

AVON COSMETICS, INCORPORATED, JOSE MARIE FRANCO, PETITIONERS, VS. LETICIA H. LUNA, RESPONDENT.

G.R. NO. 153674. December 20, 2006

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

The Case

Before us is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, seeking to reverse and set aside the Decision[1] dated 20 May 2002 of the Court of Appeals in CA-G.R. CV No. 52550, which affirmed in toto the Decision[2] dated 26 January 1996 of the Regional Trial Court (RTC) of Makati City, Branch 138, in Civil Case No. 88-2595, in favor of herein respondent Leticia H. Luna (Luna), rendered by the Honorable Ed Vicente S. Albano, designated as the "assisting judge" pursuant to Supreme Court Administrative Order No. 70-94, dated 16 June 1994.

The Facts

The facts of the case are not in dispute. As culled from the records, they are as follows:

The present petition stemmed from a complaint[3] dated 1 December 1988, filed by herein respondent Luna alleging, inter alia, that she began working for Beautifont, Inc. in 1972, first as a franchise dealer and then a year later, as a Supervisor.

Sometime in 1978, Avon Cosmetics, Inc. (Avon), herein petitioner, acquired and took over the management and operations of Beautifont, Inc. Nonetheless, respondent Luna continued working for said successor company.

Aside from her work as a supervisor, respondent Luna also acted as a make-up artist of petitioner Avon's Theatrical Promotion's Group, for which she received a per diem for each theatrical performance.

On 5 November 1985, petitioner Avon and respondent Luna entered into an agreement, entitled Supervisor's Agreement, whereby said parties contracted in the manner quoted below:

The Company agrees:

x x x x

1) To allow the Supervisor to purchase at wholesale the products of the Company.

x x x x

The Supervisor agrees:

1) To purchase products from the Company exclusively for resale and to be responsible for obtaining all permits and licenses required to sell the products on retail.

x x x x

The Company and the Supervisor mutually agree:

x x x x

2) That this agreement in no way makes the Supervisor an employee or agent of the Company, therefore, the Supervisor has no authority to bind the Company in any contracts with other parties.

3) That the Supervisor is an independent retailer/dealer insofar as the Company is concerned, and shall have the sole discretion to determine where and how products purchased from the Company will be sold. However, the Supervisor shall not sell such products to stores, supermarkets or to any entity or person who sells things at a fixed place of business.

4) That this agreement supersedes any agreement/s between the Company and the Supervisor.

5) That the Supervisor shall sell or offer to sell, display or promote only and exclusively products sold by the Company.

6) Either party may terminate this agreement at will, with or without cause, at any time upon notice to the other.

x x x x.[4]

By virtue of the execution of the aforequoted Supervisor's Agreement, respondent Luna became part of the independent sales force of petitioner Avon.

Sometime in the latter part of 1988, respondent Luna was invited by a former Avon employee who was then currently a Sales Manager of Sandré Philippines, Inc., a domestic corporation engaged in direct selling of vitamins and other food supplements, to sell said products. Respondent Luna apparently accepted the invitation as she then became a Group Franchise Director of Sandré Philippines, Inc. concurrently with being a Group Supervisor of petitioner Avon. As Group Franchise Director, respondent Luna began selling and/or promoting Sandré products to other Avon employees and friends. On 23 September 1988, she requested a law firm to render a legal opinion as to the legal consequence of the Supervisor's Agreement she executed with petitioner Avon. In response to her query, a lawyer of the firm opined that the Supervisor's Agreement was "contrary to law and public policy."

Wanting to share the legal opinion she obtained from her legal counsel, respondent Luna wrote a letter to her colleagues and attached mimeographed copies of the opinion and then circulated them. The full text of her letter reads:

We all love our work as independent dealers and we all love to continue in this livelihood. Because my livelihood is important to me, I have asked the legal opinion of a leading Makati law office regarding my status as an independent dealer, I am sharing this opinion with you.

I have asked their advice on three specific things:

1) May the company legally change the conditions of the existing "Supervisor's Agreement" without the Supervisor's consent? If I should refuse to sign the new Agreement, may the company terminate my dealership?

On the first issue, my lawyers said that the company cannot change the existing "Agreement" without my consent, and that it would be illegal if the company will compel me to sign the new agreement.

2) Is Section 5 of the "Supervisor's Agreement" which says that a dealer may only sell products sold by the company, legal?

My lawyers said that Section 5 of the Supervisors Agreement is NOT valid because it is contrary to public policy, being an unreasonable restraint of trade.

3) Is Section 6 of the "Supervisor's Agreement" which authorizes the company to terminate the contract at any time, with or without cause, legal?

My lawyer said Section 6 is NOT valid because it is contrary to law and public policy. The company cannot terminate the "Supervisor's Agreement" without a valid cause.

Therefore, I can conclude that I don't violate Section 5 if I sell any product which is not in direct competition with the company's products, and there is no valid reason for the company to terminate my dealership contract if I sell a non-competitive product.

Dear co-supervisor[s], let us all support the reasonable and legal policies of the company. However, we must all be conscious of our legal rights and be ready to protect ourselves if they are trampled upon.

I hope we will all stay together selling Avon products for a long time and at the same time increase our earning opportunity by engaging in other businesses without being afraid to do so.

In a letter[5] dated 11 October 1988, petitioner Avon, through its President and General Manager, Jose Mari Franco, notified respondent Luna of the termination or cancellation of her Supervisor's Agreement with petitioner Avon. Said letter reads in part:

In September, (sic) 1988, you brought to our attention that you signed up as Group Franchise Director of another company, Sandré Philippines, Inc. (SPI).

Not only that. You have also sold and promoted products of SPI (please refer for example to SPI Invoice No. 1695 dated Sept. 30, 1988). Worse, you promoted/sold SPI products even to several employees of our company including Mary Arlene Nolasco, Regina Porter, Emelisa Aguilar, Hermie Esteller and Emma Ticsay.

To compound your violation of the above-quoted provision, you have written letters to other members of the Avon salesforce inducing them to violate their own contracts with our company. x x x.

For violating paragraph 5 x x x, the Company, pursuant to paragraph 6 of the same Agreement, is terminating and canceling its Supervisor's Agreement with you effective upon your receipt of this notice. We regret having to do this, but your repeated disregard of the Agreement, despite warnings, leaves (sic) the Company no other choice.

x x x x

Aggrieved, respondent Luna filed a complaint for damages before the RTC of Makati City, Branch 138. The complaint was docketed as Civil Case No. 88-2595.

On 26 January 1996, after trial on the merits, the RTC rendered judgment in favor of respondent Luna stating that:

WHEREFORE, in view of the foregoing premises, judgment is hereby rendered in favor of the plaintiff, and against defendant, Avon, ordering the latter:

- 1) to pay moral damages to the plaintiff in the amount of P100,000.00 with interest from the date of this judgment up to the time of complete payment;
- 2) to pay attorney's fees in the amount of P20,000.00;
- 3) to pay the costs.[6]

On 8 February 1996, petitioner Avon filed a Notice of Appeal dated the same day. In an Order[7] dated 15

February 1996, the RTC gave due course to the appeal and directed its Branch Clerk of Court to transmit the entire records of the case to the Court of Appeals, which docketed the appeal as CA G.R. CV No. 52550.

On 20 May 2002, the Court of Appeals promulgated the assailed Decision, the dispositive part of which states thus:

WHEREFORE, the foregoing premises considered, the decision appealed from is hereby AFFIRMED in toto.[8]

The Issues

In predictable displeasure with the conclusions reached by the appellate court, petitioner Avon now implores this Court to review, via a petition for review on certiorari under Rule 45 of the Revised Rules of Court, the former's decision and to resolve the following assigned errors:[9]

I.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR IN DECLARING THAT THE SUPERVISOR'S AGREEMENT EXECUTED BETWEEN AVON AND RESPONDENT LUNA AS NULL AND VOID FOR BEING AGAINST PUBLIC POLICY;

II.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR IN HOLDING THAT AVON HAD NO RIGHT TO TERMINATE OR CANCEL THE SUPERVISOR'S AGREEMENT;

III.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR IN UPHOLDING THE AWARD OF MORAL DAMAGES AND ATTORNEY'S FEES IN FAVOR OF RESPONDENT LUNA; and

IV.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR IN NOT AWARDING ATTORNEY'S FEES AND LITIGATION EXPENSES IN FAVOR OF PETITIONER.

The Court's Ruling

A priori, respondent Luna objects to the presentation, and eventual resolution, of the issues raised herein as they allegedly involve questions of facts.

To be sure, questions of law are those that involve doubts or controversies on what the law is on certain state of facts; and questions of fact, on the other hand, are those in which there is doubt or difference as to the truth or falsehood of the alleged facts. One test, it has been held, is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case it is a question of law, otherwise it will be a question of fact.[10]

In the present case, the threshold issues are a) whether or not paragraph 5 of the Supervisor's Agreement is void for being violative of law and public policy; and b) whether or not paragraph 6 of the Supervisor's Agreement which authorizes petitioner Avon to terminate or cancel the agreement at will is void for being contrary to law and public policy. Certainly, it is quite obvious that the foregoing issues are questions of law.

In affirming the decision of the RTC declaring the subject contract null and void for being against public policy, the Court of Appeals ruled that the exclusivity clause, which states that:

The Company and the Supervisor mutually agree:

x x x x

5) That the Supervisor shall sell or offer to sell, display or promote only and exclusively products sold by the Company. [Emphasis supplied.]

should be interpreted to apply solely to those products directly in competition with those of petitioner Avon's, i.e., cosmetics and/or beauty supplies and lingerie products. Its declaration is anchored on the fact that Avon products, at that time, were not in any way similar to the products sold by Sandré Philippines, Inc. At that time, the latter was merely selling vitamin products. Put simply, the products of the two companies do not compete with each other. The appellate court ratiocinated that:

x x x If the agreement were interpreted otherwise, so as to include products that do not directly compete with the products of defendant-appellant Avon, such would result in absurdity. x x x [A]greements which prohibit a person from engaging in any enterprise whether similar or not to the enterprise of the employer constitute an unreasonable restraint of trade, thus, it is void as against public policy.[11]

Petitioner Avon disputes the abovestated conclusion reached by the Court of Appeals. It argues that the latter went beyond the literal and obvious intent of the parties to the subject contract when it interpreted the abovequoted clause to apply only to those products that do not compete with that of petitioner Avon's; and that the words "only and exclusively" need no other interpretation other than the literal meaning – that "THE SUPERVISORS CANNOT SELL THE PRODUCTS OF OTHER COMPANIES WHETHER OR NOT THEY ARE COMPETING PRODUCTS." [12]

Moreover, petitioner Avon reasons that:

The exclusivity clause was directed against the supervisors selling other products utilizing their training and experience, and capitalizing on Avon's existing network for the promotion and sale of the said products. The exclusivity clause was meant to protect Avon from other companies, whether competitors or not, who would exploit the sales and promotions network already established by Avon at great expense and effort.

x x x x

Obviously, Sandre Phils., Inc. did not have the (sic) its own trained personnel and network to sell and promote its products. It was precisely why Sandre simply invited, and then and there hired Luna and other Avon supervisors and dealers to sell and promote its products. They had the training and experience, they also had a ready market for the other products – the customers to whom they had been selling the Avon products. It was easy to entice the supervisors to sign up. The supervisors could continue to sell Avon products, and at the same time earn additional income by selling other products.

This is most unfair to Avon. The other companies cannot ride on and exploit the training and experience of the Avon sales force to sell and promote their own products. [Emphasis supplied.]

On the other hand, in her Memorandum, respondent Luna counters that "there is no allegation nor any finding by the trial court or the Court of Appeals of an 'existing nationwide sales and promotions network established by Avon' or 'Avon's existing sales promotions network' or 'Avon's tried and tested sales and promotions network' nor the alleged damage caused to such system caused by other companies." Further, well worth noting is the opinion of respondent Luna's counsel which started the set off the series of events which culminated to the termination or cancellation of the Supervisor's Agreement. In response to the query-letter[13] of respondent Luna, the latter's legal counsel opined that, as allegedly held in the case of Ferrazzini v. Gsell,[14] paragraph 5 of the subject Supervisor's Agreement "not only prohibits the supervisor from selling products which compete with the

company's product but restricts likewise the supervisor from engaging in any industry which involves sales in general." [15] Said counsel thereafter concluded that the subject provision in the Supervisor's Agreement constitutes an unreasonable restraint of trade and, therefore, void for being contrary to public policy.

At the crux of the first issue is the validity of paragraph 5 of the Supervisor's Agreement, viz:

The Company and the Supervisor mutually agree:

x x x x

5) That the Supervisor shall sell or offer to sell, display or promote only and exclusively products sold by the Company. [Emphasis supplied.]

In business parlance, this is commonly termed as the "exclusivity clause." This is defined as agreements which prohibit the obligor from engaging in "business" in competition with the obligee.

This exclusivity clause is more often the subject of critical scrutiny when it is perceived to collide with the Constitutional proscription against "reasonable restraint of trade or occupation." The pertinent provision of the Constitution is quoted hereunder. Section 19 of Article XII of the 1987 Constitution on the National Economy and Patrimony states that:

SEC. 19. The State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed.

First off, restraint of trade or occupation embraces acts, contracts, agreements or combinations which restrict competition or obstruct due course of trade. [16]

Now to the basics. From the wordings of the Constitution, truly then, what is brought about to lay the test on whether a given agreement constitutes an unlawful machination or combination in restraint of trade is whether under the particular circumstances of the case and the nature of the particular contract involved, such contract is, or is not, against public interest. [17]

Thus, restrictions upon trade may be upheld when not contrary to public welfare and not greater than is necessary to afford a fair and reasonable protection to the party in whose favor it is imposed. [18] Even contracts which prohibit an employee from engaging in business in competition with the employer are not necessarily void for being in restraint of trade.

In sum, contracts requiring exclusivity are not per se void. Each contract must be viewed vis-à-vis all the circumstances surrounding such agreement in deciding whether a restrictive practice should be prohibited as imposing an unreasonable restraint on competition.

The question that now crops up is this, when is a restraint in trade unreasonable? Authorities are one in declaring that a restraint in trade is unreasonable when it is contrary to public policy or public welfare. As far back as 1916, in the case of *Ferrazzini v. Gsell*, [19] this Court has had the occasion to declare that:

[T]here is no difference in principle between the public policy (orden público) in the in the two jurisdictions (United States and the Philippine Islands) as determined by the Constitution, laws, and judicial decisions.

In the United States it is well settled that contracts in undue or unreasonable restraint of trade are unenforceable because they are repugnant to the established public policy in that country. Such contracts are illegal in the sense that the law will not enforce them. The Supreme Court in the United States, in *Oregon Steam Navigation Co. vs. Winsor* 20 Will., 64, quoted with approval in *Gibbs v. Consolidated Gas Co. of Baltimore* (130 U.S., 396), said:

"Cases must be judged according to their circumstances, and can only be rightly judged when reason and grounds of the rule are carefully considered. There are two principle grounds on which the doctrine is founded that a contract in restraint of trade is void as against public policy. One is, the injury to the public by being deprived of the restricted party's industry; and the other is, the injury to the party himself by being precluded from pursuing his occupation, and thus being prevented from supporting himself and his family."

And what is public policy? In the words of the eminent Spanish jurist, Don Jose Maria Manresa, in his commentaries of the *Codigo Civil*, public policy (*orden público*):

[R]epresents in the law of persons the public, social and legal interest, that which is permanent and essential of the institutions, that which, even if favoring an individual in whom the right lies, cannot be left to his own will. It is an idea which, in cases of the waiver of any right, is manifested with clearness and force. [20]

As applied to agreements, Quintus Mucius Scaevola, another distinguished civilist gives the term "public policy" a more defined meaning:

Agreements in violation of *orden público* must be considered as those which conflict with law, whether properly, strictly and wholly a public law (*derecho*) or whether a law of the person, but law which in certain respects affects the interest of society. [21]

Plainly put, public policy is that principle of the law which holds that no subject or citizen can lawfully do that which has a tendency to be injurious to the public or against the public good.[22] As applied to contracts, in the absence of express legislation or constitutional prohibition, a court, in order to declare a contract void as against public policy, must find that the contract as to the consideration or thing to be done, has a tendency to injure the public, is against the public good, or contravenes some established interests of society, or is inconsistent with sound policy and good morals, or tends clearly to undermine the security of individual rights, whether of personal liability or of private property.[23]

From another perspective, the main objection to exclusive dealing is its tendency to foreclose existing competitors or new entrants from competition in the covered portion of the relevant market during the term of the agreement.[24] Only those arrangements whose probable effect is to foreclose competition in a substantial share of the line of commerce affected can be considered as void for being against public policy. The foreclosure effect, if any, depends on the market share involved. The relevant market for this purpose includes the full range of selling opportunities reasonably open to rivals, namely, all the product and geographic sales they may readily compete for, using easily convertible plants and marketing organizations.[25]

Applying the preceding principles to the case at bar, there is nothing invalid or contrary to public policy either in the objectives sought to be attained by paragraph 5, i.e., the exclusivity clause, in prohibiting respondent Luna, and all other Avon supervisors, from selling products other than those manufactured by petitioner Avon. We quote with approval the determination of the U.S. Supreme Court in the case of *Board of Trade of Chicago v. U.S.*[26] that "the question to be determined is whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition, or whether it is such as may suppress or even destroy competition."

Such prohibition is neither directed to eliminate the competition like *Sandré Phils., Inc.* nor foreclose new entrants to the market. In its Memorandum, it admits that the reason for such exclusion is to safeguard the network that it has cultivated through the years. Admittedly, both companies employ the direct selling method in order to peddle their products. By direct selling, petitioner Avon and Sandre, the manufacturer, forego the use of a middleman in selling their products, thus, controlling the price by which they are to be sold. The limitation does not affect the public at all. It is only a means by which petitioner Avon is able to protect its investment.

It was not by chance that *Sandré Philippines, Inc.* made respondent Luna one of its Group Franchise Directors. It

doesn't take a genius to realize that by making her an important part of its distribution arm, Sandré Philippines, Inc., a newly formed direct-selling business, would be saving time, effort and money as it will no longer have to recruit, train and motivate supervisors and dealers. Respondent Luna, who learned the tricks of the trade from petitioner Avon, will do it for them. This is tantamount to unjust enrichment. Worse, the goodwill established by petitioner Avon among its loyal customers will be taken advantaged of by Sandre Philippines, Inc. It is not so hard to imagine the scenario wherein the sale of Sandré products by Avon dealers will engender a belief in the minds of loyal Avon customers that the product that they are buying had been manufactured by Avon. In other words, they will be misled into thinking that the Sandré products are in fact Avon products. From the foregoing, it cannot be said that the purpose of the subject exclusivity clause is to foreclose the competition, that is, the entrance of Sandré products in to the market. Therefore, it cannot be considered void for being against public policy. How can the protection of one's property be violative of public policy? Sandré Philippines, Inc. is still very much free to distribute its products in the market but it must do so at its own expense. The exclusivity clause does not in any way limit its selling opportunities, just the undue use of the resources of petitioner Avon.

It has been argued that the Supervisor's Agreement is in the nature of a contract of adhesion; but just because it is does not necessarily mean that it is void. A contract of adhesion is so-called because its terms are prepared by only one party while the other party merely affixes his signature signifying his adhesion thereto.[27] Such contract is just as binding as ordinary contracts. "It is true that we have, on occasion, struck down such contracts as void when the weaker party is imposed upon in dealing with the dominant bargaining party and is reduced to the alternative of taking it or leaving it, completely deprived of the opportunity to bargain on equal footing. Nevertheless, contracts of adhesion are not invalid per se and they are not entirely prohibited. The one who adheres to the contract is in reality free to reject it entirely, if he adheres, he gives his consent." [28] In the case at bar, there was no indication that respondent Luna was forced to sign the subject agreement. Being of age, financially stable and with vast business experience, she is presumed to have acted with due care and to have signed the assailed contract with full knowledge of its import. Under the premises, it would be difficult to assume that she was morally abused. She was free to reject the agreement if she wanted to.

Accordingly, a contract duly executed is the law between the parties, and they are obliged to comply fully and not selectively with its terms. A contract of adhesion is no exception.[29]

The foregoing premises noted, the Court of Appeals, therefore, committed reversible error in interpreting the subject exclusivity clause to apply merely to those products in direct competition to those manufactured and sold by petitioner Avon. When the terms of the agreement are clear and explicit, that they do not justify an attempt to read into any alleged intention of the parties, the terms are to be understood literally just as they appear on the face of the contract.[30] Thus, in order to judge the intention of the contracting parties, "the circumstances under which it was made, including the situation of the subject thereof and of the parties to it, may be shown, so that the judge may be placed in the position of those whose language he is to interpret." [31] It has been held that once this intention of the parties has been ascertained, it becomes an integral part of the contract as though it has been originally expressed therein in unequivocal terms.[32]

Having held that the "exclusivity clause" as embodied in paragraph 5 of the Supervisor's Agreement is valid and not against public policy, we now pass to a consideration of respondent Luna's objections to the validity of her termination as provided for under paragraph 6 of the Supervisor's Agreement giving petitioner Avon the right to terminate or cancel such contract. The paragraph 6 or the "termination clause" therein expressly provides that:

The Company and the Supervisor mutually agree:

x x x x

6) Either party may terminate this agreement at will, with or without cause, at any time upon notice to the other. [Emphasis supplied.]

In the case of *Petrophil Corporation v. Court of Appeals*,^[33] this Court already had the opportunity to opine that termination or cancellation clauses such as that subject of the case at bar are legitimate if exercised in good faith. The facts of said case likewise involved a termination or cancellation clause that clearly provided for two ways of terminating the contract, i.e., with or without cause. The utilization of one mode will not preclude the use of the other. Therein, we stated that the finding that the termination of the contract was "for cause," is immaterial. When petitioner terminated the contract "without cause," it was required only to give x x x a 30-day prior written notice, which it did.

In the case at bar, the termination clause of the Supervisor's Agreement clearly provides for two ways of terminating and/or canceling the contract. One mode does not exclude the other. The contract provided that it can be terminated or cancelled for cause, it also stated that it can be terminated without cause, both at any time and after written notice. Thus, whether or not the termination or cancellation of the Supervisor's Agreement was "for cause," is immaterial. The only requirement is that of notice to the other party. When petitioner Avon chose to terminate the contract, for cause, respondent Luna was duly notified thereof.

Worth stressing is that the right to unilaterally terminate or cancel the Supervisor's Agreement with or without cause is equally available to respondent Luna, subject to the same notice requirement. Obviously, no advantage is taken against each other by the contracting parties.

WHEREFORE, in view of the foregoing, the instant petition is GRANTED. The Decision dated 20 May 2002 rendered by the Court of Appeals in CA-G.R. CV No. 52550, affirming the judgment of the RTC of Makati City, Branch 138, in Civil Case No. 88-2595, are hereby REVERSED and SET ASIDE. Accordingly, let a new one be entered dismissing the complaint for damages. Costs against respondent Leticia Luna.

SO ORDERED.

Ynares-Santiago, (Chairman), Austria-Martinez, and Callejo, Sr., JJ., concur.

[1] Penned by Court of Appeals Associate Justice Remedios A. Salazar-Fernando and concurred in by Associate Justices Romeo J. Callejo, Sr. (now Associate Justice of this Court) and Danilo B. Pine; Annex "A" of the Petition; rollo, pp. 32-40.

[2] Records, pp. 980-996.

[3] Id. at 1-8.

[4] Id. at 9.

[5] Annex "B" of the Complaint; id. at 10-11.

[6] Id. at 996.

[7] Id. at 1001.

[8] Rollo, p. 39.

[9] Petition, p. 7; rollo, p. 15.

[10] *Vda. de Arroyo v. El Beaterio del Santissimo Rosario de Molo*, 132 Phil. 9, 12-13 (1968).

- [11] Rollo, p. 38.
- [12] Petitioner's Memorandum, p. 8; rollo, p. 173.
- [13] Dated 23 September 1988
- [14] 34 Phil. 697 (1916).
- [15] Records, p. 110.
- [16] Pulpwood Co. v. Green Bay Paper & Fiber Co., 170 N.W. 230, 232, 168 Wis. 400.
- [17] Supra note 12 at 712; citing Gibbs v. Consolidated Gas Co. of Baltimore (130 U.S. 396).
- [18] Ollendorf v. Abrahamson, 38 Phil. 585, 592 (1918).
- [19] Supra note 15 at 24.
- [20] Commentaries, Vol. 8, p. 606.
- [21] Vol. 20, p. 505.
- [22] F.B. MORENO, Philippine Law Dictionary (3rd ed., 1988).
- [23] Gabriel v. Monte de Piedad, 71 Phil. 497, 500-501 (1941).
- [24] Roland Machinery Co. v. Dresser Industries, Inc., 749 F. 2d 380, 393 (7th Cir. 1984).
- [25] Tampa Electric Company v. Nashville Coal Company, 365 U.S. 320, 81 S. Ct., 623.
- [26] 246 U.S. 231, 62 L. ed. 683 (1918).
- [27] Spouses Ermitaño v. Court of Appeals, 365 Phil. 671, 678-679 (1999).
- [28] Rizal Commercial Banking Corporation v. Court of Appeals, 364 Phil. 947, 953-954 (1999).
- [29] Philippine Airlines, Inc. v. Court of Appeals, 325 Phil. 303 (1996).
- [30] Honrado, Jr. v. Court of Appeals, G.R. No. 83086, 19 June 1991, 198 SCRA 326, 330-331.
- [31] Sec. 11, Rule 130 of the Revised Rules of Court.
- [32] Nielson & Co., Inc. v. Lepanto Consolidated Mining Co., 125 Phil. 204 (1966).
- [33] 423 Phil. 182 (2001).

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