

PASDA, INCORPORATED, PETITIONER, VS. REYNALDO P. DIMAYACYAC, SR., SUBSTITUTED BY THE HEIRS, REPRESENTED BY ATTY. DEMOSTHENES D. C. DIMAYACYAC, RESPONDENT.

G.R. No. 220479. August 17, 2016

Ponente: MENDOZA, J.

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MENDOZA, J.:

This Petition for Review on Certiorari seeks to reverse and set aside the September 8, 2015 Decision[1] of the Court of Appeals (CA) in CA-G.R. SP No. 133647, which affirmed with modification the December 17, 2013 Decision[2] of the Regional Trial Court, Branch 215, Quezon City (RTC), upholding the March 12, 2013 Decision[3] of the Metropolitan Trial Court, Branch 36, Quezon City (MeTC) in a complaint for Sum of Money.

The Antecedents

In March 1999, petitioner PASDA, Incorporated (PASDA) and respondent Reynaldo P. Dimayacyac, Sr. (Dimayacyac) entered into a Contract of Lease[4] of Suite 506 PASDA Mansion in Quezon City with a monthly rental of P17,000.00, plus 10% Value-Added Tax (VAT), and two percent (2%) interest per month in case of default. Dimayacyac, as lessee, was also to pay the utility costs for the said unit. The lease contract also provided that, in case of litigation, Dimayacyac should pay liquidated damages in the sum of P10,000.00 and attorney's fees equivalent to 25% of the amount claimed in the complaint.[5]

On July 16, 2005, Dimayacyac vacated the unit leaving an outstanding arrearage for monthly rentals, 10% VAT, and utility costs, in the aggregate amount of P340,071.00. Pursuant to paragraph 24 of the lease contract, PASDA took possession of Dimayacyac's articles and equipment found in the rented unit and prepared an inventory of the said items. In spite of the lapse of the agreed 30-day period to settle his obligations and the demand letters sent to him, he still failed to pay his outstanding obligation.

On May 11, 2007, PASDA filed a complaint[6] for sum of money before the MeTC against Dimayacyac to collect the outstanding obligation in the amount of P340,071.00.

The MeTC Ruling

In its March 12, 2013 Decision, the MeTC found Dimayacyac liable for the amount claimed in PASDA's complaint. It, however, reduced the amount from P340,071.00 to P16,271.00 because it deducted the value of the items confiscated by PASDA, which amounted to P323,800.00. Further, the MeTC reduced the interest rate from 2% per month to 6% per annum and awarded P20,000.00 as attorney's fees. The dispositive portion of the said decision reads:

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendant, ordering the latter to pay the former as follows:

1. The amount of Sixteen thousand two hundred seventy-one pesos (P16,271.00), plus interest of six percent

(6%) per annum reckoned from September 22, 2006 until the whole obligation is fully paid;

2. The amount of Twenty thousand pesos (P20,000.00) as and for attorney's fees; and

3. To pay the costs of suit.

SO ORDERED.[7]

Unsatisfied with the reduction of the monetary award, PASDA appealed before the RTC.

The RTC Ruling

In its December 17, 2013 decision, the RTC affirmed in toto the MeTC ruling. It held that the provisions of the lease contract were valid and had the force and effect of law, and bound the parties; and that Dimayacyac could no longer assail the provisions therein which he claimed to be confiscatory. The RTC noted that as a lawyer, Dimayacyac could have asked for the amendment or revision of the contract, instead of merely noting his objection thereto. The RTC also agreed with the MeTC in the monetary awards granted to PASDA.

Unconvinced, PASDA filed a petition for review before the CA.

The CA Ruling

In its September 8, 2015 Decision, the CA affirmed with modification the RTC decision. The appellate court opined that it was appropriate to deduct the value of the mentioned items from Dimayacyac's total liability. It cited paragraph 23 of the lease contract, which authorized PASDA to retain Dimayacyac's properties inside the leased unit, in case of the latter's default, and to dispose the same in a private sale and apply the proceeds thereof against the outstanding obligation. This forfeiture clause, according to the CA, was ruled to be valid by the Court in *Fort Bonifacio Development Corp. v. Yllas Lending Corp. (Fort Bonifacio)*.^[8]

The appellate court further stated that, upon Dimayacyac's default, PASDA exercised its right to retain his properties under the forfeiture clause but it opted not to sell the same in a private sale. It also stated that the courts below did not err in the valuation of the retained items as it was based on an inventory list of Dimayacyac's properties with their corresponding prices, which was admitted in open court by PASDA's own witness.

Moreover, the CA affirmed the reduction of the interest rate and the attorney's fees. It said that the courts could reduce the amount even if it had been agreed upon, if the rate stipulated was unconscionable taking into consideration the circumstances of the case. The appellate court noted that the partial payment of the obligation warranted the reduction of the interest rate and the attorney's fees. The CA, however, awarded P10,000.00 as liquidated damages, as prayed for by PASDA because it was stipulated under the lease contract. Thus, it disposed:

WHEREFORE, premises considered, the instant petition is hereby DENIED. The Decision dated December 17, 2013 of the Regional Trial Court, Branch 215, Quezon City is hereby AFFIRMED with MODIFICATION in that respondents Reynaldo P. Dimayacyac, Sr., substituted by his heirs, represented by Atty. Demosthenes D.C. Dimayacyac, are ordered to pay petitioner PASDA, Incorporated the amount of P16,271.00 plus legal interest of six percent (6%) per annum from September 22, 2006 until fully paid; P10,000.00 as liquidated damages; and P20,000.00 as attorney's fees. Moreover, from the finality of this Decision until full satisfaction, the total amount due shall likewise earn another interest at six percent (6%) per annum until fully satisfied.

SO ORDERED.[9]

In the course of the proceedings before the CA, Dimayacyac died and he was substituted by his heirs as respondents.

Hence, this appeal instituted by PASDA raising the following:

ISSUES

I

WHETHER THE COURT OF APPEALS GRIEVOUSLY ERRED IN ITS INTERPRETATION OF THE PROVISIONS OF PARAGRAPH 24 OF THE CONTRACT OF LEASE THAT THE VALUES OF THE ARTICLES OF DIMAYACYAC WHICH WERE RETAINED BY (NOT FORFEITED TO) THE PETITIONER SHOULD BE DEDUCTED FROM THE UNPAID RENTAL ACCOUNTABILITIES OF DIMAYACYAC;

II

WHETHER THE COURT OF APPEALS GRIEVOUSLY ERRED IN ITS APPRECIATION OF THE EVIDENCE ON THE VALUATION OF THE SAID RETAINED (NOT FORFEITED) ARTICLES BY GIVING DUE WEIGHT AND CREDENCE TO THE BARE AND SELF-SERVING VALUATION WHICH HAVE NOT BEEN SUPPORTED BY ANY EVIDENCE;

III

WHETHER THE COURT OF APPEALS ERRED IN REDUCING THE AMOUNT OF THE ATTORNEY'S FEES CONTRARY TO THE EXPRESS STIPULATION IN THE CONTRACT OF LEASE; AND

IV

WHETHER THE COURT OF APPEALS ERRED IN REDUCING THE STIPULATED RATE OF INTEREST TO BE IMPOSED ON THE UNPAID ACCOUNTABILITIES OF DIMAYACYAC TO ONLY SIX PER CENT (6%) CONTRARY TO THE EXPRESS STIPULATION IN THE CONTRACT OF LEASE.[10]

PASDA asserts that the value of the items it had retained should not have been deducted from Dimayacyac's unpaid obligation, claiming that, under paragraph 24, not paragraph 23, of the lease contract, it merely had the right, and not the obligation, to sell the items in case of the lessee's default and apply the proceeds thereof to the remaining balance. PASDA explains that it decided to file the present action after it was unable to sell the said articles. It insists that it did not appropriate Dimayacyac's properties for itself and merely retained them until they could be sold under execution of a final judgment in this case.

Likewise, PASDA assails the valuation of the items in the inventory list as the corresponding prices were merely added or inserted by Dimayacyac. It claims that at the time the parties signed the inventory, no price for each item was indicated. Thus, PASDA bewails that its representatives merely admitted the contents of the inventory but not their monetary value. Moreover, it avers that it was improper to reduce the interest rate and the attorney's fees as these were stipulated in the lease contract.

Respondents' Position

In their Comment,[11] dated April 4, 2016, the respondent heirs countered that the petition should be summarily dismissed because PASDA failed to indicate in its certificate against forum shopping that they had filed their Motion for Partial Reconsideration[12] of the September 8, 2015 CA decision. They noted that PASDA filed its opposition thereto and their motion was denied by the CA in its Resolution,[13] dated January 11, 2016.

Moreover, the respondents contended that PASDA was estopped from questioning the RTC decision because they had already complied with the same. In his Manifestation of Compliance,[14] dated February 4, 2014, Dimayacyac stated that he would no longer appeal the RTC decision as he voluntarily complied with it by paying the judgment award in the amount of P43,511.60, through a China Bank check, which was allegedly accepted by PASDA as evidenced by the acknowledgment receipt signed by its counsel.

The respondents further argued that the courts a quo correctly deducted the values of the articles from

Dimayacyac's obligations because PASDA's representative admitted in open court that she was aware of the contents of the inventory, and as such, could no longer deny the values thereof. They also agreed that the interest rates and the attorney's fees should be reduced because the proper interest imposed as indemnity for damages, if the debtor would incur delay in his payment of a sum of money, was 6%, and that attorney's fees could not even be recovered because no premium should be placed on the right to litigate.

Meanwhile, the respondents prayed that the CA decision should be modified as the running of the period within which the 6% interest must apply should stop as of February 4, 2014 when Dimayacyac made a full payment of the judgment award rendered by the RTC; and that they should not be made to pay the award of damages and attorney's fees, but should be enforced against Dimayacyac's estate as provided under Rule 86 of the Revised Rules of Court.

PASDA Reply

In its Reply,[15] dated April 26, 2016, PASDA manifested that its failure to mention the filing of the respondents' motion for partial reconsideration in its certification against forum shopping was simply due to inadvertence. PASDA noted that it was an excusable mistake because it received its copy of the motion several days after its filing of the motion for extension of time to file a petition for review on certiorari before the Court.

PASDA reiterated that its representative only admitted to the contents of the inventory but not the values thereof. Likewise, it also denied the respondents' claim that it had accepted the China Bank check as judgment award because in its Counter-Manifestation,[16] dated February 10, 2014, PASDA categorically stated that it had appealed the RTC decision to the CA, so, it was not yet final and there was nothing yet to be complied with; and that they were rejecting the check as payment for its money claims, which they returned to Dimayacyac.

The Court's Ruling

The petition has merit.

Proceedings involving different issues need not be stated in the certification against forum shopping

Forum shopping is the simultaneous or successive institution of two or more actions or proceedings involving the same parties for the same cause of action with the hope that one or the other court would make a favorable disposition.[17] It vexes the courts and the litigants because different courts are asked to rule on the same or related causes, raising the same issues and praying for similar reliefs, which creates the possibility of conflicting decisions rendered by two different tribunals.[18]

In the case at bench, PASDA's certification against forum shopping complied with existing rules and regulations, notwithstanding that the respondents' motion for partial reconsideration was never mentioned therein. PASDA was not obliged to state the said motion in its certification against forum shopping because it involved different issues and relief compared to the present petition before this Court.

Parties are bound by the literal meaning of the contract in the absence of ambiguity

Contracts have the force of law between the parties, and unless the stipulations are contrary to laws, morals, good customs, public order, or public policy, the same are binding as between the parties.[19] Except when the terms are ambiguous, the literal meaning of a contract's stipulation is controlling.[20] The courts cannot enforce the contract contrary to its express terms, otherwise, it would trample the rights of the parties to stipulate the terms of their agreement. The Court's ruling in *Norton Resources and Development Corporation v. All Asia Bank Corporation*,[21] is instructive:

The cardinal rule in the interpretation of contracts is embodied in the first paragraph of Article 1370 of the

Civil Code: "[i]f the terms of a contract are clear and leave no doubt upon the intention of the contracting parties, the literal meaning of its stipulations shall control." This provision is akin to the "plain meaning rule" applied by Pennsylvania courts, which assumes that the intent of the parties to an instrument is "embodied in the writing itself, and when the words are clear and unambiguous the intent is to be discovered only from the express language of the agreement". x x x A court's purpose in examining a contract is to interpret the intent of the contracting parties, as objectively manifested by them. The process of interpreting a contract requires the court to make a preliminary inquiry as to whether the contract before it is ambiguous. A contract provision is ambiguous if it is susceptible of two reasonable alternative interpretations. Where the written terms of the contract are not ambiguous and can only be read one way, the court will interpret the contract as a matter of law. If the contract is determined to be ambiguous, then the interpretation of the contract is left to the court, to resolve the ambiguity in the light of the intrinsic evidence.

x x x x

The agreement or contract between the parties is the formal expression of the parties' rights, duties and obligations. It is the best evidence of the intention of the parties. x x x Time and again, we have stressed the rule that a contract is the law between the parties, and courts have no choice but to enforce such contract so long as it is not contrary to law, morals, good customs or public policy. Otherwise, courts would be interfering with the freedom of contract of the parties. Simply put, courts cannot stipulate for the parties or amend the latter's agreement, for to do so would be to alter the real intention of the contracting parties when the contrary function of courts is to give force and effect to the intention of the parties.[22] [Emphases supplied]

In other words, the courts must first determine whether there is ambiguity in a particular provision of a contract and the absence of which leaves the courts to read the provision on its face as it was written and treat it as the binding law of the parties to the contract.[23] Thus, a perusal of the lease contract in this case is in order for the determination of the propriety of the application of the value of the retained items to Dimayacyac's total liabilities. PASDA correctly pointed out that while the CA cited paragraph 23 in its decision, paragraph 24 was the one that pertained to non-payment of rentals and the particular provision to be interpreted. The said portion reads:

This Contract shall be considered automatically terminated and cancelled should the LESSEE violate any of the provisions of this Contract or fail to pay rentals due thereon within the time herein provided or where the premises are abandoned by LESSEE as herein above state; in any of such cases, the LESSOR is hereby given the right without need of formal notice or demand to enter into and take possession of the leased premises and to exercise its right of ownership, as well as the LESSOR'S rights as provided for in this Contract of Lease;

Furthermore, when any or all of the above circumstances occur, the LESSEE hereby constitutes and appoints the LESSOR as his duly authorized attorney-in-fact with the power and authority to cause the premises to be opened in the presence of any peace officer, to take inventories of all LESSEE'S merchandise, effects, and/or equipment therein and to remove and transfer the same to the LESSOR'S bodega. LESSEE hereby expressly agrees to pay for all responsible expenses incurred by the LESSOR in connection therewith, including storage fees, which expenses and fees in addition to back rentals or any other liabilities of the LESSEE to the LESSOR, if any, shall be first and preferential lien on said LESSEE'S merchandise, effects, and equipment; Provided, furthermore, that failure of the LESSEE to clear any such merchandise, effects, and equipment within thirty (30) days from date of closure and abandonment of the premises as herein provided shall give rise to the LESSOR'S right to dispose of the same in a private sale and to apply the proceeds thereof first to the back rentals, next to expenses incurred by the LESSOR for transfer storage and private sale to the other liabilities of LESSEE to LESSOR and the excess if any, shall be given to the LESSEE; LESSOR shall not incur any civil and/or criminal liabilities whatsoever by exercising its rights granted under these provisions. The rights granted to the LESSOR in this section may be exercised by the LESSOR'S duly authorized employees, agents or representatives and in so doing shall not incur civil and/or criminal liabilities whatsoever.[24] [Emphasis supplied]

Paragraph 24 is clear and unequivocal. Hence, it must be applied according to its literal and express terms and not in a manner which would expand or run contrary to it. Literally applying the provisions of the present contract, PASDA merely had the right or authority to sell the articles in the leased premises and apply the proceeds thereof to Dimayacyac's liabilities. It neither mandated PASDA to sell the same nor authorized it to appropriate them and offset their value against the outstanding liabilities of Dimayacyac. PASDA was even bound to return to Dimayacyac any excess from the private sale.

The CA postulated that paragraph 23, which was of the same tenor as paragraph 24 of the lease contract, was a forfeiture clause and, that pursuant to Fort Bonifacio, the items retained by PASDA had been appropriated in its favor. Fort Bonifacio, however, does not fall squarely with the facts at hand.

A closer scrutiny of the lease contract in Fort Bonifacio reveals that the lessor therein had the right to possess the properties of the lessee in the leased premises, in case of the latter's default, and the authority to offset the prevailing value thereof as appraised by the lessor against any unpaid rentals, charges and/or damages. The contract did not only limit the lessor to sell the same and apply the proceeds thereof to any existing obligations but it also provided that the lessor might opt to appropriate for itself the retained items.

In the case at bench, on the other hand, paragraph 24 of the subject lease contract did not grant PASDA the authority to appropriate and apply the value of the retained articles against the lessee's outstanding liabilities. It merely gave the lessor the right or authority to sell them in a private sale, apply the proceeds thereof to the lessee's existing liabilities, and turn over any excess to the latter.

Thus, paragraph 24 of the lease contract between PASDA and Dimayacyac is not akin to the forfeiture clause stipulated in Fort Bonifacio. Although similar to the forfeiture clause in Fort Bonifacio as it serves as a security in the lessor's favor in the event of the lessee's default, paragraph 24 differs in that it stated that the articles involved were not automatically forfeited in favor of PASDA as the latter could only sell them and use the proceeds to pay Dimayacyac's obligations.

As can be gleaned from paragraph 24, PASDA's options were to either enforce the security and sell the articles or claim the principal obligation and return the articles. As explained by PASDA, it opted to institute the present action as it was unable to successfully sell the retained items in a private sale. To rule that the value of the subject properties should be deducted from Dimayacyac's outstanding obligations would run afoul to the express provisions of paragraph 24 of the lease contract which merely gave PASDA the right to possess the items and sell them in a private sale before applying the proceeds to Dimayacyac's existing obligations and returning the excess, if any, to the latter.

Strictly applying the provisions of paragraph 24 of the lease contract will not lead to PASDA's unjust enrichment. Nowhere in the said provision does it mention that PASDA will retain the properties of Dimayacyac in the concept of an owner and dispose of them in any way it wishes. PASDA merely possessed the properties as a security in case Dimayacyac defaulted in his obligations. The said items were only to be sold in a private sale and any excess proceeds, after applying them against Dimayacyac's liabilities, were to be returned. In short, PASDA had no authority to appropriate the items it had retained as security.

Considering that PASDA opted to file the present action to recover the principal obligation, it could no longer keep the retained items which it had kept as security and could have disposed in a private sale. As PASDA had decided to collect the principal obligation, it no longer had any reason to continue to possess the personal properties of Dimayacyac.

Value of the items in the inventory baseless

Even granting that the value of the articles PASDA possessed may be deducted from Dimayacyac's outstanding obligation, it was improper to use the values provided by Dimayacyac. PASDA's representative merely admitted the contents of the inventory and not the stated values of the particular items therein. PASDA claims that Dimayacyac intercalated the values of the items after the inventory was prepared pointing out that the inventory list was typewritten while the prices were handwritten. This is supported by a copy of the inventory,[25] which Dimayacyac attached to his answer filed with the MeTC, as the same merely enumerated the items inventoried without any notation as to their prices. Moreover, even Dimayacyac admitted that the prices he wrote down were not supported by appropriate documents or receipts.[26]

On the Interest Rates

With regard to the decrease of the interest rate, the CA opined that the 2% interest per month was unconscionable considering that a partial payment was already made. As discussed above, however, the application of the value of the retained articles to the outstanding balance was contrary to the explicit provisions of the lease contract. Hence, the alleged partial payment of the obligation made by deducting the value of the retained articles from the existing obligation cannot be a ground to reduce the interest rate.

To stress, parties have the right to stipulate any conditions or terms in their contract provided they are not contrary to law, morals, good customs, public order, or public policy. In *Mallari v. Prudential Bank*,[27] the Court explained that the parties were free to stipulate on the interest rate, provided that it was conscionable, to wit:

Parties are free to enter into agreements and stipulate as to the terms and conditions of their contract, but such freedom is not absolute. As Article 1306 of the Civil Code provides, "The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order, or public policy." Hence, if the stipulations in the contract are valid, the parties thereto are bound to comply with them, since such contract is the law between the parties. x x x

x x x x

Clearly, jurisprudence establish that the 24% p.a. stipulated interest rate was not considered unconscionable, thus, the 23% p.a. interest rate imposed on petitioners' loan in this case can by no means be considered excessive or unconscionable.[28] [Emphasis supplied]

Nevertheless, the Court is of the considered view that the stipulated attorney's fees can be equitably reduced under the circumstances. As the attorney's fees were not integral to the rentals but merely incidental to its collection, and it was intended as a penal clause to answer for liquidated damages,[29] decreasing the rate equitably balances the rights and interests of both parties. The Court also takes into account that in the lease contract, the attorney's fees would already serve as penalty for the default of the lessee, and the payment of liquidated damages in the amount of P10,000.00 was also provided.

PASDA 's money claims should be enforced against Dimayacyac's Estate

Section 20, Rule 3 of the Rules of Court provides:

When the action is for recovery of money arising from contract, express or implied, and the defendant dies before entry of final judgment in the court in which the action was pending at the time of such death, it shall not be dismissed but shall instead be allowed to continue until entry of final judgment. A favorable judgment obtained by the plaintiff therein shall be enforced in the manner especially provided in these Rules for prosecuting claims against the estate of a deceased person.

The said provision should be read in consonance with Section 5, Rule 86 of the Rules of Court, which reads:

All claims for money against the decedent, arising from contract, express or implied, whether the same be due, not due, or contingent, all claims for funeral expenses and expenses for the last sickness of the decedent, and judgment for money against the decedent, must be filed within the time limited in the notice; otherwise they are barred forever, except that they may be set forth as counterclaims in any action that the executor or administrator may bring against the claimants. Where an executor or administrator commences an action, or prosecutes an action already commenced by the deceased in his lifetime, the debtor may set forth by answer the claims he has against the decedent, instead of present them independently to the court as herein provided, and mutual claims may be set off against each other in such action; and if final judgment is rendered in favor of the defendant, the amount so determined shall be considered the true balance against the estate, as though the claim had been presented directly before the court in the administration proceedings. Claims not yet due, or contingent, may be approved at their present value.

From the foregoing provisions of the Rules of Court, it is clear that in the event that the respondent-debtor dies during the pendency of the case, the same is not dismissed but is allowed to continue. If, eventually, the court rules against the deceased respondent, the same shall be enforced as a claim against his estate, and not against the individual heirs. In *Genato v. Bayhon*,^[30] the Court wrote that the remedy of a creditor in case of the death of the debtor is to enforce the former's claim against the latter's estate, to wit:

The loan in this case was contracted by respondent. He died while the case was pending before the Court of Appeals. While he may no longer be compelled to pay the loan, the debt subsists against his estate. No property or portion of the inheritance may be transmitted to his heirs unless the debt has first been satisfied. x x x

The procedure in vindicating monetary claims involving a defendant who dies before final judgment is governed by Rule 3, Section 20 of the Rules of Civil Procedure, to wit:

When the action is for recovery of money arising from contract, express or implied, and the defendant dies before entry of final judgment in the court in which the action was pending at the time of such death, it shall not be dismissed but shall instead be allowed to continue until entry of final judgment. A favorable judgment obtained by the plaintiff therein shall be enforced in the manner especially provided in these Rules for prosecuting claims against the estate of a deceased person.

Pursuant to this provision, petitioner's remedy lies in filing a claim against the estate of the deceased respondent.^[31] [Emphases supplied]

The fact that Dimayacyac's heirs have not instituted any action for the settlement of his estate does not warrant the conclusion that the judgment award must be enforced against the individual heirs.

Accordingly, PASDA may recover the amount of P340,071.00, plus interest at the rate of six percent (6%) per annum, P10,000.00 liquidated damages, and P20,000.00 as attorney's fees. The same may be enforced as a claim against the estate of Reynaldo P. Dimayacyac, Sr. PASDA is, however, obligated to return the items it retained to his estate.

WHEREFORE, the September 8, 2015 Decision of the Court of Appeals in CA-G.R. SP No. 133647 is REVERSED and SET ASIDE. The Court hereby declares that PASDA, Incorporated can recover the amount of P340,071.00, plus interest at the rate of six percent (6%) per annum; P10,000.00 as liquidated damages, and P20,000.00 as attorney's fees, from the Estate of Reynaldo P. Dimayacyac, Sr., less the amount recovered from the sales of some of his assets, if any.

The balance of the obligation shall be subject to interest at the rate of six percent (6%) per annum from the finality of the decision until fully paid.

PASDA is ordered to return the retained items to the estate of Reynaldo P. Dimayacyac, Sr.

SO ORDERED.

Carpio, (Chairperson), Del Castillo, and Leonen, JJ., concur.
Brion, J., on leave.

[1] Penned by Associate Justice Ramon R. Garcia with Associate Justice Leoncia R. Dimagiba and Associate Justice Zenaida T. Galapate-Laguilles, concurring; rollo, pp. 183-194.

[2] Penned by Acting Presiding Judge Wilfredo L. Maynigo; id. at 89-94.

[3] Penned by Presiding Judge Edgardo B. Bellosillo; id. at 67-71.

[4] Id. at 32-35.

[5] Id. at 9-10.

[6] Id. at 28-31.

[7] Id. at 71.

[8] 588 Phil. 748 (2008).

[9] Rollo, pp. 190-191.

[10] Id. at 16.

[11] Id. at 209-224.

[12] Id. at 232-235.

[13] Id. at 240-242.

[14] Id. at 228-230.

[15] Id. at 243-249.

[16] Id. at 250.

[17] Yap v. Chua, 687 Phil. 392, 399 (2012).

[18] Id. at 399-400.

[19] Morla v. Belmonta, 678 Phil. 102, 117 (2011), citing Roxas v. Zuzvaregui, Jr., 516 Phil. 605 (2006).

[20] Article 1370 of the Civil Code.

[21] 620 Phil. 381 (2009), citing Benguet Corporation v. Cabildo, 585 Phil. 23 (2009).

[22] Id. at 388.

[23] The Wellex Group, Inc. v. U-Land Airlines, Co., Ltd., G.R. No. 167519, January 14, 2015, 745 SCRA 563, 601-602.

[24] Rollo, p. 34.

[25] Id. at 47-48.

[26] Id. at 20.

[27] 710 Phil. 490 (2013).

[28] Id. at 497-499.

[29] RGM Industries Inc. v. United Pacific Capital Corporation, 689 Phil. 660 (2012).

[30] 613 Phil. 318 (2009).

[31] Id. at 327.

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