

## THIRD DIVISION

[ G.R. No. 110495, January 29, 1998 ]

**PRODUCERS BANK OF THE PHILIPPINES, PETITIONER, VS. THE  
HON. COURT OF APPEALS, (TENTH DIVISION), HON. JESUS O.  
IBAY, PRESIDING JUDGE OF BRANCH 30, REGIONAL TRIAL  
COURT OF MANILA, AND STATE INVESTMENT HOUSE, INC.,  
RESPONDENTS.**

### DECISION

**ROMERO, J.:**

This is a petition for review on certiorari of the decision of the Court of Appeals dated April 1, 1993, in CA-G.R. No. SP. No. 25370,<sup>[1]</sup> affirming the order of the Regional Trial Court of Manila, Branch 30, which dismissed the motion to quash interrogatories filed by herein petitioner Producers Bank of the Philippines.

The relevant facts are as follows:

On March 31, 1982, private respondent State Investment House Inc. (SIHI) filed a complaint for sum of money against Producers Bank of the Philippines (PBP) involving two causes of action, namely: (a) for unpaid interest of P500,000.00 on five certificates of time deposit (CTD Nos. 6643, 6644, 6645, 6646, and 6647) issued by PBP; and (b) the principal amount of P2,000,000.00 covered by CTD Nos. 5793 and 5794.<sup>[2]</sup>

While PBP filed its answer as early as June 8, 1982, trial on the merits started only on December 9, 1982, wherein SIHI presented evidence to prove that PBP failed to pay the interest on CTD Nos. 6643, 6644, 6645, 6646, and 6647 and the principal amount of P2 million covered by CTD Nos. 5793 and 5794.

As its defense, PBP presented evidence to prove that it had already paid the interest covered by CTD Nos. 6643, 6644, 6645, 6646, and 6647 to SIHI. With regard to CTD Nos. 5793 and 5794, it claimed that the same were issued, not in the name of SIHI but of a certain Johnny Lu. Moreover, it claimed that payment had already been made, hence, it had no more liability.

On September 4, 1990, SIHI presented its rebuttal evidence when it recalled its first witness, Anthony Oco, an employee of SIHI. Thereafter, it served written interrogatories to PBP wherein it requested answers to the following questions within fifteen days from receipt thereof:

1. Have you filed or instituted any action, whether criminal or civil, against or involving Mr. Johnny Y. Lu?

2. If so, please specify: (i) the nature of the action, (ii) the date such action was commenced, (iii) the court in which such action was or is pending, and (iv) if the action has been settled or completed, the outcome of such action.
3. Did Mr. Johnny Y. Lu have any outstanding obligation to Producers on or about May 31, 1979?
4. If the answer to the previous interrogatory is in the affirmative, please specify: (i) the nature of the obligations; (ii) amount of the obligation; (iii) principal terms and condition of such obligations; (iv) payment made on obligation; and (v) whether Mr.Lu was in default in obligation.
5. Did Mr. Johnny Y. Lu have any outstanding obligation to Producers on 18 June 1979?
6. If the answer to the foregoing interrogatory is in the affirmative, please specify: (i) the nature of the obligation; (ii) amount of the obligation; (iii) principal terms and conditions of such obligation; (iv) payment made on obligation; and (v) whether Mr.Lu was in default in obligation.
7. What document(s), if any, did Mr. Johnny Y. Lu submit to you to enable him to pre-terminate Certificate of Time Deposit Nos. 5793 to 5794 (your Exhibits "1" and "2") you claim you issued in his name. Please describe the documents.
8. Who were your officers who were involved in approving and effecting the pre-termination of CTD Nos. 5793 and 5794 (your Exhibits "1" and "2") issued in the name of Mr. Lu?
9. Did you issue any check, draft or any other instrument of payment of money, to Mr. Johnny Y. Lu upon pre-termination of his CTD Nos. 5793 and 5794 (your Exhibits "1" and "2")? If so, please describe such instrument for the payment of money.
10. Do you know where can we reach or get in in touch with Mr. Johnny Y. Lu? If so, where?
11. Have you ever filed or instituted any action including the filing of a complaint or information with the court against Mr. Salvio Perez who was your former Branch Manager at your Makati Branch, related with the discharge of his duties as officer of Producers?
12. If the answer to the foregoing interrogatory is in the affirmative, please specify: (i) the date such action commenced; (ii) nature of action; (iii) amount involved; (iv) the outcome of such action if already completed.
13. On or about 31 May 1979 what accounts (time deposit, savings, current or any other) did Mr. Johnny Y. Lu have with Producers aside from the time deposit accounts presented (your Exhibits "1" and "2")?
14. What forms or documents, if any, did you require Johnny Y. Lu to accomplish and/or submit to you when he pre-terminated the certificate of time deposit evidenced by your Exhibits "1" and "2"? Please describe these documents."<sup>[3]</sup>

Upon receipt of the interrogatories, PBP filed a motion to quash the same on the ground that they were improper "since the trial was about to be terminated."<sup>[4]</sup> The trial court, however, in an order dated October 8, 1990, denied the motion and admitted the written interrogatories on the ground that they "will help facilitate the early disposition of this case" and "will assist the court in determining the truth, thus, the ends of justice will be subserved."<sup>[5]</sup> The motion for reconsideration filed by PBP was likewise denied.

PBP then filed a special civil action for certiorari and prohibition with preliminary injunction before the Court of Appeals questioning the October 8, 1990, order of the trial court.

The appellate court, citing Section 1, Rule 24 of the Rules of Court,<sup>[6]</sup> dismissed the petition in a decision dated April 1, 1993,<sup>[7]</sup> stating that the Rules do not provide any time frame in the filing of depositions and other modes of discovery. PBP thereafter filed a motion for reconsideration but this was also denied. Hence, this petition.

On August 2, 1993, this Court issued a temporary restraining order enjoining the trial court from conducting further proceedings.<sup>[8]</sup>

Before this Court, PBP raises the central issue of whether the court a quo was correct in allowing the admission of the written interrogatories filed by SIHI at the rebuttal stage of the proceedings.

The petition must be denied.

Section 1, Rule 23 of the 1997 Rules of Civil Procedure, which substantially reproduced Section 1, Rule 24 of the old Rules, provides as follows:

"By leave of court after jurisdiction has been obtained over any defendant or over property which is the subject of the action, or without such leave after an answer has been served, the testimony of any person, whether a party or not, may be taken, at the instance of any party, by depositions upon oral examination or written interrogatories. x x x." (Underscoring supplied)

Admittedly, the aforequoted rule does not provide for any time frame within which modes of discovery (in this case, written interrogatories) can be utilized, other than by stating that the same should be availed of with leave of court after jurisdiction has been obtained over the defendant, or without such leave after an answer has been served.

Since the rules are silent as to the period within which written interrogatories may still be requested, it is necessary for the resolution of this case to determine the purpose of written interrogatories. It is likewise essential to determine whether, based on the stage of the proceedings and evidence presented thus far, allowing written interrogatories to be served is proper and would facilitate the disposition of the case. Additionally, it should be determined whether the trial court's action unduly prejudiced the substantial rights of PBP.