

FIRST DIVISION

[G.R. NO. 152922, July 12, 2006]

**DAKILA TRADING CORPORATION, PETITIONER, VS.
PROFESSIONAL SERVICES, INC., RESPONDENT.**

DECISION

CHICO-NAZARIO, J.:

Before Us is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Civil Procedure assailing the Decision^[1] of the Court of Appeals dated 26 March 2002, in CA-GR CV No. 41927, which reversed the Decision^[2] of the Regional Trial Court (RTC) of Manila, Branch 16, dated 29 December 1992, in Civil Case No. 92-60101, ordering herein respondent to pay herein petitioner the amount of P1,684,219.82, with 12% interest from the date of the filing of the complaint on 6 February 1992, until fully paid.

Petitioner is a duly organized domestic corporation engaged in the sale and lease of laboratory instrumentation, process control instrumentation, and the trade of laboratory chemicals and supplies. Respondent is also a duly organized domestic corporation which owns and operates the Medical City General Hospital.

On 24 July 1989, both parties entered into a Lease-Purchase Agreement over a laboratory equipment known as the "TECHNICON RA 1000 Chemistry Analyzer with Data Manager and Start-up Kit." Under the said Agreement:

2.1 For a period of two (2) years from date of signing hereof or from September 1, 1989 to September 1, 1991, whichever comes earlier, DAKILA shall make available for MEDICAL CITY's use the TECHNICON RA 1000 at the latter's address.

2.2 DAKILA shall provide MEDICAL CITY with consumables free of charge for two (2) years, provided, that reagent trays and sample cuvettes, reaction trays, and pump tubes must be reused for a minimum of fifty (50) times.

2.3 The consideration for the lease of the TECHNICON RA 1000 shall depend on the number of tests that MEDICAL CITY will perform using the equipment, which in no case shall be less than ONE HUNDRED FIFTY (150) per day – and based on the following rates:

- a. 150 – 200 tests/day = P26.00/test
- b. 201 – 250 tests/day = 24.00/test
- c. 251 and above/day = 22.00/test

x x x x

2.5 Ownership – The TECHNICON RA 1000 shall remain the property of DAKILA during the entire duration of this contract. At the end of the two (2) year period however, ownership over the equipment shall be transferred by DAKILA to MEDICAL CITY upon the latter's payment of all accounts by virtue of this contract.^[3]

Several months after the execution of said Agreement, petitioner averred that after reviewing its records, petitioner discovered that respondent had failed to report a great number of tests conducted on the leased equipment, in excess of the 150 minimum tests that it had been paying petitioner, based on the amount of reagents ordered by respondent, for use in the operation of the "TECHNICON RA 1000." Petitioner alleged that as of November 1991, the value of the unreported excess tests made by respondent amounted to P2.8 million pesos.

After a series of correspondence between the parties regarding the alleged unreported tests, petitioner, through its General Manager Richard Tee, reduced its claim to P1,684,219.82, in consideration of the assertion of respondent that petitioner failed to take into account allowances for the use of reagents for quality control and calibration tests which form part of standard laboratory procedures.

Despite the reduction of the amount demanded by petitioner, respondent maintained that it had not conducted the alleged excess tests and is therefore not liable to petitioner for any amount beyond the minimum number of tests to be paid under the contract. Thus, petitioner instituted an action for collection of sum of money and damages against respondent before the RTC of Manila, Branch 16.

On 29 December 1992, the court a quo rendered a Decision, the dispositive portion of which states:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered:

I. On plaintiff's complaint:

1. Ordering defendant to pay plaintiff the amount of P1,684,219.82 as actual damages representing the value of the unreported tests, with 12% interest from February 6, 1992, the date of the filing of the complaint, until fully paid;
2. Ordering defendant to pay plaintiff the amount of P8,000.00 as attorney's fees; and
3. Ordering defendant to pay costs.

II. On defendant's counterclaims:

1. Upon full payment by the defendant of the amount of P1,684,219.82 plus accrued interest as above adverted to, plaintiff is directed to execute the deed of absolute sale and proper documentations to transfer ownership of the TECHNICON RA 1000 Analyzer with Data Manager to defendant.

2. DISMISSING the other counterclaims of defendant.^[4]

Aggrieved by the Decision of the RTC, respondent filed a Motion for Reconsideration which was subsequently denied by the lower court. Thereafter, respondent filed an appeal before the Court of Appeals.

On 26 March 2002, the appellate court rendered the assailed Decision, reversing the Decision of the RTC and dismissing petitioner's complaint for lack of merit. The Court of Appeals further ordered petitioner to prepare the Deed of Absolute Sale and proper documentation to transfer ownership of the "TECHNICON RA 1000" to respondent.

Hence, the instant Petition.

At the outset, we must first emphasize that this Court is not a trier of facts. This Court, in numerous instances, have had occasion to explain that it is not the function of this Court to analyze or weigh evidence all over again. However, we have also ruled that there are instances when this Court may resolve factual issues, such as: 1) when the findings are grounded entirely on speculation, surmises or conjectures; 2) when the inference made is manifestly mistaken, absurd or impossible; 3) when there is grave abuse of discretion; 4) when the judgment is based on a misapprehension of facts; 5) when the findings of facts are conflicting; 6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; 7) **when the findings are contrary to the trial court;** 8) when the findings are conclusions without citation of specific evidence on which they are based; 9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; 10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or 11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.^[5] Consequently, in order to settle the controversy before us, this Court has decide to review the evidence presented before the trial court.

It is clear from the Lease-Purchase Agreement signed by both parties that the amount to be paid by respondent for the lease of the "TECHNICON RA 1000" shall be based on the number of tests conducted daily by respondent using the said equipment, which in no case shall be less than 150 tests per day. Thus, it is unmistakable that petitioner may validly charge respondent for tests made by the latter in excess of the minimum 150 tests per day. There is no question that respondent had indeed religiously complied with its obligation to pay for the lease of the equipment in the amount corresponding to the minimum 150 tests per day. However, it is the alleged excess tests conducted by respondent, using the "TECHNICON RA 1000," which petitioner now claims respondent must pay in accordance with the Lease-Purchase Agreement.

Petitioner contends that, as evidenced by the delivery receipts signed by respondent's representatives, it had discovered that respondent has ordered an unusually large number of reagents than that which could be expected had respondent only been conducting the minimum number of 150 tests per day. Based