

## SECOND DIVISION

[ G.R. NO. 153874, March 01, 2007 ]

**TITAN CONSTRUCTION CORPORATION, PETITIONER, VS. UNI-FIELD ENTERPRISES, INC., RESPONDENT.**

### DECISION

**CARPIO, J.:**

#### The Case

This is a petition for review<sup>[1]</sup> of the 7 January 2002 Decision<sup>[2]</sup> and 20 May 2002 Resolution of the Court of Appeals in CA-G.R. CV No. 56816. The Court of Appeals affirmed the 9 September 1997 Decision<sup>[3]</sup> of the Regional Trial Court of Quezon City, Branch 224 (trial court) in Civil Case No. Q-95-24170.

#### The Facts

Petitioner Titan Construction Corporation (petitioner) is engaged in the construction business, while respondent Uni-Field Enterprises, Inc.<sup>[4]</sup> (respondent) is engaged in the business of selling various construction materials.

From 1990 to 1993, petitioner purchased on credit various construction supplies and materials from respondent. Petitioner's purchases amounted to P7,620,433.12 but petitioner was only able to pay P6,215,795.70, leaving a balance of P1,404,637.42. On 19 October 1994, respondent sent a demand letter to petitioner.<sup>[5]</sup> But the balance remained unpaid.

On 26 June 1995, respondent filed with the trial court a complaint for collection of sum of money with damages against petitioner.

In its Answer dated 18 August 1995, petitioner admitted the purchases but disputed the amount claimed by respondent. Petitioner also interposed a counterclaim and sought to recover P204,527.99 from respondent based on damaged vinyl tiles, non-delivery of materials, and advances for utility expenses, dues, and insurance premiums on the condominium unit turned over by petitioner to respondent.

On 9 September 1997, the trial court rendered judgment in favor of respondent. The 9 September 1997 Decision provides:

Accordingly, therefore, judgment is hereby rendered for the plaintiff [respondent] as against the defendant [petitioner] and ordering the latter to pay the plaintiff [respondent] the following:

1. The principal amount of P1,404,114.00;

2. Interest Charges in the amount of P504,114.00 plus accrued interest charges at 24% per annum compounded yearly reckoned from July, 1995 up to the time of full payment;
3. Liquidated Damages in the amount of P324,147.94;
4. Attorney's Fees equivalent to 25% of whatever amount is due and payable and accumulated appearance fees at P1,000.00 per hearing; and
5. Costs of suits.

IT IS SO ORDERED.<sup>[6]</sup>

Petitioner appealed to the Court of Appeals. In its 7 January 2002 Decision, the Court of Appeals denied the appeal for lack of merit and affirmed the trial court's 9 September 1997 Decision.

In its 20 May 2002 Resolution, the Court of Appeals denied petitioner's motion for reconsideration. Hence, this petition.

### **The Ruling of the Court of Appeals**

The 7 January 2002 Decision of the Court of Appeals reads:

A careful reading of the records of the case shows that in the answer to the complaint, the existence of the delivery receipts and invoices were not denied by appellant, rather, it admitted the transactions subject of the instant case. Clearly, if the damages alleged are liquidated or stipulated, they are deemed admitted when not specifically denied.

x x x x

Further, appellant cannot question the interest rate on overdue accounts as the same was provided for in the delivery receipts and sales invoices, which have not been denied by it. Therefore, the terms and conditions therein have become the law between the parties, and both are bound by said conditions. Failure of a party to contest the terms and conditions results in his admission thereof.

Appellant asserts that "nowhere is there any stipulation that plaintiff is entitled to a 24% interest". This is absurd. The Sales Invoices and Delivery Receipts, contained the provision that:

"This invoice is the written contract between Unifield Enterprises, [I]nc. and the above-named customer. This is payable on demand unless otherwise indicated hereinabove. Interest of 24% per annum will be charged on overdue accounts, compounded with the outstanding principal obligation as they accrue. Claims or corrections hereto or in the goods must be communicated in writing to Uni-field Enterprises within two (2) days from receipt of the goods. x x x Should Unifield Enterprises, Inc. be constrained to effect collection through Court action and proceedings before the Fiscalí½s [sic], said customer agrees to pay the following additional sums: (1) 25% liquidated damages based on the outstanding total obligation; (2) 25% attorney's fees based on

the total claim including said liquidated damages; (3) appearance fees of counsel at P500.00 per hearing in addition to all other court costs and expenses. x x x"

It is emphasized that contracts are perfected by mere consent; the stipulations of the contract being the law between the parties, courts have no alternative but to enforce them as they are agreed upon and written, there being no law or public policy against the stipulated provisions.

Verily, this Court finds no reason to go against the findings of the lower court considering that the assailed decision was arrived at "after a careful review and perusal of the evidence presented by both parties in their pleadings filed before the" lower court.<sup>[7]</sup> (Citations omitted)

### **The Issues**

Petitioner raises the following issues:

1. THE COURT OF APPEALS ERRED IN FINDING LEGAL BASIS FOR [AWARDING] LIQUIDATED DAMAGES, ATTORNEY'S FEES AND INTEREST IN FAVOR OF RESPONDENT; and
2. THE COURT OF APPEALS ERRED BY OVERLOOKING CERTAIN FACTS OR CIRCUMSTANCES OF WEIGHT AND INFLUENCE WHICH IF CONSIDERED WOULD ALTER THE RESULTS OF THE CASE.<sup>[8]</sup>

### **The Ruling of the Court**

#### ***Factual Findings of the Trial Court and the Court of Appeals Bind the Court***

Petitioner asks the Court to review the records of the case and re-examine the evidence presented before the trial court and the Court of Appeals.

As a rule, only questions of law may be appealed to the Court by petition for review. The Court is not a trier of facts, its jurisdiction being limited to errors of law.<sup>[9]</sup> Moreover, factual findings of the trial court, particularly when affirmed by the Court of Appeals, are generally binding on this Court.<sup>[10]</sup> In this case, the factual findings of the trial court and the Court of Appeals were based on substantial evidence which were not refuted with contrary proof by petitioner. We thus find no reason to disturb the factual findings of the trial court and the Court of Appeals.

#### ***On the Award of Interests, Liquidated Damages, and Attorney's Fees***

Petitioner insists that the trial court and the Court of Appeals had no legal basis to award interest, liquidated damages, and attorney's fees because the delivery receipts and sales invoices, which served as the basis for the award, were not formally offered as evidence by respondent. Petitioner also alleges that the delivery receipts and sales invoices were in the nature of contracts of adhesion and petitioner had no option but to accept the conditions imposed by respondent.

While the delivery receipts and sales invoices did not form part of respondent's