

**VICTORIA J. ILANO REPRESENTED BY HER ATTORNEY-IN-FACT,  
MILO ANTONIO C. ILANO, PETITIONERS, VS. HON. DOLORES L.  
ESPAÑOL, IN HER CAPACITY AS EXECUTIVE JUDGE, RTC OF IMUS,  
CAVITE, ...**

*G.R. NO. 161756. December 16, 2005*

Ponente: CARPIO MORALES, J.

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**CARPIO MORALES, J.:**

The Court of Appeals having affirmed the dismissal by Branch 20 of the Regional Trial Court (RTC) of Cavite at Imus, for lack of cause of action, Civil Case No. 2079-00, the complaint filed by herein petitioner Victoria J. Ilano for Revocation/Cancellation of Promissory Notes and Bills of Exchange (Checks) with Damages and Prayer for Preliminary Injunction or Temporary Restraining Order (TRO),<sup>[1]</sup> against herein respondents 15 named defendants (and several John Does), a recital of the pertinent allegations in the complaint, quoted verbatim as follows, is in order:

x x x

- That defendant AMELIA O. ALONZO, is a trusted employee of [petitioner]. She has been with them for several years already, and through the years, defendant ALONZO was able to gain the trust and confidence of [petitioner] and her family;
- That due to these trust and confidence reposed upon defendant ALONZO by [petitioner], there were occasions when defendant ALONZO was entrusted with [petitioner's] METROBANK Check Book containing either signed or unsigned blank checks, especially in those times when [petitioner] left for the United States for medical check-up;
- Sometime during the second week of December 1999, or thereabouts, defendant ALONZO by means of deceit and abuse of confidence succeeded in procuring Promissory Notes and signed blank checks from [petitioner] who was then recuperating from illness;
- That as stated, aside from the said blank checks, defendant ALONZO likewise succeeded in inducing [petitioner] to sign the Promissory Notes antedated June 8, 1999 in the amount of PESOS: ONE MILLION FOUR HUNDRED TWENTY EIGHT THOUSAND TWO HUNDRED SEVENTY TWO (Php 1,428,272.00) payable to defendants EDITH CALILAP and DANILO CALILAP, and another Promissory Note dated March 1999 in the amount of PESOS: ONE MILLION (Php 1,000,000.00) payable to the same defendants EDITH CALILAP and DANILO CALILAP, copies of said Promissory Notes are hereto attached as Annexes "A" and "A-1" hereof;
- That another Promissory Note antedated October 1, 1999 thru the machination of defendant ALONZO, was signed by [petitioner] in the amount of PESOS: THREE MILLION FORTY SIX THOUSAND FOUR HUNDRED ONE (Php 3,046,401.00) excluding interest, in favor of her co-defendants ESTELA CAMACLANG, ALLAN CAMACLANG, LENIZA REYES, EDWIN REYES, JANE BACAREL and

CHERRY CAMACLANG, a copy of said Promissory Note is hereto attached as Annex "B" hereof;

- That the Promissory Notes and blank checks were procured thru fraud and deceit. The consent of the [petitioner] in the issuance of the two (2) aforementioned Promissory Notes was vitiated. Furthermore, the same were issued for want of consideration, hence, the same should be cancelled, revoked or declared null and void;

- That as clearly shown heretofore, defendant ALONZO in collusion with her co-defendants, ESTELA CAMACLANG, ALLAN CAMACLANG and ESTELITA LEGASPI likewise was able to induce plaintiff to sign several undated blank checks, among which are:

- Metrobank Check No. 0111544

- Metrobank Check No. 0111545

- Metrobank Check No. 0111546

- Metrobank Check No. 0111547

- Metrobank Check No. 0111515

all in the total amount of Php 3,031,600.00, copies of said checks are hereto attached as Annexes "C", "C-1", "C-2", "C-3" and "C-4", respectively;

- That aside from the checks mentioned heretofore, defendant ALONZO, confederated and conspired with the following co-defendants, FLORA CABRERA, NEMIA CASTRO, EDITH CALILAP, DANILO CALILAP, GLORIA DOMINGUEZ, CARMENCITA GONZALES and ANNILYN C. SABALE and took advantage of the signature of [petitioner] in said blank checks which were later on completed by them indicated opposite their respective names and the respective amount thereof, as follows:

NAME AMOUNT METROBANK

Check No.

Flora Cabrera Php 337,584.58 0111460

Flora Cabrera 98,000.00 0111514

Nemia Castro 100,000.00 0111542

Nemia Castro 150,000.00 0084078

Edith Calilap/Danilo Calilap 490,000.00 0111513

Edith Calilap/Danilo Calilap 790,272.00 0111512

Edith Calilap/Danilo Calilap 1,220,000.00 0111462

Gloria Dominguez / Carmencita Gonzales 1,046,040.00 0111543

Annilyn C. Sable 150,000.00 0085134

Annilyn C. Sable 250,000.00 0085149

Annilyn C. Sable 186,000.00 0085112

Copy attached as Annexes "D", "D-1", "D-2", "D-3", "D-4", "D-5", "D-6", "D-7", "D-8", "D-9" and "D-10", respectively;

Furthermore, defendant ALONZO colluded and conspired with defendant NEMIA CASTO in procuring the signature of [petitioner] in documents denominated as "Malayang Salaysay" dated July 22, 1999 in the amount of PESOS: ONE HUNDRED FIFTY THOUSAND (Php 150,000.00) and another "Malayang Salaysay" dated November 22, 1999 in the amount of PESOS: ONE HUNDRED THOUSAND (Php 100,000.00) Annexes "D-11" and "D-12" hereof;

- That said defendants took undue advantage of the signature of [petitioner] in the said blank checks and furthermore forged and or falsified the signature of [petitioner] in other unsigned checks and as it was made to appear that said [petitioner] is under the obligation to pay them several amounts of money, when in truth and in fact, said [petitioner] does not owe any of said defendant any single amount;

- That the issuance of the aforementioned checks or Promissory Notes or the aforementioned "Malayang Salaysay" to herein defendants were tainted with fraud and deceit, and defendants conspired with one another to defraud herein [petitioner] as the aforementioned documents were issued for want of consideration;

- That the aforesaid defendants conspiring and confederating together and helping one another committed acts of falsification and defraudation which they should be held accountable under law;

- The foregoing acts, and transactions, perpetrated by herein defendants in all bad faith and malice, with malevolence and selfish intent are causing anxiety, tension, sleepless nights, wounded feelings, and embarrassment to [petitioner] entitling her to moral damages of at least in the amount of PESOS: FIVE HUNDRED THOUSAND (Php 500,000.00);

- That to avoid repetition of similar acts and as a correction for the public good, the defendants should be held liable to [petitioner] for exemplary damages in the sum of not less than the amount of PESOS: TWO HUNDRED THOUSAND (Php 200,000.00);

- That to protect the rights and interest of the [petitioner] in the illegal actuations of the defendants, she was forced to engage the services of counsel for which she was obliged to pay the sum of PESOS: ONE HUNDRED THOUSAND (Php 100,000.00) by way of Attorney's fees plus the amount of PESOS: THREE THOUSAND (Php 3,000.00) per appearance in court;

x x x (Emphasis and underscoring supplied)

The named defendants-herein respondents filed their respective Answers invoking, among other grounds for dismissal, lack of cause of action, for while the checks subject of the complaint had been issued on account and for value, some had been dishonored due to "ACCOUNT CLOSED;" and the allegations in the complaint are bare and general.

By Order[2] dated October 12, 2000, the trial court dismissed petitioner's complaint for failure "to allege the ultimate facts"-bases of petitioners claim that her right was violated and that she suffered damages thereby.

On appeal to the Court of Appeals, petitioner contended that the trial court:

- . . . . FAILED TO STATE CLEARLY AND DISTINCTLY THE FACTS AND LAW ON WHICH THE APPEALED ORDER WAS BASED, THEREBY RENDERING SAID ORDER NULL AND VOID.

- . . . ERRED IN HOLDING THAT THE COMPLAINT FAILED TO ALLEGE ULTIMATE FACTS ON WHICH [PETITIONER] RELIES ON HER CLAIM THEREBY DISMISSING THE CASE FOR LACK OF CAUSE OF ACTION.

- . . . ERRED IN GIVING DUE COURSE TO THE MOTION TO DISMISS THAT CONTAINED A FAULTY NOTICE OF HEARING AS THE SAME IS MERELY ADDRESSED TO THE BRANCH CLERK OF COURT.[3]

In its Decision[4] of March 21, 2003 affirming the dismissal order of the trial court, the appellate court held that the elements of a cause of action are absent in the case:

x x x

Such allegations in the complaint are only general averments of fraud, deceit and bad faith. There were no allegations of facts showing that the acts complained of were done in the manner alleged. The complaint did not clearly ascribe the extent of the liability of each of [respondents]. Neither did it state any right or cause of action on the part of [petitioner] to show that she is indeed entitled to the relief prayed for. In the first place, the record shows that subject checks which she sought to cancel or revoke had already been dishonored and stamped "ACCOUNT CLOSED." In fact, there were already criminal charges for violation of Batas Pambansa Blg. 22 filed against [petitioner] previous to the filing of the civil case for revocation/cancellation. Such being the case, there was actually nothing more to cancel or revoke. The subject checks could no longer be negotiated. Thus, [petitioner's] allegation that the [respondents] were secretly negotiating with third persons for their delivery and/or assignment, is untenable.

In the second place, we find nothing on the face of the complaint to show that [petitioner] denied the genuineness or authenticity of her signature on the subject promissory notes and the allegedly signed blank checks. She merely alleged abuse of trust and confidence on the part of [Alonzo]. Even assuming arguendo that such allegations were true, then [petitioner] cannot be held totally blameless for her predicament as it was by her own negligence that subject instruments/signed blank checks fell into the hands of third persons. Contrary to [petitioner's] allegations, the promissory notes show that some of the [respondents] were actually creditors of [petitioner] and who were issued the subject checks as securities for the loan/obligation incurred. Having taken the instrument in good faith and for value, the [respondents] are therefore considered holders thereof in due course and entitled to payment.

x x x (Underscoring supplied)

Hence, the present petition for review on certiorari, petitioner faulting the appellate court:

- . . . in sustaining the dismissal of the complaint upon the ground of failure to state a cause of action when there are other several causes of action which ventilate such causes of action in the complaint;
- . . . in finding that a requirement that a Decision which should express therein clearly and distinctly the facts and the law on which it is based does not include cases which had not reached pre-trial or trial stage;
- . . . in not finding that a notice of hearing which was addressed to the Clerk of Court is totally defective and that subsequent action of the court did not cure the flaw.[5]

In issue then is whether petitioner's complaint failed to state a cause of action.

A cause of action has three elements: (1) the legal right of the plaintiff, (2) the correlative obligation of the defendant, and (3) the act or omission of the defendant in violation of said legal right. In determining the presence of these elements, inquiry is confined to the four corners of the complaint[6] including its annexes, they being parts thereof.[7] If these elements are absent, the complaint becomes vulnerable to a motion to dismiss on the ground of failure to state a cause of action.[8]

As reflected in the above-quoted allegations in petitioner's complaint, petitioner is seeking twin reliefs, one for revocation/cancellation of promissory notes and checks, and the other for damages.

Thus, petitioner alleged, among other things, that respondents, through "deceit," "abuse of confidence" "machination," "fraud," "falsification," "forgery," "defraudation," and "bad faith," and "with malice, malevolence and selfish intent," succeeded in inducing her to sign antedated promissory notes and some blank checks, and "[by

taking] undue advantage" of her signature on some other blank checks, succeeded in procuring them, even if there was no consideration for all of these instruments on account of which she suffered "anxiety, tension, sleepless nights, wounded feelings and embarrassment."

While some of the allegations may lack particulars, and are in the form of conclusions of law, the elements of a cause of action are present. For even if some are not stated with particularity, petitioner alleged 1) her legal right not to be bound by the instruments which were bereft of consideration and to which her consent was vitiated; 2) the correlative obligation on the part of the defendants-respondents to respect said right; and 3) the act of the defendants-respondents in procuring her signature on the instruments through "deceit," "abuse of confidence" "machination," "fraud," "falsification," "forgery," "defraudation," and "bad faith," and "with malice, malevolence and selfish intent."

Where the allegations of a complaint are vague, indefinite, or in the form of conclusions, its dismissal is not proper for the defendant may ask for more particulars.[9]

With respect to the checks subject of the complaint, it is gathered that, except for Check No. 0084078,[10] they were drawn all against petitioner's Metrobank Account No. 00703-955536-7.

Annex "D-8"[11] of the complaint, a photocopy of Check No. 0085134, shows that it was dishonored on January 12, 2000 due to "ACCOUNT CLOSED." When petitioner then filed her complaint on March 28, 2000, all the checks subject hereof which were drawn against the same closed account were already rendered valueless or non-negotiable, hence, petitioner had, with respect to them, no cause of action.

With respect to above-said Check No. 0084078, however, which was drawn against another account of petitioner, albeit the date of issue bears only the year – 1999, its validity and negotiable character at the time the complaint was filed on March 28, 2000 was not affected. For Section 6 of the Negotiable Instruments Law provides:

Section 6. Omission; seal; particular money. – The validity and negotiable character of an instrument are not affected by the fact that –

- (a) It is not dated; or
- (b) Does not specify the value given, or that any value had been given therefor; or
- (c) Does not specify the place where it is drawn or the place where it is payable; or
- (d) Bears a seal; or
- (e) Designates a particular kind of current money in which payment is to be made.

x x x (Emphasis supplied)

However, even if the holder of Check No. 0084078 would have filled up the month and day of issue thereon to be "December" and "31," respectively, it would have, as it did, become stale six (6) months or 180 days thereafter, following current banking practice.[12]

It is, however, with respect to the questioned promissory notes that the present petition assumes merit. For, petitioner's allegations in the complaint relative thereto, even if lacking particularity, does not as priorly stated call for the dismissal of the complaint.

WHEREFORE, the petition is PARTLY GRANTED.

The March 21, 2003 decision of the appellate court affirming the October 12, 2000 Order of the trial court, Branch 20 of the RTC of Imus, Cavite, is AFFIRMED with MODIFICATION in light of the foregoing

discussions.

The trial court is DIRECTED to REINSTATE Civil Case No. 2079-00 to its docket and take further proceedings thereon only insofar as the complaint seeks the revocation/cancellation of the subject promissory notes and damages.

Let the records of the case be then REMANDED to the trial court.

**SO ORDERED.**

Panganiban, (Chairman), Sandoval-Gutierrez, Corona, and Garcia, JJ., concur.

[1] Records at 2-10.

[2] Records at 185-186.

[3] Court of Appeals Rollo at 19.

[4] Rollo at 52-59.

[5] Id. at 32-33.

[6] Dabuco v. Court of Appeals, 322 SCRA 853, 863 (2000).

[7] Sea-Land Service, Inc. v. Court of Appeals, 327 SCRA 135, 139-140 (2000); Fil-Estate Golf and Development, Inc. v. Court of Appeals, 265 SCRA 614, 637 (1996).

[8] Bank of America NT & SA v. Court of Appeals, 400 SCRA 156, 167 (2003).

[9] Tantuico, Jr. v. Republic, 204 SCRA 428, 437-438 (1991). Vide Virata v. Sandiganbayan, 272 SCRA 661, 675-676 (1997).

[10] Id. at 16.

[11] Records at 18.

[12] Wong v. Court of Appeals, 351 SCRA 100, 111 (2001); Pacheco v. Court of Appeals, 319 SCRA 595, 605 (1999).

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