

THIRD DIVISION

[G.R. No. 165377, February 16, 2010]

**LOLITA REYES DOING BUSINESS UNDER THE NAME AND STYLE,
SOLID BROTHERS WEST MARKETING, PETITIONER, VS. CENTURY
CANNING CORPORATION, RESPONDENT.**

D E C I S I O N

PERALTA, J.:

Before us is a Petition for Review on *Certiorari* seeking the reversal of the Decision^[1] dated September 16, 2004 of the Court of Appeals (CA) in CA-G.R. CV No. 67975, which reversed and set aside the Decision^[2] of the Regional Trial Court (RTC), Branch 267, Pasig City, in Civil Case No. 66863.

The antecedent facts as found by the Court of Appeals are as follows:

Plaintiff corporation, Century Canning Corporation, is engaged in the business of manufacturing, processing, and distribution of canned goods, particularly, Century Tuna. Defendant Lolita Reyes is a businesswoman doing business under the name and style Solid Brothers West Marketing.

The facts as gathered by the Court a quo are as follows:

In the subject case, Plaintiff Century Canning Corporation tried to establish the fact that defendant Lolita Reyes had applied for and was granted "credit line" from the former thereby allowing the latter to allegedly obtain and secure Century tuna canned goods. And when the defendant's obligation to pay became due and demandable, the same failed to pay as she refused to pay her unsettled accounts in the total amount of P787,191.27. However, due to the constant and diligent efforts exerted by the representatives of the plaintiff to collect the alleged unpaid obligations of the defendant, the latter returned some unsold Century tuna canned goods, the value of which at P323,697.64 was deducted from the principal obligation thereby leaving the amount of P463,493.63 as the unsettled account of defendant Reyes. That because of the refusal of the defendant to satisfactorily and completely settle her unpaid account, the plaintiff was constrained to refer the matter to its legal counsel, who consequently sent a demand letter, and accordingly filed the instant case in Court after the defendant failed to comply and satisfy the demand letter to pay.

In her Answer with Compulsory Counterclaim, defendant averred that she has no transaction with the plaintiff for the purchase of the alleged canned goods in question, inasmuch as she is not engaged in the canned

goods business but in auto airconditioning, parts and car accessories in Banaue, Quezon City.^[3]

Trial thereafter ensued.

On April 28, 2000, the RTC rendered its decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the instant complaint is hereby ordered DISMISSED. The prayer for counterclaim of defendant in the form of moral damages, exemplary damages, and attorney's fees is hereby granted.

Accordingly, let judgment be rendered in favor of defendant's counterclaim, and plaintiff Century Canning Corporation is directed to pay defendant Lolita Reyes moral damages in the amount of P50,000.00, exemplary damages in the amount of P25, 000.00 and attorney's fees in the amount of P20,000.00 as well as to pay the costs of the suit.^[4]

SO ORDERED.

In so ruling, the RTC found that respondent failed to substantiate its allegations that petitioner is liable to pay a certain sum of money. It based its conclusion on the fact that petitioner's signature in the Credit Application Form submitted by respondent was significantly different from the signature appearing in petitioner's COMELEC voter's identification card (ID) and her Community Tax Certificate (CTC) which she proffered to be her usual, true, and genuine signature. It also found that petitioner's signature did not appear in the five sales invoices presented by respondent where the former acknowledged receipt of the delivered canned good; that there was no explicit authority such as a written document showing the appointment of a certain Oscar Delumen as petitioner's authorized representative to transact business and/or receive canned goods for and on petitioner's behalf; that there was also no showing that respondent requested or asked for Delumen's authority to transact or receive the goods on petitioner's behalf inasmuch as the amount involved was of considerable value. The RTC did not give credence to the testimonial as well as the documentary evidence presented by respondent for being self-serving. It awarded damages to petitioner taking into consideration the mental anguish she suffered by reason of the case and for being forced to litigate to protect her right.

Respondent filed its appeal with the CA. Petitioner filed her appellee's brief, and respondent filed a Reply thereto.

On September 16, 2004, the CA granted the appeal, the dispositive portion of which reads:

WHEREFORE, premises considered, the appeal is hereby GRANTED. The assailed decision of the Regional Trial Court is REVERSED and SET ASIDE

and the defendant-appellee held liable for the amount claimed by the plaintiff-appellant.^[5]

In reversing the RTC, the CA found that the RTC's conclusion that petitioner's signature in the Credit application form was different from her signature in the CTC and voter's ID was contrary to the RTC's observation during the September 9, 1999 hearing, where it made a remark that "as far as the strokes, there seemed to be a similarity, because signatures sometimes differed in size; but as far as the strokes were concerned, they seemed to be the same." The CA found that in the credit application form, where petitioner's certificate of registration of business name was attached, a certain Oscar Delumen represented himself as petitioner's former sales operations manager; that the existence and authenticity of both documents were never refuted by petitioner; that the fact that Delumen was acting for and on petitioner's behalf was not controverted, except by mere denial. The CA noted that in Delumen's Comments on Motion to Cite him in Contempt of Court, he stated that "when he saw on his desk the RTC Order of December 27, 1999, directing him to pay a fine of P1,000.00 as form of wastage fee, he immediately brought the said Order to petitioner and was assured by the latter that she would have her lawyer attend to and take care for him"; that this statement proved that petitioner and Delumen knew each other; and that the RTC should have required Delumen's testimony, as he was a vital witness to the case, but the RTC opted to forego with the same.

The CA gave credence to the respondent's witnesses, who testified that they had previously met with petitioner when they attempted to collect her unpaid accounts; that petitioner even tried to settle her indebtedness through monthly installments until such time that the debt was fully paid; that petitioner even returned some of the goods previously delivered to her to reduce her accountabilities; that the testimonies of these witnesses belied petitioner's defense that she never transacted business with respondent, because, if she did not transact with the latter, she would not have entertained respondent's officers and would not have offered settlement and returned the goods. The CA concluded that the positive declarations of respondent's witnesses could not be overturned by petitioner's general denial that she never transacted business with respondent.

Hence, this petition where petitioner raises the issue that:

THE COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION IN GRANTING RESPONDENT'S APPEAL AND HOLDING PETITIONER LIABLE TO PAY RESPONDENT'S CLAIM.

Petitioner contends that the CA misquoted or misapplied the remarks made by the RTC during the trial of the case, since the observation "as far as the strokes, there seems to be a similarity" refers to that between petitioner's signature appearing in her community tax certificate and the verification in her answer, and not between petitioner's alleged signatures in the credit application form and her community tax certificate and voter's ID. She argues that contrary to the CA finding that she never refuted the existence and authenticity of the credit application form, she categorically denied having executed the same by claiming that the signature

appearing therein was not hers; that she not only denied her signature in the credit application form, but she also presented documents showing her genuine signature. She also claimed that the CA's finding that Delumen was acting on her behalf was not established by competent evidence during the trial of the case, as the only evidence submitted by respondent to prove the authority of Delumen was the credit application form; that said credit application form has no probative value for being self-serving, and its genuineness and authenticity were not established.

Petitioner contended that the Comment on Motion to Cite in Contempt of Court submitted by Delumen, which the CA claimed to have proven the fact that petitioner and Delumen knew each other, was not formally offered as part of respondent's evidence, and Delumen was not even presented during the trial; that the CA erred in concluding that petitioner returned some of the canned goods to respondent, relying on the statement of account which was self-serving, and no copy of the same was sent to the petitioner; and that the statement of account where the amount of P323,697.64 was deducted was merely based on the credit memo, which respondent's witness did not prepare himself. There was no evidence that the goods were received by petitioner, as even the sales invoices did not bear her signatures; and the fact that the goods were received by Delumen because he was petitioner's general manager was not established.

The issue presented before Us is whether the CA correctly found that petitioner was liable to pay respondent's claim. This is a factual issue.

The Court is not a trier of facts, its jurisdiction being limited to reviewing only errors of law that may have been committed by the lower courts.^[6] As a general rule, petitions for review under Rule 45 of the Rules of Civil Procedure filed before this Court may only raise questions of law.^[7] However, jurisprudence has recognized several exceptions to this rule.^[8]

In this case, the factual findings of the Court of Appeals are contrary to those of the RTC; thus, we find it proper to review the evidence.

It is a basic rule in evidence that each party to a case must prove his own affirmative allegations by the degree of evidence required by law.^[9] In civil cases, the party having the burden of proof must establish his case by preponderance of evidence,^[10] or that evidence that is of greater weight or is more convincing than that which is in opposition to it. It does not mean absolute truth; rather, it means that the testimony of one side is more believable than that of the other side, and that the probability of truth is on one side than on the other.

We find no merit in the petition.

The RTC dismissed respondent's complaint, as it found that the signature appearing in the credit application form, alleged to be that of petitioner, was significantly different from the signature in the CTC and voter's ID that petitioner claimed to show her usual and genuine signature. However, the CA found that such conclusion was contrary to the RTC's observation made during the trial, when the latter said that "there seems to be a similarity in strokes because a signature sometimes differs on the size." While the CA's finding on this matter was erroneous, since a reading of the transcript of stenographic notes of the September 9, 1999 hearing,