal to two (2%) per centum of P9,082,068.00 up to March 30, 1995, as actual and for damages;
3. Ordering the defendant to indemnify plaintiff the sum equal to 1 and ½% per cent of P9,082,068.00 monthly from March 30, 1995 up to the time the full amount is fully paid, as and by way of actual damages;
4. The sum of P1,000,000.00 as and for attorney's fee; plus the costs of the suit.

The counterclaim interposed by the defendant is hereby dismissed for lack of evidence to sustain it.

SO ORDERED.[9]

Admittedly, petitioner's above "Statement of the Case" does not strictly adhere to that requirements of Rule 43, section 13 (c). Nonetheless, we should not lose sight of the purpose of Section 13 (c) which is to apprise the court as to the nature of the case before it. Despite its deficiencies, the nature of the case is easily discernible from a reading of the pleading:

Petitioner's "Statement of the Facts," contains the following allegations:

On 28 January 1992, Appellant Philippine Coconut Authority (hereinafter PCA for brevity) entered into a contract with Appellee Corona International Incorporated (hereinafter Corona for brevity) for the supply and delivery/installation of complete communication facility/system with related office automation hardware. Mr. Charles R. Avila, then Administrator of PCA signed the contract in his capacity as such while Edgardo S. Silverio signed the same in his capacity as President and General Manager of Corona. On 11 February 1992, Corona was paid the agreed mobilization fund in the total amount of P6,727,457.47. Pursuant to the Contract, Corona then had One Hundred Twenty (120) calendar days from receipt of the Mobilization Fund or until June 11, 1992 within which to complete the works, thus:

"The covered equipment/facilities shall be delivered and installed by the Contractor in the places/regions a

specified in the Bid Documents within One Hundred Twenty (120) calendar days from the date of receipt of the Mobilization Fund mentioned in the succeeding paragraph hereof, which shall include commissioning of the equipment/network xxx"

On 04 March 1992, Mr. Charles R. Avila, Administrator of PCA, in a Special Order issued 04 March 1992, created an Inspection and Acceptance Committee responsible for the inspection, acceptance and proper documentation of all the units installed and ensure its conformity with the technical specifications as provided for in the contract. The Committee was headed by Mr. Paulino M. Raguindin. On 30 April 1992, Mr. Paulino M. Raguindin issued a certification (Exhibit "28") that items delivered for Phase I under the mentioned Contract has been completed by corona and duly accepted by the Inspection and Acceptance Committee. On 06 May 1992, another certification (Exhibit "29") was issued by Mr. Paulino M. Raguindin. This represented payment for Phase I of the project. On 08 May 1992, another certification of similar tenor was again issued by Mr. Raguindin for which reason Corona was paid P6,054,711.70 (P6,727,457.44 less 10% retention) representing payment for Phase II of the project. Payment [was] received on July 4, 1992. On 29 May 1992, a similar certification (Exhibit "30") was issued by Mr. Raguindin for which reason Corona was paid P5,718,337.60 representing partial payment for Phase III of the project. Payment was received on July 1, 1992. On 29 July 1992, then Administrator CharlesR. Avila was replaced by the Incumbent Administrator, Virgilio M. David (hereinafter Administrator David for brevity). On 25 September 1992, Administrator David engaged the services of Teleconsultant Incorporated for the purpose of evaluating the works of Corona. On 18 January 1993, PCA's Administrator David informed Corona's President, Edgardo Silverio, in a letter dated 14 January 1993 that due to blatant breach of the terms and conditions of the Contract and fraud, PCA was rescinding or annulling the contract. Instead of responding, Corona filed the instant Complaint.

Aside from the lack of page reference to the records, we fail to see how the above fails to comply with Section 13 (d) of Rule 43.

The appellate court rationalizes further its dismissal by stating that:

Needless to state, the purpose of the brief is to present the court in coherent and concise form the point and questions in controversy, and by fair argument on the facts and law of the case, to assist the court in arriving at a just and proper conclusion. A haphazard and pellmell presentation will not do for the brief should be so prepared s to minimize the labor of the court in examination of the record upon which the appeal is heard and determined. It is certainly, 'the vehicle of counsel to convey to the court the essential facts of his client's case, a statement of the questions of law involved, the law he should have applied, and the application he desires of it by the court'." (Casilan vs. Chavez, 4 SCRA 599) There should be an honest compliance with the requirements regarding contents of appellant's brief, and among which is that it should contain "a subject index of the matter in the brief with a digest of the argument and page references." (Salao vs. Salao, 70 SCRA 65)[10]

We do not disagree with the appellate court's above exposition. The requirements laid down in Section 13, Rule 43 are intended to aid the appellate court in arriving at a just and proper conclusion of the case. However, we are of the opinion that despite its deficiencies petitioner's appellant's brief is sufficient in form and substance as to apprise the appellate court of the essential facts and nature of the case as well as the issues raised and the laws necessary for the disposition of the same.

Technical and procedural rules are intended to help secure, and not to suppress, substantial justice. A deviation from a rigid enforcement of the rules may thus, be allowed to attain the prime objective for, after all, the dispensation of justice is the core reason for the existence of courts.[11]

WHEREFORE, the petition is GRANTED. The Resolutions of the Court of Appeals in CA-G.R. SP No. 56586, dated 14 October 1998 AND 25 August 1999, are SET ASIDE. The case is hereby REMANDED to the Court of

Appeals for proper disposition thereof.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Pardo, and Ynares-Santiago, JJ., concur.

[1] Regional Trial Court Decision, Rollo, p. 82.

[2] Id., at 82.

[3] Rollo, p. 98.

[4] Id., at 41.

[5] Id., at 43.

[6] Id., at 46-48.

[7] Id., at 35.

[8] Id., at 41-42.

[9] Id., at 65-66.

[10] Id., at 42.

[11] Acme Shoe, Rubber and Plastice Corp. vs. CA, 260 SCRA 714, 719 (1996).

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