



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

SPOUSES RAMON VILLUGA and
MERCEDITA VILLUGA,
Petitioners,

G.R. No. 176570

Present:

- versus -

VELASCO, JR., J., *Chairperson*,
PERALTA,
ABAD,
MENDOZA, and
PERLAS-BERNABE, JJ.

KELLY HARDWARE AND
CONSTRUCTION SUPPLY INC.,
represented by ERNESTO V. YU,
Executive Vice-President and
General Manager,

Promulgated:

Respondent.

18 July 2012

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DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision¹ and Resolution² dated November 30, 2006 and February 8, 2007 of the Court of Appeals (CA) in CA-G.R. CV No. 69001. The CA Decision affirmed the Orders of the Regional Trial Court (RTC) of Bacoor, Cavite, Branch 89, dated September 28, 1998 and May 6, 1999, while the CA Resolution denied petitioners' Motion for Reconsideration.

¹ Penned by Associate Justice Jose C. Reyes, Jr., with Associate Justices Edgardo P. Cruz and Enrico A. Lanzanas, concurring; Annex "A" to Petition, *rollo*, pp. 31-53.

² Annex "B" to Petition, *rollo*, pp. 54-56.

The factual and procedural antecedents of the case are as follows:

On March 3, 1995, herein respondent filed with the RTC of Bacoor, Cavite a Complaint for a Sum of Money and Damages against herein petitioners alleging as follows:

x x x x

(3) During the period of November 19, 1992 to January 5, 1993, defendants [herein petitioners] made purchases of various construction materials from plaintiff corporation [herein respondent] in the sum of ₱259,809.50, which has not been paid up to the present time, both principal and stipulated interests due thereon.

(4) Plaintiff made several demands, oral and written, for the same defendants to pay all their obligations due plaintiff herein, but defendants fail and refuse to comply with, despite demands made upon them, to the damage and prejudice of plaintiff.

x x x x

WHEREFORE, premises considered, it is most respectfully prayed of this Honorable Court that judgment be rendered in favor of plaintiff and against defendants by ordering defendants to pay the sum of:

(1) ₱259,809.50 as principal obligation due plaintiff, plus interest due thereon at 14% interest per annum, until all sums due are paid in full.

(2) ₱64,952.38 by way of reimbursements of attorney's fees plus ₱500.00 appearance fee in court.

(3) ₱26,000.00 for litigation and other related expenses.

And to pay the cost of suit.³

In their Answer to Complaint,⁴ petitioners admitted having made purchases from respondent, but alleged that they do not remember the exact amount thereof as no copy of the documents evidencing the purchases were attached to the complaint. Petitioners, nonetheless, claimed that they have made payments to the respondent on March 4, 1994 and August 9, 1994 in the amounts of ₱110,301.80 and ₱20,000.00, respectively, and they are

³ Records, pp. 1-2.

⁴ *Id.* at 9-10.

willing to pay the balance of their indebtedness after deducting the payments made and after verification of their account.

In a Manifestation⁵ dated July 18, 1995, petitioners stated that in order to buy peace, they were willing to pay respondent the principal sum of ₱259,809.50, but without interests and costs, and on installment basis.

In its Counter Manifestation,⁶ respondent signified that it was amenable to petitioners' offer to pay the principal amount of ₱259,809.50. However, respondent insisted that petitioners should also pay interests, as well as litigation expenses and attorney's fees, and all incidental expenses.

Subsequently, on August 11, 1995, respondent filed a Motion for Partial Judgment on the Pleadings⁷ contending that petitioners were deemed to have admitted in their Answer that they owed respondent the amount of ₱259,809.50 when they claimed that they made partial payments amounting to ₱130,301.80. Based on this premise, respondent prayed that it be awarded the remaining balance of ₱129,507.70. Petitioners filed their Opposition⁸ to the said Motion.

On September 11, 1995, the RTC issued an Order⁹ deferring resolution of respondent's Motion for Partial Judgment on the ground that there is no clear and specific admission on the part of petitioners as to the actual amount that they owe respondent.

On January 30, 1996, respondent filed an Amended Complaint,¹⁰ with leave of court, alleging that between October 1992 until January 5, 1993, petitioners purchased from it (respondent) various construction materials and

⁵ *Id.* at 49.

⁶ *Id.* at 47-48.

⁷ *Id.* at 51-52.

⁸ *Id.* at 57-58.

⁹ *Id.* at 60.

¹⁰ *Id.* at 83-86.

supplies, the aggregate value of which is ₱279,809.50; that only ₱20,000.00 had been paid leaving a balance of ₱259,809.50.

In their Answer to Amended Complaint,¹¹ petitioners reiterated their allegations in their Answer to Complaint.

On March 8, 1996, respondent filed a Request for Admission¹² asking that petitioners admit the genuineness of various documents, such as statements of accounts, delivery receipts, invoices and demand letter attached thereto as well as the truth of the allegations set forth therein. Respondent basically asked petitioners to admit that the latter's principal obligation is ₱279,809.50 and that only ₱20,000.00 was paid.

On June 3, 1996, respondent filed a Manifestation and Motion¹³ before the RTC praying that since petitioners failed to timely file their comment to the Request for Admission, they be considered to have admitted the genuineness of the documents described in and exhibited with the said Request as well as the truth of the matters of fact set forth therein, in accordance with the Rules of Court.

On June 6, 1996, petitioners filed their Comments on the Request for Admission¹⁴ stating their objections to the admission of the documents attached to the Request.

On January 24, 1997, respondent filed its Second Amended Complaint,¹⁵ again with leave of court. The amendment modified the period covered by the complaint. Instead of October 1992 to January 5, 1993, it was changed to July 29, 1992 until August 10, 1994. The amendment also

¹¹ *Id.* at 87-88.

¹² *Id.* at 91-92.

¹³ *Id.* at 108-109.

¹⁴ *Id.* at 112-113.

¹⁵ *Id.* at 138-142.

confirmed petitioners' partial payment in the sum of ₱110,301.80 but alleged that this payment was applied to other obligations which petitioners owe respondent. Respondent reiterated its allegation that, despite petitioners' partial payment, the principal amount which petitioners owe remains ₱259,809.50.

Petitioners filed their Answer to the Second Amended Complaint¹⁶ denying the allegations therein and insisting that they have made partial payments.

On September 4, 1997, respondent filed a Motion to Expunge with Motion for Summary Judgment¹⁷ claiming that petitioners' Comments on respondent's Request for Admission is a mere scrap of paper as it was signed by petitioners' counsel and not by petitioners themselves and that it was filed beyond the period allowed by the Rules of Court. Respondent goes on to assert that petitioners, in effect, were deemed to have impliedly admitted the matters subject of the said request. Respondent also contended that it is already entitled to the issuance of a summary judgment in its favor as petitioners not only failed to tender a genuine issue as to any material fact but also did not raise any special defenses, which could possibly relate to any factual issue.

In their Opposition to Motion to Expunge with Motion for Summary Judgment,¹⁸ petitioners argued that respondent's request for admission is fatally defective, because it did not indicate or specify a period within which to answer; that verification by petitioners' counsel is sufficient compliance with the Rules of Court; that petitioners' request for admission should be deemed dispensed with and no longer taken into account as it only relates to the Amended Complaint, which was already abandoned when the Second

¹⁶ *Id.* at 152-153.

¹⁷ *Id.* at 195-206.

¹⁸ *Id.* at 209-214.

Amended Complaint was filed; and that summary judgment is improper and without legal basis, as there exists a genuine controversy brought about by petitioners' specific denials and defenses.

On September 28, 1998, the RTC issued an Order, the dispositive portion of which reads as follows:

ACCORDINGLY, plaintiff's [herein respondent's] Motion to Expunge with Motion for Summary Judgment is hereby GRANTED.

Defendants' [Petitioners'] "Comments on the Request for Admission" dated 04 June 1996 is hereby expunged from the record for being contrary to the Rules of Court.

Judgment is hereby rendered in favor of the plaintiff and against the defendants as follows:

Defendants are hereby ordered to pay, jointly and severally, plaintiff the sum of TWO HUNDRED FIFTY-NINE [THOUSAND] EIGHT HUNDRED NINE PESOS and 50/100 (₱259,809.50), with legal interest due thereon until the whole amount is paid.

SO ORDERED.¹⁹

Petitioners filed a Motion for Reconsideration, but it was denied by the RTC in its Order dated May 6, 1999.

Unyielding, petitioners filed an appeal with the CA.

On November 30, 2006, the CA rendered its presently assailed Decision, affirming the September 28, 1998 and May 6, 1999 Orders of the RTC.

Petitioners' Motion for Reconsideration was subsequently denied by the CA *via* its Resolution dated February 8, 2007.

¹⁹ *Id.* at 239.

Hence, the instant petition for review on *certiorari* raising the following issues:

THE HONORABLE COURT SHOULD NOT HAVE DENIED DEFENDANTS-APPELLANTS' (PETITIONERS) COMMENT AND RULED THAT THERE WAS IMPLIED ADMISSION CONTAINED IN THE REQUEST.

THERE SHOULD NOT HAVE BEEN A SUMMARY JUDGMENT AGAINST DEFENDANTS-APPELLANTS (PETITIONERS).²⁰

In their first assigned error, petitioners insist in arguing that respondent waived its Request for Admission when it filed its Second Amended Complaint; that all motions or requests based on the complaint, which was amended, should no longer be considered. Petitioners also contend that the Request for Admission was not in the form specified by the Rules of Court as it did not specify a period within which to reply as required by Section 1, Rule 26 of the same Rules.

As to the second assignment of error, petitioners aver that the summary judgment issued by the RTC is improper and without legal bases, considering that genuine issues were raised in the pleadings filed by petitioners.

The petition lacks merit.

The Court agrees with the CA in holding that respondent's Second Amended Complaint supersedes only its Amended Complaint and nothing more.

Section 8, Rule 10 of the Rules of Court provides:

²⁰ *Rollo*, p. 18.

Sec. 8. *Effect of amended pleading.* – An amended pleading supersedes the pleading that it amends. However, admissions in superseded pleadings may be received in evidence against the pleader; and claims or defenses alleged therein not incorporated in the amended pleading shall be deemed waived.

From the foregoing, it is clear that respondent's Request for Admission is not deemed abandoned or withdrawn by the filing of the Second Amended Complaint.

The Court also finds no error when the CA ruled that petitioners' Comments on the Request for Admission was filed out of time, and quotes with approval the disquisition of the appellate court on this matter, to wit:

x x x Pursuant to the above-quoted Section 2 of Rule 26 of the Rules of Court, the party to whom the request is directed must respond to the request within a period of not less than ten (10) days after the service thereof, or upon such further time the Court may allow on motion. In the instant case, the plaintiff-appellee's [herein respondent's] "Request" failed to designate any period for the filing of the defendants-appellants' [herein petitioners'] response. Neither did the trial court fix the period for the same upon motion of the parties. However, such failure to designate does not automatically mean that the filing or the service of an answer or comment to the "Request" would be left to the whims and caprices of defendants-appellants. It must be reiterated that one of the main objectives of Rule 26 is [to] expedite the trial of the case (Duque vs. Court of Appeals, 383, SCRA 520, 527 [2002]). Thus, it is also provided in the second paragraph of Section 2 of Rule 26 of the Rules of Court that "[o]bjections on the ground of irrelevancy or impropriety of the matter requested shall be promptly submitted to the court for resolution."²¹

Nonetheless, the Court takes exception to the ruling of the CA that by reason of the belated filing of petitioners' Comments on the Request for Admission, they are deemed to have impliedly admitted that they are indebted to respondent in the amount of ₱259,809.50.

A careful examination of the said Request for Admission shows that the matters of fact set forth therein are simply a reiteration of respondent's main allegation in its Amended Complaint and that petitioners had already

²¹ See CA Decision, p. 16; *rollo*, p. 47.

set up the affirmative defense of partial payment with respect to the above allegation in their previous pleadings.

This Court has ruled that if the factual allegations in the complaint are the very same allegations set forth in the request for admission and have already been specifically denied, the required party cannot be compelled to deny them anew.²² A request for admission that merely reiterates the allegations in an earlier pleading is inappropriate under Rule 26 of the Rules of Court, which as a mode of discovery, contemplates of interrogatories that would clarify and tend to shed light on the truth or falsity of the allegations in the pleading.²³ Rule 26 does not refer to a mere reiteration of what has already been alleged in the pleadings.²⁴ Nonetheless, consistent with the abovementioned Rule, the party being requested should file an objection to the effect that the request for admission is improper and that there is no longer any need to deny anew the allegations contained therein considering that these matters have already been previously denied.

The foregoing notwithstanding, the Court finds that the CA was correct in sustaining the summary judgment rendered by the RTC.

Sections 1 and 3, Rule 35 of the Rules of Court provide as follows:

Section 1. *Summary judgment for claimant.* – A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory relief may, at any time after the pleading in answer thereto has been served, move with supporting affidavits, depositions or admissions for a summary judgment in his favor upon all or any part thereof.

Section 3. *Motion and proceedings thereon.* – The motion shall be served at least ten (10) days before the time specified for the hearing. The adverse party may serve opposing affidavits, depositions, or admissions at least three (3) days before the hearing. After the hearing, the judgment sought shall be rendered forthwith if the pleadings, supporting affidavits,

²² See *Limos v. Odonez*, G.R. No. 186979, August 11, 2010, 628 SCRA 288, 298.

²³ *Development Bank of the Philippines v. Court of Appeals*, G.R. No. 153034, September 20, 2005, 470 SCRA 317, 323-324.

²⁴ *Id.* Note that the subject Request for Admission was filed on March 8, 1996, prior to the amendment of the Rules of Court which took effect on July 1, 1997.

depositions, and admissions on file, show that, except as to the amount of damages, there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.

Summary judgment is a procedural device resorted to in order to avoid long drawn out litigations and useless delays.²⁵ Such judgment is generally based on the facts proven summarily by affidavits, depositions, pleadings, or admissions of the parties.²⁶

In this respect, the Court's ruling in *Nocom v. Camerino*,²⁷ is instructive, to wit:

x x x When the pleadings on file show that there are no genuine issues of fact to be tried, the Rules of Court allow a party to obtain immediate relief by way of summary judgment, that is, when the facts are not in dispute, the court is allowed to decide the case summarily by applying the law to the material facts. Conversely, where the pleadings tender a genuine issue, summary judgment is not proper. A "genuine issue" is such issue of fact which requires the presentation of evidence as distinguished from a sham, fictitious, contrived or false claim. Section 3 of [Rule 35 of the Rules of Court] provides two (2) requisites for summary judgment to be proper: (1) there must be no genuine issue as to any material fact, except for the amount of damages; and (2) the party presenting the motion for summary judgment must be entitled to a judgment as a matter of law. A summary judgment is permitted only if there is no genuine issue as to any material fact and a moving party is entitled to a judgment as a matter of law. A summary judgment is proper if, while the pleadings on their face appear to raise issues, the affidavits, depositions, and admissions presented by the moving party show that such issues are not genuine.²⁸

In the present case, it bears to note that in its original Complaint, as well as in its Amended Complaint, respondent did not allege as to how petitioners' partial payments of ₱110,301.80 and ₱20,000.00 were applied to the latter's obligations. In fact, there is no allegation or admission whatsoever in the said Complaint and Amended Complaint that such partial payments were made. Petitioners, on the other hand, were consistent in raising their affirmative defense of partial payment in their Answer to the

²⁵ *Maritime Industry Authority (MARINA) v. Marc Properties Corporation*, G.R. No. 173128, February 15, 2012.

²⁶ *Gubat v. National Power Corporation*, G.R. No. 167415, February 26, 2010, 613 SCRA 742, 756.

²⁷ G.R. No. 182984, February 10, 2009, 578 SCRA 390.

²⁸ *Id.* at 409-410.

Complaint and Answer to Amended Complaint. Having pleaded a valid defense, petitioners, at this point, were deemed to have raised genuine issues of fact.

The situation became different, however, when respondent subsequently filed its Second Amended Complaint admitting therein that petitioners, indeed, made partial payments of ₱110,301.80 and ₱20,000.00. Nonetheless, respondent accounted for such payments by alleging that these were applied to petitioners' obligations which are separate and distinct from the sum of ₱259,809.50 being sought in the complaint. This allegation was not refuted by petitioners in their Answer to Second Amended Complaint. Rather, they simply insisted on their defense of partial payment while claiming lack of knowledge or information to form a belief as to the truth of respondent's allegation that they still owe the amount of ₱259,809.50 despite their payments of ₱110,301.80 and ₱20,000.00. It is settled that the rule authorizing an answer to the effect that the defendant has no knowledge or information sufficient to form a belief as to the truth of an averment and giving such answer the effect of a denial, does not apply where the fact as to which want of knowledge is asserted, is so plainly and necessarily within the defendant's knowledge that his averment of ignorance must be palpably untrue.²⁹ In the instant case, it is difficult to believe that petitioners do not know how their payment was applied. Instead of denying knowledge, petitioners could have easily asserted that their payments of ₱110,301.80 and ₱20,000.00 were applied to, and should have been deducted from, the sum sought to be recovered by respondent, but they did not, leading the court to no other conclusion than that these payments were indeed applied to their other debts to respondent leaving an outstanding obligation of ₱259,809.50.

On the basis of the foregoing, petitioners' defense of partial payment in their Answer to Second Amended Complaint, in effect, no longer raised

²⁹ *Philippine Bank of Communications v. Go*, G.R. No. 175514, February 14, 2011, 693 SCRA 642, 717.

genuine issues of fact that require presentation of evidence in a full-blown trial. Hence, the summary judgment of the RTC in favor of respondent is proper.

WHEREFORE, the instant petition is **DENIED**. The assailed Decision and Resolution of the Court of Appeals are **AFFIRMED**.

SO ORDERED.



DIOSDADO M. PERALTA
Associate Justice

WE CONCUR:



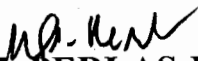
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



ROBERTO A. ABAD
Associate Justice



JOSE CATRAL MENDOZA
Associate Justice



ESTELA M. BERLAS-BERNABE
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

A handwritten signature in black ink, appearing to read "Antonio Carpio". The signature is fluid and cursive, with a large initial "A" and "C".

ANTONIO T. CARPIO
Senior Associate Justice
(Per Section 12, R.A. 296,
The Judiciary Act of 1948, as amended)