

**NATIVIDAD VILLOSTAS, PETITIONER, VS. THE HON. COURT OF APPEALS, SECOND DIVISION, THE HON. SALVADOR S. TENSUAN AS PRESIDING JUDGE OF RTC, MAKATI, BRANCH 146 AND ELECTROLUX MARKET...**

*G.R. No. 96271. June 26, 1992*

Ponente: PARAS, J.

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**PARAS, J.:**

This is a petition for review on certiorari seeking the annulment of the resolution[1] of the respondent Court of Appeals, dated November 16, 1990, in CA-G.R. Sp. No. 23178 denying the petitioner's appeal which in effect affirms the decision[2] of the Regional Trial Court in Civil Case No. 90-1420 sustaining the decision[3] of the Metropolitan Trial Court, Branch 64, Makati, Metro Manila, dated November 15, 1989 ordering herein petitioner to pay private respondent, among others, the amount of P14,540.00.

The established facts of the case are as follows:

Desiring to have safe drinking water at home, herein petitioner Villostas and her husband decided to buy a water purifier. At about this time, private respondent's Eletrolux sales agents were making door to door selling of its products in the subdivision where petitioner has her residence. Because private respondent's sales agents had assured petitioner of the very special features of their brand of water purifier, petitioner Villostas placed an order for one (1) unit of said water purifier. On September 13, 1986, an Electrolux Aqua Guard water purifier was delivered and installed at petitioner's residence (Rollo, p. 38; 49). Consequently, petitioner signed the Sales Order (Annex "B", p. 31) and the Contract of Sale with Reservation of Title (Annex "A", p. 31) in October 1986 (Rollo, p. 38, 22). A warranty certificate, Exhibit "1", was issued by private respondent which provides that:

"ELECTROLUX MARKETING, INCORPORATED WARRANTS THIS QUALITY ELECTROLUX PRODUCT TO PERFORM EFFICIENTLY FOR ONE FULL YEAR FROM DATE OF ORIGINAL PURCHASE." (Rollo, p. 49)

The purchase of said unit was on installment basis under which petitioner would pay the amount of P16,190.00 in 20 monthly installments of P635.00 a month.

After two (2) weeks, petitioner verbally complained for the first time about the impurities, dirtiness and bad odor coming out of the unit (Rollo, p. 22). On October 21, 1986, private respondent Electrolux sent its service technician to examine and test the water purifier. The water which came out was dirty so the unit was shut off automatically (Ibid.). The technician changed the filter of the unit on said date without charge with an instruction that the filter should be changed every 6 months otherwise the unit will not last long as the water in the area was dirty (Ibid.).

After the filter was replaced, petitioner paid the amount of P1,650.00 on November 18, 1986 which included the first amortization of P700.00 (Ibid.).

Petitioner complained for the second and third time when dirty water still came out of the water purifier after the replacement of the filter. It was on the third complaint of petitioner Villostas when the service technician gave advise that the filter should be changed every six (6) months costing about P300.00 which was considered to be uneconomical by the former (Rollo, pp. 22-23).

On December 9, 1986, petitioner sent a letter to the private respondent's branch manager stating therein her complaint that the actual performance of the carbon filter was only for a month instead of the private respondent's claim that the replacement of such filter will be only once every six (6) months. The petitioner, citing the above incident as uneconomical, decided to return the unit and demand a refund for the amount paid (Rollo, p. 76). Electrolux's branch manager offered to change the water purifier with another brand of any of its appliance of the unit in her favor. Petitioner did not accept it as she was disappointed with the original unit which did not perform as warranted. Consequently, petitioner did not pay any more the subsequent installments in the amount of P14,540.00 exclusive of interests. (Rollo, p. 23, 120).

What transpired next was an exchange of demand letter and reply between petitioner and private respondent.

Ultimately, respondent Electrolux Marketing, Inc. filed a complaint against petitioner Villostas with the MTC of Makati for the recovery of the sum of P14,540.00 representing the unpaid balance of the purchase price of one (1) Electrolux Water Purifier plus interest thereon at the rate of 42% per annum in accordance with the Sales Contract with Reservation of Title (Rolo, pp. 28-30).

In her amended answer, petitioner Villostas asserted that by reason of private respondent's breach of warranty she was availing of the remedy of rescission of the contract of sale and offered to return the water purifier to the seller as in fact, it was already being offered for return as early as December 9, 1986, aside from claiming for the refund of her payments. Petitioner prayed that the contract of sale be declared rescinded and the payments refunded to her together with the full grant of the claims asserted in her counterclaims (Rollo, pp. 35-36).

After trial on the merits, the MTC of Makati rendered its decision, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered ordering the defendant to pay plaintiff as follows:

"1) the amount of P14,540.00 representing the unpaid outstanding balance of the aforesaid unit, plus interest thereon at the rate of P42% per annum until fully paid;

"2) the amount of P1,000.00 as attorney's fees and

"3) dismissing the counterclaim of defendant.

"SO ORDERED." (Rollo, pp. 38-44)

The petitioner, thereafter, filed a notice of appeal from the judgment of said lower court. The Regional Trial Court of Makati rendered its judgment affirming the disputed decision (Rollo, pp. 21-24).

A motion for reconsideration having been denied, petitioner elevated the case to the Court of Appeals and was given an inextendible period of 15 days to file a petition for review. Anticipating that she would fail to comply with the deadline, herein petitioner filed a second extension to file a petition for review which, however, was denied.

Herein, petitioner comes to this Court via petition for review on certiorari.

Petitioner assigns the following errors:

**I**

WHETHER OR NOT THE PETITION MADE BY THE PETITIONER TO THE SUPREME COURT IS PROPER AND RIPE FOR JUDICIAL REVIEW.

**II**

WHETHER OR NOT PETITIONER IS ENTITLED TO RESCIND THE CONTRACT IN VIOLATION OF THE WARRANTY FOR HIDDEN DEFECT OF THE ARTICLE DELIVERED BY THE RESPONDENT.

**III**

WHETHER OR NOT PETITIONER IS BOUND TO PAY RESPONDENT HER REMAINING BALANCE OF P14,540.00 PLUS INTEREST THEREON PURSUANT TO THE CONTRACT OF SALE.

**IV**

WHETHER OR NOT PETITIONER IS LIABLE TO PAY RESPONDENT ATTORNEY'S FEES PURSUANT TO THE CONTRACT PLUS COSTS OF SUIT.

The main issue in the instant case is whether or not the petitioner is entitled to rescind the contract on the basis of a violation of the warranty of the article delivered by the respondent.

Petitioner contends that the Regional Trial Court erred when it ruled that its claim for rescission had prescribed inasmuch as she had formally notified the seller within a reasonable time, that is, 2 months and 26 days, from the delivery of water purifier on September 13, 1986 of her election to rescind.

Private respondent counters that the petitioner is not entitled to rescission vis-a-vis alleged violation of the warranty for hidden defects for the reason that rescission of contract sought by petitioner was beyond the jurisdictional competence of the trial court. It adds that petitioner could no longer avail of rescission because said legal recourse was time barred judging from delivery of the water purifier on September 13, 1986 pursuant to Art. 1571 of the New Civil Code.

The petition is impressed with merit.

Anent the jurisdictional competence of the Metropolitan Trial Court to order rescission of contract, suffice it to say that the action was initiated by herein private respondent Electrolux when it filed a complaint for collection of a sum of money worth P14,540.00, against petitioner Villostas. Said amount is indubitably within the jurisdiction of the Metropolitan Trial Court since it does not exceed P20,000.00 exclusive of interest and costs but inclusive of damages of whatever (Maceda v. CA, G.R. No. 83545, 176 SCRA 440 [1989]). Moreover, the jurisdiction of the court over the subject matter is determined by the allegations of the complaint irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein (Caparros v. CA, G.R. No. 56803, 170 SCRA 758 [1989]). When the petitioner, therefore, raised rescission of contract in her answer, the court is not divested of its jurisdiction over the case on account of defenses raised by the answer. The court is then merely authorized to receive evidence thereon (Dela Cruz v. Bautista, G.R. No. 39692, 186 SCRA 517, [1990]). Clearly, the jurisdiction of the court cannot be made to depend upon the defenses set up in the answer or upon the motion to dismiss. Otherwise, the question of jurisdiction would depend almost entirely upon the defendant (Caparros v. CA, supra).

As regards the contention that the action for rescission is barred by prescription under Art. 1571 of the Civil Code, the same is bereft of merit. It must be pointed out that at the time the Electrolux Aqua Guard water purifier was

delivered and installed at petitioner Villostas' residence, a Warranty Certificate was issued by private respondent Electrolux which reads:

"ELECTROLUX MARKETING, INCORPORATED WARRANTS THIS QUALITY ELECTROLUX PRODUCT TO PERFORM EFFICIENTLY FOR ONE FULL YEAR FROM DATE OF ORIGINAL PURCHASE."

The foregoing is clearly an express warranty regarding the efficiency of the water purifier. On this regard the court said that while it is true that Article 1571 of the Civil Code provides for a prescriptive period of six months for a redhibitory action, a cursory reading of the ten preceding articles to which it refers will reveal that said rule may be applied only in case of implied warranties. The present case involves one with an express warranty. Consequently, the general rule on rescission of contract, which is four years (Article 1389, Civil Coded) shall apply (*Moles v. IAC*, G.R. No. 73913, 169 SCRA 777 [1989]). Inasmuch as the instant case involves an express warranty, the filing of petitioner's amended answer on September 30, 1988 is well within the four-year prescriptive period for rescission of contract from September 13, 1986, which was the delivery date of the unit.

PREMISES CONSIDERED, the decision appealed from is REVERSED and SET ASIDE and the complaint of private respondent is DISMISSED. The sale of the water purifier is hereby RESCINDED.

**SO ORDERED.**

Narvasa, C.J., (Chairman), Padilla, and Regalado, JJ., concur.  
Nocon, J., on leave.

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[1] Penned by Justice Asaali Isnani, concurred in by Justices Jose Melo and Antonio Martinez.

[2] Penned by Judge Salvador Tensuan.

[3] Penned by Judge Romulo Lapuz.

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