MANILA MINING CORPORATION, PETITIONER, VS. MIGUEL TAN, DOING BUSINESS UNDER THE NAME AND STYLE OF MANILA MANDARIN MARKETING, RESPONDENT.

G.R. No. 171702. February 12, 2009

Ponente: QUISUMBING, J.

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QUISUMBING, J.:

Assailed in this petition for review on certiorari are the Decision [1] dated December 20, 2005 and the Resolution [2] dated February 24, 2006 of the Court of Appeals in CA-G.R. CV No. 84385. The Court of Appeals had affirmed the Decision [3] dated October 27, 2004 of the Regional Trial Court (RTC), Branch 55, Manila, in Civil Case No. 01-101786.

The facts of the case are as follows:

Miguel Tan, doing business under the name and style of Manila Mandarin Marketing, was engaged in the business of selling electrical materials.

From August 19 to November 26, 1997, Manila Mining Corporation (MMC) ordered and received various electrical materials from Tan valued at P2,347,880. MMC agreed to pay the purchase price within 30 days from delivery, or be charged interest of 18% per annum, and in case of suit to collect the same, to pay attorney's fees equal to 25% of the claim. [4]

MMC made partial payments in the amount of P464,636. But despite repeated demands, it failed to give the remaining balance of P1,883,244, which was covered by nine invoices.[5]

On September 3, 2001, Tan filed a collection suit against MMC at the Manila RTC.[6]

After Tan completed presenting evidence, MMC filed a Demurrer to Evidence. [7] On December 18, 2003, the RTC issued an Order, denying the demurrer and directing MMC to present evidence. [8]

MMC offered as sole witness Rainier Ibarrola, its accountant from year 2000 to 2002. Ibarrola confirmed that it was standard office procedure for a supplier to present the original sales invoice and purchase order when claiming to be paid. He testified that the absence of stamp marks on the invoices and purchase orders negated receipt of said documents by MMC's representatives. [9]

On rebuttal, Tan presented Wally de los Santos, his sales representative in charge of MMC's account. De los Santos testified that he delivered the originals of the invoices and purchase orders to MMC's accounting department. As proof, he showed three customer's acknowledgment receipts bearing the notation:

> I/We signed below to signify my/our receipt of your statement of account with you for the period and the amount stated below, together with the corresponding original copies of the invoices, purchase order and requisition slip attached for purpose of verification, bearing acknowledgment of my/our receipt of goods. [10]

On October 27, 2004, the RTC ruled for Tan. Its ruling stated as follows:

> WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff, and against the defendant, ordering the defendant to pay the principal amount of ONE MILLION EIGHT HUNDRED EIGHTY-THREE THOUSAND TWO HUNDRED FORTY-FOUR PESOS (P1,883,244.00), with interest thereon at the rate of eighteen [percent] (18%) per annum starting after thirty (30) days from each date of delivery of the merchandise sold until finality hereof, and thereafter, at the rate of twelve percent (12%) per annum, and the further sum equal to [twenty five percent] (25%) of the principal amount as liquidated damages.
>
> SO ORDERED. [11]

On November 30, 2004, MMC moved for reconsideration, but its motion was denied by the RTC in an Order dated January 5, 2005.

On appeal, the Court of Appeals affirmed the RTC's decision. The decretal portion of the Court of Appeals Decision dated December 20, 2005 reads:

> WHEREFORE, premises considered, the appeal is DENIED. The Decision of the RTC dated October 27, 2004 is hereby AFFIRMED.
>
> SO ORDERED. [12]

Hence, this petition, which raises as sole issue:

> WHETHER OR NOT PETITIONER'S OBLIGATION TO PAY HAD ALREADY LEGALLY ACCRUED CONSIDERING THAT RESPONDENT HAS NOT FULLY COMPLIED WITH ALL THE PREREQUISITES FOR PAYMENT IMPOSED UNDER PETITIONER'S PURCHASE ORDERS, THERE BEING NO PROOF THAT RESPONDENT HAD ACTUALLY DONE SO. [13]

Simply stated, we are now called upon to address the question of whether MMC should pay for the electrical materials despite its allegation that Tan failed to comply with certain requisites for payment.

Petitioner contends that respondent's claim for payment was premature inasmuch as the original invoices and purchase orders were not sent to its accounting department. Consequently, Tan's claims were not verified and processed. MMC believes that mere delivery of the goods did not automatically give rise to its obligation to pay. It relies on Article 1545 of the Civil Code to justify its refusal to pay:

> ART. 1545. Where the obligation of either party to a contract of sale is subject to any condition which is not performed, such party may refuse to proceed with the contract or he may waive performance of the condition....

Petitioner also assails the probative value of the documentary evidence presented during trial. MMC claims that the unauthenticated photocopies of invoices and purchase orders did not satisfy the Best Evidence Rule, [14] which requires the production of the original writing in court. It adds that by Tan's failure to yield the original documents, he was presumed to have suppressed evidence under Section 3(e), [15] Rule 131 of the Rules of Court.

In its Memorandum dated February 20, 2007, [16] petitioner refutes any liability altogether, denying that it consented to the sale. MMC maintains that the unmarked documents indicated a mere offer to sell, which it did not act upon. MMC also charges Tan with laches for filing his claim nearly four years after the transaction.

In his Memorandum dated January 30, 2007, [17] respondent Tan counters that the petition presents a factual issue which has already been settled by the Court of Appeals. He stresses that findings of fact by the appellate

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court are conclusive on the Supreme Court and only questions of law may be entertained by it.

After serious consideration, we are in agreement that the petition lacks merit.

Petitioner poses a question of fact which is beyond this Court's power to review. This Court's jurisdiction is generally limited to reviewing errors of law that may have been committed by the Court of Appeals. We reiterate the oft-repeated and fully established rule that findings of fact of the Court of Appeals, especially when they are in agreement with those of the trial court, are accorded not only respect but even finality, and are binding on this Court. Barring a showing that the findings complained of were devoid of support, they must stand. For this Court is not expected or required to examine or refute anew the oral and documentary evidence submitted by the parties. The trial court, having heard the witnesses and observed their demeanor and manner of testifying, is admittedly in a better position to assess their credibility. [18] We cannot weigh again the merits of their testimonies.

Having thoroughly reviewed the records of this case, we find no persuasive much less compelling reason to overturn the findings and conclusions of the trial court and appellate court. We hereby sustain their findings and conclusions.

Worth stressing, Article 1475 of the Civil Code provides the manner by which a contract of sale is perfected:

> ART. 1475. The contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price.
>
> From that moment, the parties may reciprocally demand performance, subject to the provisions of the law governing the form of contracts.

In this case, the purchase orders constituted accepted offers when Tan supplied the electrical materials to MMC. [19] Hence, petitioner cannot evade its obligation to pay by claiming lack of consent to the perfected contracts of sale. The invoices furnished the details of the transactions.

As regards respondent's failure to present the original documents, suffice it to say that the best evidence rule applies only if the contents of the writing are directly in issue. Where the existence of the writing or its general purport is all that is in issue, secondary evidence may be introduced in proof. [20] MMC did not deny the contents of the invoices and purchase orders. Its lone contention was that Tan did not submit the original copies to facilitate payment. But we are in agreement that photocopies of the documents were admissible in evidence to prove the contract of sale between the parties.

Neither is there merit to petitioner's contention that respondent was guilty of delay in filing the collection case. A careful examination of the records shows that Tan brought suit against MMC less than a year after the latter stopped making partial payments. Tan is, therefore, not guilty of laches.

Laches is the neglect to assert a right or claim which, taken together with lapse of time and other circumstances causing prejudice to adverse party, operates as bar in a court of equity. [21] Here, Tan had no reason to go to court while MMC was paying its obligation, even if partially, under the contracts of sale.

WHEREFORE, the petition is DENIED for lack of merit. The Decision dated December 20, 2005 and Resolution dated February 24, 2006 of the Court of Appeals in CA-G.R. CV No. 84385 are AFFIRMED.

SO ORDERED.

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

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[1] Rollo, pp. 9-14. Penned by Associate Justice Juan Q. Enriquez, Jr., with Associate Justices Conrado M. Vasquez, Jr. and Vicente Q. Roxas concurring.

[2] Id. at 15-16.

[3] Id. at 124-127. Penned by Acting Presiding Judge Manuel M. Barrios.

[4] Id. at 10-11.

[5] Id. at 57-65.

[6] Id. at 53-56.

[7] Id. at 102-107.

[8] Id. at 11.

[9] Id.

[10] Id. at 12.

[11] Id. at 127.

[12] Id. at 14.

[13] Id. at 27-28.

[14] Rules of Court, Rule 130,

SEC. 3. Original document must be produced; exceptions . - When the subject of inquiry is the contents of a document, no evidence shall be admissible other than the original document itself, ...
x x x x

[15] SEC. 3. Disputable presumptions. - The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:
x x x x
(e) That evidence willfully suppressed would be adverse if produced;
x x x x

[16] Rollo, pp. 259-276.

[17] Id. at 279-291.

[18] Amante v. Serwelas, G.R. No. 143572, September 30, 2005, 471 SCRA 348, 351-352.

[19] H. Black, Black's Law Dictionary 1235 (6[th] ed., 1990).

[20] S. Apostol, Essentials of Evidence 66 (1991 ed.).

[21] H. Black, Black's Law Dictionary 875 (6[th] ed., 1990).

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