ANDREW TAN, PETITIONER, VS. COURT OF APPEALS AND WU SEN WOEI, RESPONDENTS

G.R. No. 142401. August 20, 2001

Ponente: PANGANIBAN, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-142401/

PANGANIBAN, J.:

Under the doctrine of conclusiveness of judgment, facts and issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties, even if the latter suit may involve a different cause of action.[1]

Statement of the Case

Through a Petition[2] for Review under Rule 45 of the Rules of Court, Andrew Tan challenges the January 10, 2000 Decision[3] rendered by the Court of Appeals[4] (CA) in CA-GR CV No. 58086 and its March 8, 2000 Resolution[5] denying reconsideration. The dispositive portion of the assailed Decision reads as follows:

> "WHEREFORE, the appealed judgment is REVERSED and SET ASIDE and a new one is entered, ordering the defendant-appellee to pay appellant the balance of $45,000.00 or the equivalent thereof in Philippine currency at the rate of exchange prevailing at the time of payment, with legal interest thereon from September 1987 until fully paid. With costs against the defendant-appellee."[6]

The Facts

The undisputed facts are summarized by the Court of Appeals as follows:

> "Plaintiff-appellant [respondent herein], a Taiwanese national, and defendant-appellee [petitioner herein], a Filipino, first met in Taiwan sometime in August 1987 through Kua Bei Tiu, defendant's sister-in-law. Defendant proposed that plaintiff invest money in the hatchery business he had started, and plaintiff parted with the amount of $80,000.00 or its equivalent of P1,650,700.00. Repaid only [in] the amount of $10,000.00, plaintiff-appellant lodged a complaint before the National Bureau of Investigation (NBI) to recover the balance of $70,000.00. Before the NBI, defendant Andrew Tan and his sister Helen Go signed a Joint Affidavit of Undertaking stating as follows:
>
> `WE, HELEN GO and ANDREW TAN, both of legal age, brother and sister and both married, presently residing at No. 1427 Sto. Sepulcro St., Paco, Manila and A.T. Commercial, A.B. Fernandez Avenue, East Dagupan City, respectively, after having been duly sworn to in accordance with law do hereby depose and undertake to perform the following:
>
> `That I, ANDREW TAN is indebted to WU SEN WOEI, a Taiwanese national residing at 12 Lane, 194, 6[th] Floor, Sing Tien Road, Kuehsiung, Taiwan in the total amount of SEVENTY THOUSAND U.S. DOLLARS ($70,000.00);
>
> `That we, brother and sister, acknowledge the said amount as a just and valid obligation and therefore undertake to pay the same under the following terms which is in accordance with our present financial

capacity;

`Within one (1) week from the date of this affidavit, we bind ourselves to pay WU SEN WOEI the amount of TWENTY THOUSAND U.S. DOLLARS ($20,000.00) Cash;

`Every month thereafter, or starting August 1990, we bind ourselves to pay WU SEN WOEI the amount of TEN THOUSAND U.S. DOLLARS ($10,000.00), for the month of September 1990, TEN THOUSAND U.S. DOLLARS ($10,000.00), for the month of October 1990, TEN THOUSAND U.S. DOLLARS ($10,000.00), for the month of November 1990, TEN THOUSAND U.S. DOLLARS ($10,000.00), and for the month of DECEMBER, 1990, TEN THOUSAND U.S. DOLLARS ($10,000.00) and then all our indebtedness to WU SEN WOEI would be totally paid, all in cash;

`That we agree that the place of payment should be the NBI office before Atty. VICTOR BESSAT so that this undertaking would be fully complied with;

`After we have fully complied with the terms of this Affidavit of Undertaking, WU SEN WOEI should also return to us all the documents in his possession in connection with this indebtedness.

`That we are executing this joint affidavit of undertaking in order to amicably settle this obligation of ANDREW TAN to WU SEN WOEI;

`IN WITNESS WHEREOF, we have hereunto set our hands this 19[th] day of July 1990, at the Office of the National Bureau of Investigation, Taft Avenue, Manila.

(Sgd.) HELEN GO

(Sgd.) Illegible

MRS. HELEN GO

MR. ANDREW TAN

GUARANTOR:

(Sgd.) Illegible

MR. BENJAMIN GO

WITNESSES:

(Sgd.) Illegible

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

(Sgd.) Illegible

ATTY. ERIC QUINTOS

WU SEN WOEI'

(Exh. `6', Record, p. 317)

"Defendant claims that he was coerced into signing the above Undertaking. He then assailed the validity of said Undertaking in Civil Case No. D-9864 entitled `Andrew Tan, plaintiff vs. Wu Sen Woei, represented by Raul Estrella, Attorney-in-Fact, John Doe and Paul Doe, defendants-appellees' which he filed before the Regional Trial Court of Dagupan City, Branch 43. The RTC found Tan's and Go's consent to the Undertaking as vitiated and rendered judgment declaring the Undertaking as a nullity. The decision was appealed to this Court in CA- G.R. CV No. 47880. This Court through its Fourth Division in a Decision dated October 3, 1997 reversed and set aside the appealed judgment, and dismissed Andrew Tan's complaint. (Rollo, pp. 67-75)

"In the meantime, based on the Undertaking, herein plaintiff-appellant Wu Sen Woei was further able to collect $25,000.00, leaving a balance of $45,000.00 (Complaint, par. 8, Record, p. 3) Hence he filed the instant suit docketed as Civil Case No. 91-55981 to collect the said balance of $45,000.00 plus interest and attorney's fees, alleging in his Complaint that defendant had defrauded him by not actually investing the money into the hatchery business."[7]

Ruling of the Court of Appeals

The Court of Appeals held in its Decision that, based on the doctrine of conclusiveness of judgment, Tan's claim that the Affidavit of Undertaking had been executed under duress was rendered ineffective by the ruling in CA-GR CV No. 47880. The CA had ruled therein that the said Affidavit was an admission against interest, a clear acknowledgement by Tan of his obligation to Wu Sen Woei. Thus, the appellate court deemed it pointless to determine whether there was, instead, a consummated partnership between the two parties.

Issues

In his Memorandum,[8] petitioner raises the following issues for this Court's consideration:

"I.

Whether or not the Court of Appeals committed a grave and serious error of judgment in applying the doctrine of conclusiveness of judgment and

"II.

Whether or not the Court of Appeals committed a serious error in totally disregarding the evidence presented by petitioner in the appealed case decided by the Regional Trial Court of Manila in the application of the above doctrine."[9]

Since the two issues are interrelated, they shall be discussed jointly.

The Court's Ruling

The Petition is not meritorious.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

Main Issue:
Validity of Affidavit of Undertaking

Clearly, the present case is closely related to the civil action for annulment of document filed by petitioner before the Regional Trial Court (RTC) of Dagupan against respondent on April 3, 1991. In that action, the RTC-Dagupan declared null and void the Affidavit of Undertaking executed by Tan in favor of Wu Sen Woei. Upon appeal,[10] however, the Court of Appeals[11] reversed the RTC judgment and upheld the validity of the Affidavit.[12] That CA Decision became final and executory.[13] In the present case, the appellate court relied on its earlier Decision in CA-GR CV No. 47880 by applying the doctrine on conclusiveness of judgment.

Indeed, the CA's earlier Decision concerning the validity of Andrew Tan's Affidavit of Undertaking has become conclusive on the parties, pursuant to Section 47 (c) of Rule 39 of the Rules of Court.[14] The parties are bound by the matters adjudged and those that are actually and necessarily included therein. Under the doctrine of conclusiveness of judgment, which is also known as "preclusion of issues" or "collateral estoppel," issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties involving a different cause of action.

The concept clearly applies to the present case, because petitioner again seeks refuge in the alleged nullity of the same Affidavit of Undertaking which, as earlier mentioned, was already ruled upon with finality. In other words, the question on the validity of the Affidavit has been settled. The same question, therefore, cannot be raised again even in a different proceeding involving the same parties.

Although the action instituted in this case (collection of a sum of money) is technically different from that action instituted by Andrew Tan before the Regional Trial Court of Dagupan (for annulment of document), "the concept of conclusiveness of judgment still applies because under this principle, the identity of causes of action is not required but merely identity of issues. Simply put, conclusiveness of judgment bars the relitigation of particular facts or issues in another litigation between the same parties on a different claim or cause of action."[15]

Significantly, petitioner no longer questioned the CA Decision in CA-GR CV No. 47880. Thus, it has become final and executory and no longer subject to review.

Moreover, petitioner's assertion that the Affidavit of Undertaking had been executed under duress is contradicted by the events that took place following its execution Petitioner did not immediately question its validity. In fact, of the $70,000 that he undertook to pay Wu Sen Woei, the former has been able to make payments in the amount of $25,000, pursuant to the terms of the Affidavit. His counsel even executed a letter requesting an extension of time and a reduction of the monthly installments that were due, as follows:

> "Dear Mr. Wu:
>
> This has reference in the affidavit of Undertaking executed by our client, Andrew Tan, in your favor through the intercession of Atty. Victor Bessat.
>
> We would like to inform you that our client is now in tight financial situation due to the economic dislocation caused by the recent earthquake and the flooding of most of Region I which caused massive destruction on his prawn business and construction business. He had suffered losses in an amount of no less than P500,000.
>
> In view thereof, our client is not in a financial position to comply with the terms of the undertaking. Hence, in behalf of our client, we are constrained to request for an extension of time for him to pay the agreed amount and to reduce the monthly payment from US$10,000 to US$2,000 a month. This is the amount and mode of payment which he can personally meet considering his financial predicament.
>
> We hope you can understand the plight of our client. He does not wish to evade his obligation and would

comply with it in the manner allowable under his present financial situation.

We hope to hear from you soon.

Very truly yours,

(Sgd.) ATTY. A.V. GONZALES

Counsel"[16]

These circumstances clearly negate any infirmity in the Affidavit as well as the absence of any obligation on the part of petitioner to fulfill his liability therein.

Deserving scant consideration is petitioner's suggestion that there was a partnership between himself and Wu Sen Woei, and that both should thus jointly bear the losses of the business.

The existence of a partnership is belied by the Affidavit of Undertaking in which petitioner admitted his indebtedness to private respondent in the amount of $70,000 and agreed to reimburse the amount according to the conditions stated therein. Had the nature of their agreement been otherwise, such as a business partnership, petitioner would not have acknowledged being "indebted to Wu Sen Woei" and "undertake[n] to pay the same x x x" under the terms specified therein.

WHEREFORE, the Petition is hereby DENIED and the assailed Decision AFFIRMED. Costs against petitioner.

SO ORDERED.

Melo, (Chairman), Vitug, Gonzaga-Reyes, and Sandoval-Gutierrez, JJ., concur.

---

[1] Celendro v. Court of Appeals, 310 SCRA 835, 843-844, July 20, 1999.

[2] Rollo, pp. 10-33.

[3] Rollo, pp. 37-45.

[4] Seventh Division. Written by J. Portia Aliño-Hormachuelos; concurred in by JJ Corona Ibay-Somera (Division chairman) and Wenceslao I. Agnir Jr. (member).

[5] Rollo, pp. 46-47.

[6] Assailed Decision, p. 9; rollo, p. 45.

[7] Assailed Decision, pp. 2-4, rollo, pp. 38-40.

[8] Rollo, pp. 94-116. Petitioner's Memorandum was signed by Atty. Danilo P. Cariaga.

[9] Memorandum for petitioner, p. 14; rollo, p. 108.

[10] CA-GR CV No. 47880.

[11] Fourth Division. Written by J. Antonio M. Martinez (Division chairman) and concurred in by JJ Corona Ibay-Somera and Oswaldo D. Agcaoili (members).

[12] Annex C of the Petition; rollo, pp. 48-57.

[13] See petitioner's Memorandum, p. 2; rollo, p. 95.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[14] Formerly Rule 39, Section 49 (c).

SEC. 49. Effect of judgments. - The effect of a judgment or final order rendered by a court or judge of the Philippines, having jurisdiction to pronounce the judgment or order, may be as follows:

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

[15] Matav. Court of Appeals, 318 SCRA 416, 429, November 18, 1999, per Kapunan, J.

[16] Assailed Decision, pp. 7-8; rollo, pp. 43-44.

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

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.