

# FIRST DIVISION

[ G.R. No. 232677, June 08, 2020 ]

**MENANDRO A. SOSMEÑA, PETITIONER. VS. BENIGNO M. BONAFE, JIMMY A. ESCOBAR, JOEL M. GOMEZ, AND HECTOR B. PANGILINAN, RESPONDENTS.**

## DECISION

**LAZARO-JAVIER, J.:**

### The Case

This Petition for Review assails the Decision<sup>[1]</sup> dated June 30, 2017 of the Court of Appeals in CA-G.R. CV No. 104210 entitled "*Benigno M Bonafe, et. al, v. Menandro A. Sosmeña*," affirming the Decision dated April 22, 2014 of the Regional Trial Court, Branch 22, Manila, in Civil Case No. 02-104536 ordering petitioner Menandro Sosmeña to pay respondents Benigno Bonafe, Jimmy Escobar, Joel Gomez and Hector Pangilinan P200,000.00 as moral damages, P50,000.00 as exemplary damages, and P25,000.00 as attorney's fees, for malicious prosecution.

### Proceedings before the Trial Court

Respondents sued<sup>[2]</sup> petitioner for malicious prosecution seeking the payment of damages.

The facts established after trial are as follows:

Petitioner is the managing director of Expo Logistics Philippines, Inc. ("Expo Logistics"), a freight forwarding company doing business in the Philippines. It is the local partner of Plettac Roeder Asia Pte Ltd. ("Plettac"), a Singaporean company engaged in providing pavilion hall tents for holding exhibitions and other events in the Philippines.<sup>[3]</sup>

Respondent Benigno Bonafe ("Benigno") was engaged by petitioner as Air Conditioning Assistant sometime in January 2001. His services were required for installing and maintaining air conditioning units for the pavilion hall tents provided by Expo Logistics and Plettac.

Respondents Jimmy Escobar ("Jimmy") and Joel Gomez ("Joel") were hired as petitioner's assistants and respondent Hector Pangilinan ("Hector") was the lead carpenter, all at Expo Logistics. Pangilinan resigned in April 2001.<sup>[4]</sup>

Respondents lived in the same area and were almost always together at work. They developed a camaraderie that made them close to each other.

Meantime, petitioner's foreign business partner, a certain Abdul Majid Sattar

("Abdul"), became suspicious of petitioner. Abdul thought that petitioner had been erecting tent pavilion halls in local markets without reporting the transactions to him. Abdul approached Benigno and asked him to spy for him against petitioner. Benigno agreed and accepted Abdul's proposal.<sup>[5]</sup>

Not long after, petitioner discovered that he was being surveilled by Benigno. They had a falling out. The relationship between petitioner and Jimmy and Joel also got strained. Petitioner maneuvered to ruin Benigno's efficiency and camaraderie with Jimmy and Joel. Petitioner blamed Benigno for problems arising at the work place.<sup>[6]</sup>

Benigno resigned from Expo Logistics in September 2001. He felt that his working conditions had become hostile. Jimmy and Joel followed suit in October 2001.

On February 4, 2002, petitioner filed criminal cases against Benigno, Jimmy, Joel and Hector with the Office of the City Prosecutor in Pasay City. He accused them of conspiring with one another to commit malicious mischief when they allegedly cut-off the cable wires of five (5) air conditioning units in the evening of October 8, 2001, and thereafter, deliberately concealing them to damage petitioner's business to the tune of P30 million, which however did not happen as the cables were located in time for the event. These air conditioning units were installed at a tent pavilion hall for an exhibit by the Philippine government.

Petitioner also charged Benigno separately for allegedly absconding with P29,000.00 cash, and Jimmy and Joel with theft of materials of an undetermined value and P2,000.00 cash.<sup>[7]</sup>

On May 10, 2002, 3<sup>rd</sup> Assistant City Prosecutor Manuel Ortega dismissed the complaints for insufficiency of evidence. He also concluded that the charges were motivated by petitioner's grudge with each of respondents and that he filed the complaints just to prejudice them.<sup>[8]</sup>

In their civil complaint for malicious prosecution, respondents claimed that petitioner's initiation of the criminal complaints caused them to suffer damages as they were forced to hire lawyers and plead with a witness to testify on their behalf. They allegedly suffered anguish, mental torture and public ridicule. For one, Benigno received the subpoena at his work place which led his employer to halt his employment so he could attend to the complaints against him. He demanded P400,000.00 as moral damages. Respondents also assailed petitioner for violating Article 19 of the Civil Code,<sup>[9]</sup> and demanded that he pay exemplary damages of not less than P100,000.00 and P100,000.00 as attorney's fees.<sup>[10]</sup>

Petitioner defended himself by claiming good faith when he filed the criminal complaints against respondents.<sup>[11]</sup> He said he did not appeal the dismissal of the criminal complaints as he was then busy with his business engagements. He prayed for attorney's fees against respondents.

### **Ruling of the Trial Court**

In its assailed Decision,<sup>[12]</sup> the trial court found petitioner to have violated Article 19

of the Civil Code and awarded respondents moral damages, exemplary damages, and attorney's fees. It ruled:

**The plaintiffs, on the other hand, were able to establish that it could not have been possible for them to commit the imputed crimes, both during the investigation by the Prosecutor and during the trial of this case.** No hint of inconsistency was ever found in their statements and testimonies. They have been consistent in their respective stories to the letter. **This only leads to one conclusion, that is, that they are telling the truth.**

Defendant, and his witnesses, presented testimonies which are contrary to each other. Defendant Sosmeña testified that the Plaintiffs are the employees of Plettac Roeder, not Expo Logistics, while Majid Sattar testified that the Plaintiffs are employees of Defendant in Expo Logistics. The Defendant testified that he was frustrated with the recommendation of the police as to the crime that can be charged, yet **it took him almost four months to file the cases against Plaintiffs with additional charges at that.** He also testified that **he knew that Resolutions of dismissal by the Prosecutors are not final and that it may be re-filed at another time**, as one of the reasons, for failure to take recourse against the adverse Resolution, the other being that he was too busy to take care of it. **Yet, to date, no such re-filing was ever made by the said Defendant against the Plaintiffs.** The inconsistencies found in the different testimonies, if considered individually, are unsubstantial, but taken collectively show a pattern, that is of lies and fabrication. Fact is **he had his opportunity to prove his charges against the Plaintiffs with the Pasay Prosecutor's Office, but he blew it there.** Now he is trying to prove those very same charges in the present case. His explanation that the case was tried long after the occurrence of the incident because he was too busy at that time is simply unacceptable. He also used this excuse in failing to file a reply or even to re-file the case as he allegedly intended to do. He even alleged that **he consulted a lawyer prior to filing the case against the Plaintiffs, yet he did not make it credible enough to provide the name of the lawyer whom he consulted.**

The Court finds from the evidence that indeed, malice attended the filing of the criminal case against the Plaintiffs. This constitutes a violation of one of the most basic precepts of civil law. Article 19 of the Civil Code provides that "Every person must in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due and observe honesty and good faith." It was also said that the "Statutory basis for an action for moral damages, due to malicious prosecution can be found in Articles 19, 2176 and 2219 of the Civil Code" (\*Madera vs. Heirs of Salvador Lopez, G.R. No. 37105, February 10, 1981). Indeed, the malicious prosecution gives right to an action for moral damages, herein Plaintiffs having established that the filing of the case was attended by bad faith on the part of the Defendant. Since the Plaintiffs were able to establish that they are entitled to Moral Damages, Article 2234 justifies the award of exemplary damages. The award of attorney's fees is also proper under the circumstances pursuant to Article 2208 (1)

tempered pursuant to the principle of *quantum meruit*.<sup>[13]</sup> (Emphasis supplied)

The dispositive portion of the trial court's Decision read:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs and against the defendant ordering the latter to pay:

1. Moral Damages in the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00);
2. Exemplary damages in the amount of FIFTY THOUSAND PESOS (P50,000.00);
3. Attorney's Fees in the amount of TWENTY-FIVE THOUSAND PESOS (P25,000.00) SO ORDERED.<sup>[14]</sup>

### **Proceedings before the Court of Appeals**

On appeal, petitioner argued he could not be guilty of malicious prosecution because the element that "*the criminal action ended in plaintiff's acquittal*" is missing. Since the criminal complaints were dismissed during the preliminary investigation stage, there was no acquittal to speak of. He argued that the mere act of submitting a criminal complaint to the authorities does not make a person automatically liable for malicious prosecution. Resort to judicial processes is not itself evidence of ill will.<sup>[15]</sup> He insisted that there was probable cause for malicious mischief and theft against respondents.

Benigno countered that all the elements of malicious prosecution were present. Petitioner had instigated a criminal complaint against respondents. The subsequent dismissal of the complaints sufficiently satisfied the element of "*the criminal action ended in plaintiff's acquittal*." He echoed the prosecutor's finding of absence of probable cause for malicious mischief and theft. He stressed that petitioner had been prompted by a sinister design to vex and humiliate him and the other respondents.<sup>[16]</sup>

The Court of Appeals dismissed the appeal and affirmed the assailed trial court Decision. The Court of Appeals Decision held that there was sufficient evidence to show that petitioner was motivated by malice in initiating the complaints below against respondents, thus:

There is no question that the resolution of the case hinges on the question of whether Menandro is guilty of malice and bad faith in instituting the malicious mischief case, if it is not so, then there is no ground to hold it liable for malicious prosecution. It is evident in this case that bad faith attended the filing of the malicious mischief case against the plaintiffs. Jesus Limbo, the security guard in charge of the [of] PTC Grounds who was presented by Menandro as witness, attested that the alleged incident that led to Menandro's filing of malicious mischief case indeed took place and the plaintiffs were in fact the ones responsible for the acts. Suspiciously, however, the disturbance was not recorded in the Security Guard's Log Book raising doubt on the credibility of the witness.

What **further militates against the claim of Menandro** that his action was not motivated by sinister design to vex plaintiffs, but only by a well-founded anxiety to protect his rights, was the uncontroverted fact that it took him three months before initiating the action. If in fact the acts committed by plaintiffs, if not timely averted, would have caused damage to the company amounting to millions of pesos, logic dictates that Menandro, as the Managing Director, would have lost no time in prosecuting the action to vindicate its rights and to prevent similar occurrence in the future. Unfortunately, however, he dragged the filing of the case which was suggestive of the existence of legal malice.<sup>[17]</sup> (Emphasis supplied)

### **The Present Petition**

Petitioner now invokes this Court's discretionary review jurisdiction to reverse and set aside the Court of Appeals' dispositions. He reiterates his arguments that he is not guilty of malicious prosecution because there was probable cause that respondents committed the crime of malicious mischief and Benigno perpetrated theft, and he was not motivated by malice or bad faith when he initiated the criminal complaints against respondents.<sup>[18]</sup>

Benigno ripostes that petitioner was unable to establish probable cause to support the charge of malicious mischief and theft against him and the other respondents. The Court of Appeals' assessment of credibility of the witnesses should be respected and its factual findings should be affirmed as they are supported by the trial record.<sup>[19]</sup>

### **Issue**

Upon the facts established in the case at bar, did petitioner act without probable cause and was he motivated by malice and bad faith in initiating the criminal complaints against respondents, and therefore, is guilty of malicious prosecution?

### **Ruling**

For purposes of resolving this petition for review on *certiorari*, we have to be mindful of the facts established below. This is because under Section 1, Rule 45, petitions of this kind shall raise only questions of law.<sup>[20]</sup> The factual findings are binding upon us and only questions of law, and only from the Court of Appeals' disposition,<sup>[21]</sup> may be litigated once again.<sup>[22]</sup> The Court is not obliged to weigh the evidence once again.<sup>[23]</sup> While jurisprudence has laid down exceptions to this rule, any of these exceptions must be alleged, substantiated, and proved by the parties so the Court may in its discretion evaluate and review the facts of the case.<sup>[24]</sup>

Here, petitioner does not invoke any of the exceptions. We therefore resolve this petition in accordance with the general rule.

The investigating prosecutor, the trial court, and the Court of Appeals have similarly arrived at the following facts: