

GREGORIO SILOT, JR., Petitioner, vs. ESTRELLA DE LA ROSA, Respondent.

G.R. No. 159240. February 04, 2008

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

This is a petition for review of the Decision[1] dated July 9, 2003 of the Court of Appeals in CA-G.R. CV No. 68062 entitled “Estrella de la Rosa v. Gregorio Silot, Jr.” The appellate court had affirmed with modification the Joint Decision[2] dated May 24, 2000 of the Regional Trial Court (RTC), Branch 61, Naga City, in Civil Case Nos. 97-3736 and 97-3750, and decreed as follows:

WHEREFORE, premises considered, the assailed Joint Decision dated May 24, 2000 of the RTC, Branch 61, Naga City in Civil Cases Nos. 97-3736 and 97-3750 is hereby AFFIRMED WITH MODIFICATION, deleting the award for nominal damages and reducing the award of attorney’s fees to Twenty Thousand (P20,000.00) Pesos. Other awards not otherwise modified or deleted stand. SO ORDERED.[3]

As culled from the records by the Court of Appeals, the antecedent facts of this case are as follows:

On January 19, 1996, petitioner Gregorio Silot, Jr. and respondent Estrella de la Rosa entered into a contract for the construction of a dormitory-apartment building on Lot 1-A-9-D, Bagumbayan Sur, Naga City. They expressly agreed that Silot shall supply the labor and de la Rosa shall pay 33% of the total value of the materials purchased for the project. Upon turnover in February 1997 of the completed structure, the total cost of materials actually purchased was P2,504,469.65, 33% of which is P826,474.98. Silot required de la Rosa to pay a total of P1,018,000.00, or P191,525.02 more than the amount due. Through her son-in-law, de la Rosa confronted Silot about the overpayment but the latter refused to return the overpayment. After her repeated demands fell on deaf ears, de la Rosa filed a suit against Silot.

Silot, in retaliation, sued de la Rosa for insufficient payment, claiming that he was supposed to receive P1,281,872.40[4] but was only paid P1,008,000.00, thus still leaving a balance of P273,872.40.

The two cases were consolidated by the trial court.

During trial, however, Atty. San Jose, counsel for Silot, dispensed with the testimony of Ariel Goingo, a witness for de la Rosa. Atty. San Jose admitted Goingo’s proposed testimony to the effect that in consideration of the 33% as mentioned in the contract, all the material supplies during the making of the additional works mentioned were already accounted for; that Silot was paid for all works that were performed as well as all materials supplied; that the total sum was P2,504,469.65, so that 33% of which is only P826,474.98; that de la Rosa paid the amount of P1,018,000.00; hence, there was an excess payment of P191,525.02; and that de la Rosa never received any demand from nor was she confronted by Silot regarding an alleged balance.[5]

Consequently, after trial, the RTC ruled in favor of de la Rosa and ordered Silot to return the overpaid amount, decreeing as follows:

Wherefore, premises considered, Civil Case No. 3736 is hereby ordered DISMISSED for lack of merit; while in Civil Case No. 97-3750, defendant Gregorio Silot is hereby ordered to return the amount of P191,525.02 to the plaintiff, Estrella de la Rosa; to pay P100,000.00 for [a]ttorney's fees and P50,000.00 as nominal damages.

SO ORDERED.[6]

On appeal, the Court of Appeals affirmed the decision of the lower court. Hence, the instant petition wherein Silot assigned the following errors:

I.

The Honorable Court of Appeals erred in construing the admission ma[d]e by Atty. San Jose on the purpose for the testimony of witness Ariel [Goingo] as admission of evidence.

II.

The Honorable Court of Appeals erred in deciding and ordering petitioner-appellant to return the amount of P191,525.02 to respondent appellee and also to pay P20,000.00 attorney[']s fees.[7]

Simply stated, petitioner is raising the following issues to be resolved: (1) whether the admission by Atty. San Jose, counsel of petitioner Silot, constituted judicial admission of respondent's evidence; and (2) whether the appellate court erred in ruling that Silot should return the claimed amount of P191,525.02 to de la Rosa.

Petitioner Silot contends that his counsel Atty. San Jose merely admitted that the subject of Goingo's testimony was that stated in the offer of testimony, but he did not admit the truth or veracity of the testimony. Silot adds that Atty. San Jose could not and should not have admitted the testimony because he had no special power of attorney to enter into such stipulations or to compromise his client's right without the latter's direct intervention.[8]

Respondent de la Rosa counters that clients are bound by the admissions as well as the negligence of their counsel. She enumerates several Court decisions to support her contention, among them the following cases:

(1) *Ongson v. People*,[9] where petitioner was held bound by his unqualified admission that he received private complainant's demand letter with notice of dishonor. The admission binds him considering that he never denied receipt of the notice of dishonor.

(2) *Republic v. Sarabia*,[10] where the Court held that an admission made in the pleading cannot be controverted by the party making such admission and are conclusive as to him.

(3) *People v. Genosa*,[11] *Arroyo, Jr. v. Taturan*,[12] *Carandang v. Court of Appeals*,[13] in which cases the Court held that judicial admissions are conclusive upon the party making it and may not be contradicted in the absence of prior showing that the admission had been made through palpable mistake, or no admission was in fact made.

(4) *People v. Razul*[14] and *Lim v. Jabalde*,[15] where it was held that stipulations are recognized as declarations constituting judicial admissions, hence, binding upon the parties.

Moreover, well-entrenched is the rule that the client is bound by the mistakes arising from negligence of his own counsel.[16] The only exception to this rule is, as the Court of Appeals itself cited in its decision, when the negligence is so gross that the client is deprived of his day in court.[17]

In our considered view, however, that exception does not find any application in this case. As the records would plainly show, Silot was not deprived of his day in court. Also, as the appellate court observed, he could have introduced evidence, testimonial or otherwise, in order to controvert or correct the admission made by his counsel.

Said the appellate court:

...As gleaned from the records, defendant-appellant Silot was not deprived of his day in court. He was given every opportunity to be heard through his pleadings and manifestations. He was also presented in open court to testify. As quoted earlier, Atty. Terbio, counsel for plaintiff-appellee de la Rosa, even repeatedly asked Atty. San Jose, defendant-appellant Silot's counsel, if he would admit the purpose for which the witness Ariel Goingo will testify to dispense with his testimony, and Atty. San Jose repeatedly answered that "We will admit that." And when asked by the judge if he will admit it, he answered that they will admit P2,504,000.00.[18]

More importantly, Silot's counsel clearly made admissions of the content of the testimony of witness Goingo, whose presentation was dispensed with. In *People v. Hernandez*,[19] we held that admissions made for the purpose of dispensing with proof of some facts are in the nature of judicial admissions, to wit:

A stipulation of facts entered into by the prosecution and defense counsel during trial in open court is automatically reduced into writing and contained in the official transcript of the proceedings had in court. The conformity of the accused in the form of his signature affixed thereto is unnecessary in view of the fact that: "[...] an attorney who is employed to manage a party's conduct of a lawsuit [...] has prima facie authority to make relevant admissions by pleadings, by oral or written stipulation, [...] which unless allowed to be withdrawn are conclusive." (Italics supplied.) In fact, "judicial admissions are frequently those of counsel or of the attorney of record, who is, for the purpose of the trial, the agent of his client. When such admissions are made [...] for the purpose of dispensing with proof of some fact, [...] they bind the client, whether made during, or even after, the trial.[20] (Emphasis supplied.)

Worth stressing, in this connection, judicial admissions do not require proof and may not be contradicted in the absence of a prior showing that the admissions had been made through palpable mistake.[21]

Furthermore, in the case of *Toh v. Court of Appeals*,[22] this Court emphasized the consequence of admitting and dispensing with the testimony of the proposed witness, thus:

The Court sees no cogent reason why the said witness should be examined any further since his testimony as summarized in the offer made by counsel was expressly admitted by opposing counsel. With the said admission, the testimony of said witness is uncontroverted and even admitted as fact by opposing counsel....[23]

On the issue of insufficient payment, Silot avers that he has rendered or provided labor for the total amount of P1,281,872.40, and that de la Rosa has benefited and profited from these labors.[24] Without the labors provided by Silot, the constructed building would not have been painted, provided with electrical works and other works which were additional works on the building, and that to sanction de la Rosa's claim would be to allow unjust enrichment on the part of de la Rosa.[25] However, this claim has been belied by the admission made by his own counsel, as plainly manifest in the transcript:

Atty. Terbio

The purpose for which this witness will testify are the following: If admitted, we are willing to dispense the testimony. He will testify that in consideration of the 33% as mentioned in the contract, all the material supplies during the making of the additional works mentioned were all considered; he will testify that Silot was paid of all works that was performed as well as all materials supplied were considered, and that the sum total of which is P2,504,469.65 and 33% of which is P826,474.98, and that De la Rosa paid the total amount of P1,018,000.00, and therefore, there is an excess payment of P191,525.00; he will testify that De la Rosa never received the demand or was confronted by Silot regarding an alleged balance, now, if the counsel wish to admit this.

ATTY. SAN JOSE

We admit that.

ATTY. TERBIO

Because these are all evidentiary and this has not been adequately covered.

ATTY. SAN JOSE

We will admit that.[26] (Emphasis supplied.)

Clearly, given the circumstances of this case, the Court of Appeals did not err in ordering petitioner to return to respondent the amount of P191,525.02 overpayment.

WHEREFORE, the instant petition is DENIED for lack of merit. The Decision dated July 9, 2003 of the Court of Appeals in CA-G.R. CV No. 68062 is AFFIRMED. Petitioner Gregorio Silot, Jr. is hereby ordered to return the amount of P191,525.02 to respondent Estrella de la Rosa, and to pay P20,000.00 as attorney's fees. Costs against petitioner.

SO ORDERED.

Carpio, Carpio-Morales, Tinga, and Velasco, Jr., JJ., concur.

[1] Rollo, pp. 31-45. Penned by Associate Justice Remedios A. Salazar-Fernando, with Associate Justices Delilah Vidallon-Magtolis and Edgardo F. Sundiam concurring.

[2] Id. at 25-30. Penned by Judge Andres B. Rarsaga, Jr.[3] Id. at 45.[4] Id. at 94.

[5] Id. at 36-37.

[6] Id. at 30.[7] Id. at 13.[8] Id. at 19.[9] G.R. No. 156169, August 12, 2005, 466 SCRA 656, 677.[10] G.R. No. 157847, August 25, 2005, 468 SCRA 142, 150.[11] G.R. No. 135981, January 15, 2004, 419 SCRA 537, 562.[12] G.R. No. 147012, January 29, 2004, 421 SCRA 423, 427.[13] G.R. No. 85718, April 16, 1991, 195 SCRA 771, 776.[14] G.R. No. 146470, November 22, 2002, 392 SCRA 553, 578.[15] G.R. No. 36786, April 17, 1989, 172 SCRA 211, 222.[16] Juani v. Alarcon, G.R. No. 166849, September 5, 2006, 501 SCRA 135, 153; Uy v. Adriano, G.R. No. 159098, October 27, 2006, 505 SCRA 625, 648-649.

[17] Rollo, p. 41.[18] Id. at 41-42.[19] G.R. No. 108028, July 30, 1996, 260 SCRA 25.[20] Id. at 38.[21] RULES OF COURT, Rule 129, Section 4. SEC. 4. Judicial admissions. – An admission, verbal or written, made by a party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made.[22] G.R. No. 140274, November 15, 2000, 344 SCRA 831.

[23] Id. at 837.[24] Rollo, p. 22.[25] Id.

[26] Id. at 36; TSN, January 21, 2000, pp. 2-3.

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