VICTORINA (VICTORIA) ALICE LIM LAZARO, PETITIONER, VS. BREWMASTER INTERNATIONAL, INC., RESPONDENT.

G.R. No. 182779. August 23, 2010

Ponente: NACHURA, J.

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NACHURA, J.:

Before the Court is a petition for review on certiorari of the Court of Appeals (CA) Decision[1] dated September 4, 2007 and Resolution dated January 31, 2008, which awarded the amount sought by respondent in its Complaint. As held by the CA, to grant the relief prayed for by respondent is, in the words of Section 6 of the Revised Rule on Summary Procedure, the judgment "warranted by the facts alleged in the complaint."

Respondent, Brewmaster International, Inc., is a marketing company engaged in selling and distributing beer and other products of Asia Brewery, Inc. On November 9, 2005, it filed a Complaint for Sum of Money against Prescillo G. Lazaro (Prescillo) and petitioner, Victorina (also known as Victoria) Alice Lazaro, with the Metropolitan Trial Court (MeTC) of Makati City. The complaint alleged as follows:

> 6. During the period from February 2002 to May 2002, defendants obtained on credit from plaintiff beer and other products in the total amount of ONE HUNDRED THIRTY EIGHT THOUSAND FIVE HUNDRED TWO PESOS AND NINETY TWO CENTAVOS (Php 138,502.92), evidenced by sales invoices photocopies of which are hereto attached as Annexes "A," "A-1" to "A-11,"
>
> 7. Despite repeated demands, defendants have failed and refused, and up to now, still fail and refuse to pay their aforesaid obligation to plaintiff in the amount of ONE HUNDRED THIRTY EIGHT THOUSAND FIVE HUNDRED TWO PESOS AND NINETY TWO CENTAVOS (Php 138,502.92) as evidenced by the demand letters dated 21 April 2003, 12 May 2003, 5 August 2003 and 17 August 2005, photocopies of which are hereto attached as Annexes "B," "C," "C-1," "D," "D-1," "D-2," and "E," "E-1,"
>
> 8. Under the terms of the sales invoices, defendants agreed that in case of litigation, the venue shall only be at the proper courts of Makati City and to pay 24% interest on all overdue accounts.
>
> WHEREFORE, it is respectfully prayed that judgment be rendered in favor of plaintiff and against the defendants, ordering the latter to pay the sum of Php138,502.92 representing plaintiff's claim and the sum of Php33,240.00 as interest.
>
> Plaintiff prays for such other or further relief and remedies that are just and equitable in the premises.[2]

Annexes A, A-1 to A-11 are photocopies of sales invoices[3] indicating the amount of the goods purchased and showing that they were sold to "TOTAL" and received by a certain Daniel Limuco.

Prescillo filed an answer with counterclaim, denying any knowledge of the obligation sued upon. According to Prescillo, he and petitioner had lived separately since January 15, 2002 and he never authorized petitioner to purchase anything from respondent. He pointed out that the purchaser of the items, as borne out by the sales invoices attached to the complaint, was Total, which should have been the one sued by respondent.[4]

Petitioner, in her own answer with counterclaims, likewise denied having transacted with respondent, and averred that the documents attached to the complaint showed that it was Total which purchased goods from respondent.[5]

On June 14, 2006, during the scheduled preliminary conference, petitioner and her co-defendant did not appear. Hence, the MeTC declared the case submitted for decision.[6]

On August 22, 2006, the MeTC dismissed the complaint, ratiocinating that respondent, as plaintiff, failed to meet the burden of proof required to establish its claim by preponderance of evidence. The court a quo noted that the sales invoices attached to the complaint showed that the beer and the other products were sold to Total and were received by a certain Daniel Limuco; they did not indicate, in any way, that the goods were received by petitioner or her husband.[7]

Respondent elevated the case to the Regional Trial Court (RTC) through a notice of appeal. Attached to its Memorandum was additional evidence, showing that it transacted with petitioner and her husband, who were then the operators and franchisees of the Total gasoline station and convenience store where the subject goods were delivered, and that Daniel Limuco was their employee.[8]

Unmoved, the RTC found no reversible error in the assailed decision. It agreed with the MeTC that respondent failed to submit any evidence proving that petitioner and her husband were liable for the obligation. The RTC disregarded the documents attached to the memorandum on the ground that admission of such additional evidence would be offensive to the basic rule of fair play and would violate the other party's right to due process. Thus, the RTC affirmed the assailed decision in toto.[9]

Respondent then went to the CA through a petition for review. There, it succeeded in obtaining a judgment in its favor. Applying Section 7[10] of the Revised Rule on Summary Procedure, in conjunction with Section 6[11] thereof, the CA held that judgment should have been rendered "as may be warranted by the facts alleged in the complaint" considering that both defendants failed to appear during the preliminary conference. The appellate court said that "by instead referring to the sales invoices and bypassing [the] ultimate facts [alleged in the complaint], the MeTC contravened the evident purposes of the [Revised] Rule on Summary Procedure directing that the judgment be based on the allegations of the complaint, which were, firstly, to avoid delay and, secondly, to consider the non-appearance at the preliminary conference as an admission of the ultimate facts." The CA judiciously pronounced that:

> In fact, evidentiary matters (like the sales invoices attached to the complaint) were not yet to be considered as of that early stage of the proceedings known under the Rule on Summary Procedure as the preliminary conference. The evidentiary matters and facts are to be required only upon the termination of the preliminary conference and only if further proceedings become necessary to establish factual issues defined in the order issued by the court. (citing Section 9, Rule on Summary Procedure)

Thus, finding the amount claimed to be warranted by the allegations in the complaint, the CA, in its September 4, 2007 Decision, reversed the trial court's decision and ordered petitioner and her husband to pay the said amount plus interests, thus:

> WHEREFORE, the DECISION DATED MARCH 12, 2007 is REVERSED AND SET ASIDE.
>
> The respondents are ORDERED to pay, jointly and severally, to the petitioner the amount of P138,502.92, plus interest of 6% per annum from the filing of the complaint until this judgment becomes final and executory, and 12% per annum upon finality of this judgment until full payment.
>
> The respondents are also ORDERED to pay the costs of suit.
>
> SO ORDERED.[12]

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Petitioner filed a motion for reconsideration of the said Decision but the same was denied by the CA in its January 31, 2008 Resolution.[13]

Petitioner submits the following issues to this Court for resolution:

> Petitioner respectfully submits that the Honorable Court of Appeals erred in the interpretation of Section 6 of the Revised Rules of Summary Procedure when it reversed the Decision of the RTC, Branch 162 of Makati in Civil Case [N]o. 06-944.
>
> Petitioner further submits that the Court of Appeals erred in giving relief to the private respondent despite the lack of cause of action in its complaint against the petitioner herein.[14]

Petitioner contends that the Revised Rule on Summary Procedure does not warrant the automatic grant of relief in favor of the plaintiff when the complaint fails to state a cause of action. She avers that respondent's complaint fails to state a cause of action; hence, no relief can be given to respondent. Petitioner points out that the sales invoices formed part of the complaint and should be considered in determining whether respondent has a cause of action against her. Consideration of the said sales invoices, she avers, would show that there is no contractual relationship between her and respondent; the invoices did not indicate in any way that petitioner was liable for the amount stated therein.

Petitioner is correct in saying that no relief can be awarded to respondent if its complaint does not state a cause of action. Indeed, if the complaint does not state a cause of action, then no relief can be granted to the plaintiff and it would necessarily follow that the allegations in the complaint would not warrant a judgment favorable to the plaintiff.

The basic requirement under the rules of procedure is that a complaint must make a plain, concise, and direct statement of the ultimate facts on which the plaintiff relies for his claim.[15] Ultimate facts mean the important and substantial facts which either directly form the basis of the plaintiff's primary right and duty or directly make up the wrongful acts or omissions of the defendant.[16] They refer to the principal, determinative, constitutive facts upon the existence of which the cause of action rests. The term does not refer to details of probative matter or particulars of evidence which establish the material elements.[17]

The test of sufficiency of the facts alleged in a complaint to constitute a cause of action is whether, admitting the facts alleged, the court could render a valid judgment upon the same in accordance with the prayer of the petition or complaint.[18] To determine whether the complaint states a cause of action, all documents attached thereto may, in fact, be considered, particularly when referred to in the complaint.[19] We emphasize, however, that the inquiry is into the sufficiency, not the veracity of the material allegations in the complaint.[20] Thus, consideration of the annexed documents should only be taken in the context of ascertaining the sufficiency of the allegations in the complaint.

Petitioner argues that the complaint fails to state a cause of action since reference to the sales invoices attached to and cited in paragraph six of

the Complaint shows that it was not her who purchased and received the goods from respondent.

Contrary to petitioner's stance, we find that the Complaint sufficiently states a cause of action. The following allegations in the complaint adequately make up a cause of action for collection of sum of money against petitioner: (1) that petitioner and her husband obtained beer and other products worth a total of P138,502.92 on credit from respondent; and (2) that they refused to pay the said amount despite demand.

As correctly held by the CA, the sales invoices are not actionable documents. They were not the bases of

respondent's action for sum of money but were attached to the Complaint only to provide details on the alleged transactions. They were evidentiary in nature and not even necessary to be stated or cited in the Complaint.

At any rate, consideration of the attached sales invoices would not change our conclusion. The sales invoices, naming Total as the purchaser of the goods, do not absolutely foreclose the probability of petitioner being liable for the amounts reflected thereon. An invoice is nothing more than a detailed statement of the nature, quantity, and cost of the thing sold and has been considered not a bill of sale.[21] Had the case proceeded further, respondent could have presented evidence linking these sales invoices to petitioner.

In Peña v. Court of Appeals,[22] petitioners therein likewise argued that the sales invoices did not show that they had any involvement in the transactions covered by the same. What the Court said in reply to this argument bolsters our view in this petition:

> Although it appears in the other sales invoices that the petitioners were the salespersons who brokered the sales of the products covered by the said sales invoices to the vendees therein named, the said entries are not conclusive of the extent and the nature of the involvement of the petitioners in the sales of the products under the said sales invoices which are not absolutely binding. They may be explained and put to silence by all the facts and circumstances characterizing the true import of the dealings to which they refer. The facts contained in the said sales invoices may be contradicted by oral testimony.[23]

WHEREFORE, premises considered, the Court of Appeals Decision dated September 4, 2007 and Resolution dated January 31, 2008 are AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Peralta, Abad, and Mendoza, JJ., concur.

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[1] Penned by Associate Justice Lucas P. Bersamin (now a member of this Court), with Associate Justices Portia Aliño Hormachuelos and Estela M. Perlas-Bernabe, concurring; rollo, pp. 24-34.

[2] Id. at 38.

[3] Id. at 40-50.

[4] Id. at 65.

[5] Id.

[6] Id. at 60.

[7] Id. at 59-60.

[8] Id. at 66.

[9] Id. at 64-66.

[10] Sec. 7 Preliminary conference; appearance of parties. - Not later than thirty (30) days after the last answer is filed, a preliminary conference shall be held. The rules on pre-trial in ordinary cases shall be applicable to the preliminary conference unless inconsistent with the provisions of this Rule.

The failure of the plaintiff to appear in the preliminary conference shall be a cause for the dismissal of his complaint. The defendant who appears in the absence of the plaintiff shall be entitled to judgment on his counterclaim in accordance with Section 6 hereof. All cross-claims shall be dismissed.

If a sole defendant shall fail to appear, the plaintiff shall be entitled to judgment in accordance with Section 6 hereof. This rule shall not apply where one of two or more defendants sued under a common cause of action who had pleaded a common defense shall appear at the preliminary conference.

[11] Sec. 6. Effect of failure to answer. - Should the defendant fail to answer the complaint within the period above provided, the court, motu proprio, or on motion of the plaintiff, shall render judgment as may be warranted by the facts alleged in the complaint and limited to what is prayed for therein: Provided, however, That the court may in its discretion reduce the amount of damages and attorney's fees claimed for being excessive or otherwise unconscionable. This is without prejudice to the applicability of Section 4, Rule 18 of the Rules of Court, if there are two or more defendants.

[12] Rollo, pp. 33-34.

[13] Id. at 36.

[14] Id. at 14.

[15] REVISED RULES OF COURT, Rule 8, Section 1.

[16] Locsin v. Sandiganbayan, G.R. No. 134458, August 9, 2007, 529 SCRA 572, 597

[17] Barcelona v. Court of Appeals, 458 Phil. 626, 635 (2003).

[18] Parañaque Kings Enterprises, Inc. v. Court of Appeals, 335 Phil. 1184, 1195 (1997).

[19] Fluor Daniel, Inc.-Philippines v. E.B. Villarosa & Partners Co., Ltd., G. R. No. 159648, July 27, 2007, 528 SCRA 321, 327.

[20] AC Enterprises, Inc. v. Frabelle Properties Corporation, G.R. No. 166744, November 2, 2006, 506 SCRA 625, 666.

[21] Norkis Distributors, Inc. v. Court of Appeals, G.R. No. 91029, February 7, 1991, 193 SCRA 694, 698.

[22] 484 Phil. 705, 706 (2004).

[23] Id. at 722. (Emphasis supplied.)

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