SORIAMONT STEAMSHIP AGENCIES, INC., AND PATRICK RONAS, PETITIONERS, VS. SPRINT TRANSPORT SERVICES, INC., RICARDO CRUZ PAPA, DOING BUSINESS UNDER THE STYLE PAPA TRANSPORT SERVICE...

G.R. No. 174610. July 14, 2009

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Assailed in this Petition for Review on Certiorari, under Rule 45 of the Revised Rules of Court, is the Decision[1] dated 22 June 2006 and Resolution[2] dated 7 September 2006 of the Court of Appeals in CA-G.R. CV No. 74987. The appellate court affirmed with modification the Decision[3] dated 22 April 2002 of the Regional Trial Court (RTC), Branch 46, of Manila, in Civil Case No. 98-89047, granting the Complaint for Sum of Money of herein respondent Sprint Transport Services, Inc. (Sprint) after the alleged failure of herein petitioner Soriamont Steamship Agencies, Inc. (Soriamont) to return the chassis units it leased from Sprint and pay the accumulated rentals for the same.

The following are the factual and procedural antecedents:

Soriamont is a domestic corporation providing services as a receiving agent for line load contractor vessels. Patrick Ronas (Ronas) is its general manager.

On the other hand, Sprint is a domestic corporation engaged in transport services. Its co-respondent Ricardo Cruz Papa (Papa) is engaged in the trucking business under the business name "Papa Transport Services" (PTS).

Sprint filed with the RTC on 2 June 1998 a Complaint[4] for Sum of Money against Soriamont and Ronas, docketed as Civil Case No. 98-89047. Sprint alleged in its Complaint that: (a) on 17 December 1993, it entered into a lease agreement, denominated as Equipment Lease Agreement (ELA) with Soriamont, wherein the former agreed to lease a number of chassis units to the latter for the transport of container vans; (b) with authorization letters dated 19 June 1996 issued by Ronas on behalf of Soriamont, PTS and another trucker, Rebson Trucking, were able to withdraw on 22 and 25 June 1996, from the container yard of Sprint, two chassis units (subject equipment),[5] evidenced by Equipment Interchange Receipts No. 14215 and No. 14222; (c) Soriamont and Ronas failed to pay rental fees for the subject equipment since 15 January 1997; (d) Sprint was subsequently informed by Ronas, through a letter dated 17 June 1997, of the purported loss of the subject equipment sometime in June 1997; and (e) despite demands, Soriamont and Ronas failed to pay the rental fees for the subject equipment, and to replace or return the same to Sprint.

Sprint, thus, prayed for the RTC to render judgment:

- Ordering [Soriamont and Ronas] to pay [Sprint], jointly and severally, actual damages, in the amount of Five Hundred Thirty-Seven Thousand Eight Hundred Pesos (P537,800.00) representing unpaid rentals and the replacement cost for the lost chassis units.

- Ordering [Soriamont and Ronas], jointly and severally, to pay [Sprint] the amount of Fifty-Three Thousand Five Hundred Four Pesos and Forty-Two centavos (P53,504.42) as interest and penalties accrued as of March 31, 1998 and until full satisfaction thereof.

- Ordering [Soriamont and Ronas], jointly and severally, to pay [Sprint] the amount equivalent to twenty-five percent (25%) of the total amount claimed for and as attorney's fees plus Two Thousand Pesos (P2,000.00) per court appearance.

- Ordering [Soriamont and Ronas] to pay the cost of the suit.[6]

Soriamont and Ronas filed with the RTC their Answer with Compulsory Counterclaim.[7] Soriamont admitted therein to having a lease agreement with Sprint, but only for the period 21 October 1993 to 21 January 1994. It denied entering into an ELA with respondent Sprint on 17 December 1993 as alleged in the Complaint. Soriamont further argued that it was not a party-in-interest in Civil Case No. 98-89047, since it was PTS and Rebson Trucking that withdrew the subject equipment from the container yard of Sprint. Ronas was likewise not a party-in-interest in the case since his actions, assailed in the Complaint, were executed as part of his regular functions as an officer of Soriamont.

Consistent with their stance, Soriamont and Ronas filed a Third-Party Complaint[8] against Papa, who was doing business under the name PTS. Soriamont and Ronas averred in their Third-Party Complaint that it was PTS and Rebson Trucking that withdrew the subject equipments from the container yard of Sprint, and failed to return the same. Since Papa failed to file an answer to the Third-Party Complaint, he was declared by the RTC to be in default.[9]

After trial, the RTC rendered its Decision in Civil Case No. 98-89047 on 22 April 2002, finding Soriamont liable for the claim of Sprint, while absolving Ronas and Papa from any liability. According to the RTC, Soriamont authorized PTS to withdraw the subject equipment. The dispositive portion of the RTC Decision reads:

> WHEREFORE, judgment is hereby rendered in favor of [herein respondent] Sprint Transport Services, Inc. and against [herein petitioner] Soriamont Steamship Agencies, Inc., ordering the latter to pay the former the following:
>
> ¨ Three hundred twenty thousand pesos (P320,000) representing the value of the two chassis units with interest at the legal rate from the filing of the complaint;
>
> ¨ Two hundred seventy thousand one hundred twenty four & 42/100 pesos (P270,124.42) representing unpaid rentals with interest at the legal rate from the filing of the complaint;
>
> ¨ P20,000.00 as attorney's fees.
>
> The rate of interest shall be increased to 12% per annum once this decision becomes final and executory.
>
> Defendant Patrick Ronas and [herein respondent] Ricardo Cruz Papa are absolved from liability.[10]

Soriamont filed an appeal of the foregoing RTC Decision to the Court of Appeals, docketed as CA-G.R. CV No. 74987.

The Court of Appeals, in its Decision dated 22 June 2006, found the following facts to be borne out by the records: (1) Sprint and Soriamont entered into an ELA whereby the former leased chassis units to the latter for the specified daily rates. The ELA covered the period 21 October 1993 to 21 January 1994, but it contained an "automatic" renewal clause; (2) on 22 and 25 June 1996, Soriamont, through PTS and Rebson Trucking, withdrew Sprint Chassis 2-07 with Plate No. NUP-261 Serial No. ICAZ-165118, and Sprint Chassis 2-55 with Plate No. NUP-533 Serial MOTZ-160080, from the container yard of Sprint; (3) Soriamont authorized the withdrawal by

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PTS and Rebson Trucking of the subject equipment from the container yard of Sprint; and (4) the subject pieces of equipment were never returned to Sprint. In a letter to Sprint dated 19 June 1997, Soriamont relayed that it was still trying to locate the subject equipment, and requested the former to refrain from releasing more equipment to respondent PTS and Rebson Trucking.

Hence, the Court of Appeals decreed:

> WHEREFORE, the appealed Decision dated April 22, 2002 of the trial court is affirmed, subject to the modification that the specific rate of legal interest per annum on both the P320,000.00 representing the value of the two chassis units, and on the P270,124.42 representing the unpaid rentals, is six percent (6%), to be increased to twelve percent (12%) from the finality of this Decision until its full satisfaction.[11]

In a Resolution dated 7 September 2006, the Court of Appeals denied the Motion for Reconsideration of Soriamont for failing to present any cogent and substantial matter that would warrant a reversal or modification of its earlier Decision.

Aggrieved, Soriamont[12] filed the present Petition for Review with the following assignment of errors:

> I.
>
> THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR IN LIMITING AS SOLE ISSUE FOR RESOLUTION OF WHETHER OR NOT AN AGENCY RELATIONSHIP EXISTED BETWEEN PRIVATE RESPONDENT SPRINT TRANSPORT AND HEREIN PETITIONERS SORIAMONT STEAMSHIP AGENCIES AND PRIVATE RESPONDENT PAPA TRUCKING BUT TOTALLY DISREGARDING AND FAILING TO RULE ON THE LIABILITY OF PRIVATE RESPONDENT PAPA TRUCKING TO HEREIN PETITIONERS. THE LIABILITY OF PRIVATE RESPONDENT PAPA TRUCKING TO HEREIN PETITIONERS SUBJECT OF THE THIRD-PARTY COMPLAINT WAS TOTALLY IGNORED;
>
> II.
>
> THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR IN HOLDING HEREIN PETITIONERS STEAMSHIP AGENCIES SOLELY LIABLE. EVIDENCE ON RECORD SHOW THAT IT WAS PRIVATE RESPONDENT PAPA TRUCKING WHICH WITHDREW THE SUBJECT CHASSIS. PRIVATE RESPONDENT PAPA TRUCKING WAS THE LAST IN POSSESSION OF THE SAID SUBJECT CHASSIS AND IT SHOULD BE HELD SOLELY LIABLE FOR THE LOSS THEREOF;
>
> III.
>
> THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR WHEN IT IGNORED A MATERIAL INCONSISTENCY IN THE TESTIMONY OF PRIVATE RESPONDENT SPRINT TRANSPORT'S WITNESS, MR. ENRICO G. VALENCIA. THE TESTIMONY OF MR. VALENCIA WAS ERRONEOUSLY MADE THE BASIS FOR HOLDING HEREIN PETITIONERS LIABLE FOR THE LOSS OF THE SUBJECT CHASSIS.

We find the Petition to be without merit.

The Court of Appeals and the RTC sustained the contention of Sprint that PTS was authorized by Soriamont to secure possession of the subject equipment from Sprint, pursuant to the existing ELA between Soriamont and Sprint. The authorization issued by Soriamont to PTS established an agency relationship, with Soriamont as the principal and PTS as an agent. Resultantly, the actions taken by PTS as regards the subject equipment were binding on Soriamont, making the latter liable to Sprint for the unpaid rentals for the use, and damages for the subsequent loss, of the subject equipment.

Soriamont anchors its defense on its denial that it issued an authorization to PTS to withdraw the subject equipment from the container yard of Sprint. Although Soriamont admits that the authorization letter dated 19 June 1996 was under its letterhead, said letter was actually meant for and sent to Harman Foods as shipper. It was then Harman Foods that tasked PTS to withdraw the subject equipment from Sprint. Soriamont insists that the Court of Appeals merely presumed that an agency relationship existed between Soriamont and PTS, since there was nothing in the records to evidence the same. Meanwhile, there is undisputed evidence that it was PTS that withdrew and was last in possession of the subject equipment. Soriamont further calls attention to the testimony of Enrico Valencia (Valencia), a witness for Sprint, actually supporting the position of Soriamont that PTS did not present any authorization from Soriamont when it withdrew the subject equipment from the container yard of Sprint. Assuming, for the sake of argument that an agency relationship did exist between Soriamont and PTS, the latter should not have been exonerated from any liability. The acts of PTS that resulted in the loss of the subject equipment were beyond the scope of its authority as supposed agent of Soriamont. Soriamont never ratified, expressly or impliedly, such acts of PTS.

Soriamont is essentially challenging the sufficiency of the evidence on which the Court of Appeals based its conclusion that PTS withdrew the subject equipment from the container yard of Sprint as an agent of Soriamont. In effect, Soriamont is raising questions of fact, the resolution of which requires us to re-examine and re-evaluate the evidence presented by the parties below.

Basic is the rule in this jurisdiction that only questions of law may be raised in a petition for review under Rule 45 of the Revised Rules of Court. The jurisdiction of the Supreme Court in cases brought to it from the Court of Appeals is limited to reviewing errors of law, the findings of fact of the appellate court being conclusive. We have emphatically declared that it is not the function of this Court to analyze or weigh such evidence all over again, its jurisdiction being limited to reviewing errors of law that may have been committed by the lower court.[13]

These questions of fact were threshed out and decided by the trial court, which had the firsthand opportunity to hear the parties' conflicting claims and to carefully weigh their respective sets of evidence. The findings of the trial court were subsequently affirmed by the Court of Appeals. Where the factual findings of both the trial court and the Court of Appeals coincide, the same are binding on this Court. We stress that, subject to some exceptional instances, only questions of law - not questions of fact - may be raised before this Court in a petition for review under Rule 45 of the Revised Rules of Court.[14]

Given that Soriamont is precisely asserting in the instant Petition that the findings of fact of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record,[15] we accommodate Soriamont by going over the same evidence considered by the Court of Appeals and the RTC.

In Republic v. Court of Appeals,[16] we explained that:

> In civil cases, the party having the burden of proof must establish his case by a preponderance of evidence. Stated differently, the general rule in civil cases is that a party having the burden of proof of an essential fact must produce a preponderance of evidence thereon (I Moore on Facts, 4, cited in Vicente J. Francisco, The Revised Rules of Court in the Philippines, Vol. VII, Part II, p. 542, 1973 Edition). By preponderance of evidence is meant simply evidence which is of greater weight, or more convincing than that which is offered in opposition to it (32 C.J.S., 1051), The term 'preponderance of evidence' means the weight, credit and value of the aggregate evidence on either side and is usually considered to be synonymous with the terms `greater weight of evidence' or 'greater weight, of the credible evidence.' Preponderance of the evidence is a phrase which, in the last analysis, means probability of the truth. Preponderance of the evidence means evidence which is more convincing to the court as worthy of belief than that which is offered in opposition thereto. x x x." (20 Am. Jur., 1100-1101)

After a review of the evidence on record, we rule that the preponderance of evidence indeed supports the existence of an agency relationship between Soriamont and PTS.

It is true that a person dealing with an agent is not authorized, under any circumstances, to trust blindly the agent's statements as to the extent of his powers. Such person must not act negligently but must use reasonable diligence and prudence to ascertain whether the agent acts within the scope of his authority. The settled rule is that persons dealing with an assumed agent are bound at their peril; and if they would hold the principal liable, they must ascertain not only the fact of agency, but also the nature and extent of authority, and in case either is controverted, the burden of proof is upon them to prove it. Sprint has successfully discharged this burden.

The ELA executed on 17 December 1993 between Sprint, as lessor, and Soriamont, as lessee, of chassis units, explicitly authorized the latter to appoint a representative who shall withdraw and return the leased chassis units to Sprint, to wit:

> EQUIPMENT LEASE AGREEMENT
> between
> SPRINT TRANSPORT SERVICES, INC. (LESSOR)
> And
> SORIAMONT STEAMSHIP AGENCIES, INC.
> (LESSEE)
> TERMS and CONDITIONS
>
> x x x x
>
> - Equipment Interchange Receipt (EIR) as mentioned herein is a document accomplished every time a chassis is withdrawn and returned to a designated depot. The EIR relates the condition of the chassis at the point of on-hire/off-hire duly acknowledged by the LESSOR, Property Custodian and the LESSEE'S authorized representative.
>
> x x x x
>
> - Chassis Withdrawal/Return Slip as mentioned herein is that document where the LESSEE authorizes his representative to withdraw/return the chassis on his behalf. Only persons with a duly accomplished and signed authorization slip shall be entertained by the LESSOR for purposes of withdrawal/return of the chassis. The signatory in the Withdrawal/Return Slip has to be the signatory of the corresponding Lease Agreement or the LESSEE's duly authorized representative(s).[17](Emphases ours.)

Soriamont, though, avers that the aforequoted ELA was only for 21 October 1993 to 21 January 1994, and no longer in effect at the time the subject pieces of equipment were reportedly withdrawn and lost by PTS. This contention of Soriamont is without merit, given that the same ELA expressly provides for the "automatic" renewal thereof in paragraph 24, which reads:

> There shall be an automatic renewal of the contract subject to the same terms and conditions as stipulated in the original contract unless terminated by either party in accordance with paragraph no. 23 hereof. However, in this case, termination will take effect immediately.[18]

There being no showing that the ELA was terminated by either party, then it was being automatically renewed in accordance with the afore-quoted paragraph 24.

It was, therefore, totally regular and in conformity with the ELA that PTS and Rebson Trucking should appear before Sprint in June 1996 with authorization letters, issued by Soriamont, for the withdrawal of the subject equipment.[19] On the witness stand, Valencia testified, as the operations manager of Sprint, as follows:

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Atty. Porciuncula:

Q. Mr. Witness, as operation manager, are you aware of any transactions between Sprint Transport Services, Inc. and the defendant Soriamont Steamship Agencies, Inc.?

A. Yes, Sir.

Q. What transactions are these, Mr. Witness?

A. They got from us chassis, Sir.

Court:

Q. Who among the two, who withdrew?

A. The representative of Soriamont Steamship Agencies, Inc., Your Honor.

Atty. Porciuncula:

Q. And when were these chassis withdrawn, Mr. Witness?

A. June 1996, Sir.

Q. Will you kindly tell this Honorable Court what do you mean by withdrawing the chassis units from your container yard?

Witness:

Before they can withdraw the chassis they have to present withdrawal authority, Sir.

Atty. Porciuncula:

And what is this withdrawal authority?

A. This is to prove that they are authorizing their representative to get from us a chassis unit.

Q. And who is this authorization send to you, Mr. Witness?

A. Sometime a representative bring to our office the letter or the authorization or sometime thru fax, Sir.

Q. In this particular incident, Mr. Witness, how was it sent?

A. By fax, Sir.

Q. Is this standard operating procedure of Sprint Transport Services, Inc.?

A. Yes, Sir, if the trucking could not bring to our office the original copy of the authorization they have to send us thru fax, but the original copy of the authorization will be followed.

Atty. Porciuncula:

Q. Mr. Witness, I am showing to you two documents of Soriamont Steamship Agencies, Inc. letter head with the headings Authorization, are these the same withdrawal authority that you mentioned awhile ago?

A. Yes, Sir.

Atty. Porciuncula:

Your Honor, at this point may we request that these documents identified by the witness be marked as Exhibits JJ and KK, Your Honor.

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Court:

Mark them.

x x x x

Q. Way back Mr. Witness, who withdrew the chassis units 2-07 and 2-55?

A. The representative of Soriamont Steamship Agencies, Inc., the Papa Trucking, Sir.

Q. And are these trucking companies authorized to withdraw these chassis units?

A. Yes, Sir, it was stated in the withdrawal authority.

Atty. Porciuncula:

Q. Showing you again Mr. Witness, this authorization previously marked as Exhibits JJ and KK, could you please go over the same and tell this Honorable Court where states there that the trucking companies which you mentioned awhile ago authorized to withdraw?

A. Yes, Sir, it is stated in this withdrawal authority.

Atty. Porciuncula:

At this juncture, Your Honor, may we request that the Papa trucking and Rebson trucking identified by the witness be bracketed and mark as our Exhibits JJ-1 and KK-1, Your Honor.

Court:

Mark them. Are these documents have dates?

Atty. Porciuncula:

Yes, Your Honor, both documents are dated June 19, 1996.

Q. Mr. Witness, after this what happened next?

A. After they presented to us the withdrawal authority, we called up Soriamont Steamship Agencies, Inc. to verify whether the one sent to us through truck and the one sent to us through fax are one and the same.

Q. Then what happened next, Mr. Witness?

A. Then after the verification whether it is true, then we asked them to choose the chassis units then my checker would see to it whether the chassis units are in good condition, then after that we prepared the outgoing Equipment Interchange Receipt, Sir.

Q. Mr. Witness, could you tell this Honorable Court what an outgoing Equipment Interchange Receipt means?

A. This is a document proving that the representative of Soriamont Steamship Agencies, Inc. really withdraw (sic) the chassis units, Sir.

x x x x

Atty. Porciuncula:

Q. Going back Mr. Witness, you mentioned awhile ago that your company issued outgoing Equipment Interchange Receipt?

A. Yes, Sir.

> Q. Are there incoming Equipment Interchange Receipt Mr. Witness?
>
> A. We have not made Incoming Equipment Interchange Receipt with respect to Soriamont Steamship Agencies, Inc., Sir.
>
> Q. And why not, Mr. Witness?
>
> A. Because they have not returned to us the two chassis units.[20]

In his candid and straightforward testimony, Valencia was able to clearly describe the standard operating procedure followed in the withdrawal by Soriamont or its authorized representative of the leased chassis units from the container yard of Sprint. In the transaction involved herein, authorization letters dated 19 June 1996 in favor of PTS and Rebson Trucking were faxed by Sprint to Soriamont, and were further verified by Sprint through a telephone call to Soriamont. Valencia's testimony established that Sprint exercised due diligence in its dealings with PTS, as the agent of Soriamont.

Soriamont cannot rely on the outgoing Equipment Interchange Receipts as proof that the withdrawal of the subject equipment was not authorized by it, but by the shipper/consignee, Harman Foods, which actually designated PTS and Rebson Trucking as truckers. However, a scrutiny of the Equipment Interchange Receipts will show that these documents merely identified Harman Foods as the shipper/consignee, and the location of said shipping line. It bears to stress that it was Soriamont that had an existing ELA with Sprint, not Harman Foods, for the lease of the subject equipment. Moreover, as stated in the ELA, the outgoing Equipment Interchange Receipts shall be signed, upon the withdrawal of the leased chassis units, by the lessee, Soriamont, or its authorized representative. In this case, we can only hold that the driver of PTS signed the receipts for the subject equipment as the authorized representative of Soriamont, and no other.

Finally, the letter[21] dated 17 June 1997, sent to Sprint by Ronas, on behalf of Soriamont, which stated:

> As we are currently having a problem with regards to the whereabouts of the subject trailers, may we request your kind assistance in refraining from issuing any equipment to the above trucking companies.

reveals that PTS did have previous authority from Soriamont to withdraw the leased chassis units from Sprint, hence, necessitating an express request from Soriamont for Sprint to discontinue recognizing said authority.

Alternatively, if PTS is found to be its agent, Soriamont argues that PTS is liable for the loss of the subject equipment, since PTS acted beyond its authority as agent. Soriamont cites Article 1897 of the Civil Code, which provides:

> Art. 1897. The agent who acts as such is not personally liable to the party with whom he contracts, unless he expressly binds himself or exceeds the limits of his authority without giving such party sufficient notice of his powers.

The burden falls upon Soriamont to prove its affirmative allegation that PTS acted in any manner in excess of its authority as agent, thus, resulting in the loss of the subject equipment. To recall, the subject equipment was withdrawn and used by PTS with the authority of Soriamont. And for PTS to be personally liable, as agent, it is vital that Soriamont be able to prove that PTS damaged or lost the said equipment because it acted contrary to or in excess of the authority granted to it by Soriamont. As the Court of Appeals and the RTC found, however, Soriamont did not adduce any evidence at all to prove said allegation. Given the lack of evidence that PTS was in any way responsible for the loss of the subject equipment, then, it cannot be held liable to Sprint, or even to Soriamont as its agent. In the absence of evidence showing that PTS acted contrary to or in excess of the authority granted to it by its principal, Soriamont, this Court cannot merely presume PTS liable to Soriamont as its agent.

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The only thing proven was that Soriamont, through PTS, withdrew the two chassis units from Sprint, and that these have never been returned to Sprint.

Considering our preceding discussion, there is no reason for us to depart from the general rule that the findings of fact of the Court of Appeals and the RTC are already conclusive and binding upon us.

Finally, the adjustment by the Court of Appeals with respect to the applicable rate of legal interest on the P320,000.00, representing the value of the subject equipment, and on the P270,124.42, representing the unpaid rentals awarded in favor of Sprint, is proper and with legal basis. Under Article 2209 of the Civil Code, when an obligation not constituting a loan or forbearance of money is breached, then an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. Clearly, the monetary judgment in favor of Sprint does not involve a loan or forbearance of money; hence, the proper imposable rate of interest is six (6%) percent. Further, as declared in Eastern Shipping Lines, Inc. v. Court of Appeals,[22] the interim period from the finality of the judgment awarding a monetary claim until payment thereof is deemed to be equivalent to a forbearance of credit. Eastern Shipping Lines, Inc. v. Court of Appeals[23] explained, to wit:

> I. When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.
>
> II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
>
> 1. When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
>
> 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
>
> 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

Consistent with the foregoing jurisprudence, and later on affirmed in more recent cases,[24] when the judgment awarding a sum of money becomes final and executory, the rate of legal interest shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent of a forbearance of credit. Thus, from the time the judgment becomes final until its full satisfaction, the applicable rate of legal interest shall be twelve percent (12%).

WHEREFORE, premises considered, the instant Petition for Review on Certiorari is hereby DENIED. The Decision dated 22 June 2006 and Resolution dated 7 September 2006 of the Court of Appeals in CA-G.R. CV No.

74987 are hereby AFFIRMED. Costs against petitioner Soriamont Steamship Agencies, Inc.

SO ORDERED.

Ynares-Santiago, (Chairperson), Carpio Morales,[*] Velasco, Jr., and Nachura, JJ., concur.

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[*] Associate Justice Conchita Carpio Morales was designated to sit as additional member replacing Associate Justice Diosdado M. Peralta per raffle dated 25 May 2009.

[1] Penned by Associate Justice Fernanda Lampas-Peralta with Associate Justices Eliezer R. delos Santos and Myrna Dimaranan-Vidal, concurring; rollo, pp. 60-75.

[2] Rollo, p. 91.

[3] Issued by Judge Artemio S. Tipon; rollo, pp. 130-135.

[4] Records, pp. 1-6.

[5] Sprint Chassis 2-07 with Plate No. NUP-261 Serial No. ICAZ-165118 and Sprint Chassis 2-55 with Plate No. NUP-533 Serial No. MOTZ-160080.

[6] Records, p. 5.

[7] Id. at 30-34.

[8] Id. at 50-53.

[9] Order dated 15 January 1999; Records, p. 84.

[10] Rollo, p. 134.

[11] Id. at 74-75.

[12] Patrick Ronas was named as a petitioner in the title, but he did not actually join Soriamont in the instant Petition considering that he was already absolved from any liability by the RTC.

[13] Cristobal v. Court of Appeals, 353 Phil. 318, 326 (1998).

[14] National Steel Corporation v. Court of Appeals, 347 Phil. 345, 365-366 (1997).

[15] Generally, factual findings of the trial court, affirmed by the Court of Appeals, are final and conclusive and may not be reviewed on appeal. The established exceptions are: (1) when the inference made is manifestly mistaken, absurd or impossible; (2) when there is grave abuse of discretion; (3) when the findings are grounded entirely on speculations, surmises or conjectures; (4) when the judgment of the Court of Appeals is based on misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings of fact are conclusions without citation of specific evidence on which they are based; (8) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties and which, if properly considered, would justify a different conclusion; and (9) when the findings of fact of the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record. (Child Learning Center, Inc. v. Tagorio, G.R. No. 150920, 25 November 2005, 476 SCRA 236, 241-242.)

[16] G.R. No. 84966, 21 November 1991, 204 SCRA 160, 168-169.

[17] Records, p. 9.

[18] Id. at p. 13.

[19] Id. at 213-214.

[20] TSN, 4 August 2000, pp. 5-16.

[21] Records, p. 178.

[22] Eastern Shipping Lines, Inc. v. Court of Appeals, G.R. No. 97412, 12 July 1994, 234 SCRA 78.

[23] Id. at 95-96.

[24] National Power Corporation v. Alonzo-Legasto, G.R. No. 148318, 22 November 2004, 443 SCRA 342, 376; Equitable Banking Corporation v. Sadac, G.R. No. 164772, 8 June 2006, 490 SCRA 380, 423; Prudential Guarantee and Assurance, Inc. v. Trans-Asia Shipping Lines, Inc., G.R. Nos. 151890/151991, 20 June 2006, 491 SCRA 411, 450.

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