



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

MANUEL ONG,  
*Petitioner,*

G.R. No. 255264

- versus -

SPOUSES ROWELITO and  
AMELITA VILLORENTE,  
*Respondents.*

LEONEN, J., Chairperson,  
LAZARO-JAVIER,  
LOPEZ, M.  
LOPEZ, J., and  
KHO, JR., JJ.

Promulgated:

OCT 10 2022

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DECISION

**KHO, JR., J.:**

Before the Court is a Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court,<sup>2</sup> assailing the Decision<sup>3</sup> dated December 5, 2019 and the Resolution<sup>4</sup> dated January 15, 2021 of the Court of Appeals (CA) in CA-G.R. CV No. 111793, which dismissed the complaint<sup>5</sup> for sum of money with prayer for issuance of writ of preliminary attachment in Civil Case No. Q-04-54398 filed by petitioner Manuel Ong (petitioner) against respondents Spouses Rowelito and Amelita Villoriente (respondents).

<sup>1</sup> Dated February 8, 2021; *rollo*, pp. 3-30.

<sup>2</sup> Entitled "1997 RULES OF CIVIL PROCEDURE, AS AMENDED," (April 8, 1997).

<sup>3</sup> *Rollo*, pp. 35-44. Penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Celia C. Librea-Leagogo and Gabriel T. Robeniol.

<sup>4</sup> *Id.* at 47-48. Penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Nina G. Antonio-Valenzuela and Gabriel T. Robeniol.

<sup>5</sup> *Id.* at 65-69.

### The Facts

This case stemmed from a complaint filed by petitioner against respondents before the Regional Trial Court of Quezon City, Branch 219 (RTC). It was alleged that petitioner was engaged in the business of selling textiles and other clothing materials while respondents were ready-to-wear garments contractors and hat makers. Sometime between the years 1991 to 1993, respondents purchased from petitioner clothing materials amounting to ₱1,500,000.00. As payment thereof, respondents issued the following checks:

Bank/Check No.	Amount
Philippine Commercial International Bank (PCIB)/Check No. 325430 <sup>6</sup>	₱25,000.00
PCIB/Check No. 325427 <sup>7</sup>	₱25,000.00
PCIB/Check No. 325431 <sup>8</sup>	₱25,000.00
PCIB/Check No. 325432 <sup>9</sup>	₱25,000.00
Metrobank/Check No. 059444 <sup>10</sup>	₱25,000.00
Metrobank/Check No. 059445 <sup>11</sup>	₱20,000.00
Metrobank/Check No. 059407 <sup>12</sup>	₱25,000.00
Metrobank/Check No. 059442 <sup>13</sup>	₱25,000.00
Metrobank/Check No. 059443 <sup>14</sup>	₱25,000.00
United Coconut Planters Bank (UCPB)/Check No. 0116291 <sup>15</sup>	₱100,000.00
UCPB/Check No. 0116290 <sup>16</sup>	₱100,000.00
<b>Total</b>	<b>₱420,000.00</b>

However, upon deposit, the checks were dishonored for the reason "Account Closed."<sup>17</sup>

Subsequently, or on July 8, 1997, respondents executed a promissory note<sup>18</sup> in favor of petitioner, wherein they asked the latter to give them: (a) until end of July to study the possible terms of payment for their ₱1,500,000.00 debt; and (b) until December 1997 to pay said obligation.<sup>19</sup>

<sup>6</sup> Id. at 50.

<sup>7</sup> Id. at 51.

<sup>8</sup> Id. at 52.

<sup>9</sup> Id. at 53.

<sup>10</sup> Id. at 54.

<sup>11</sup> Id. at 55.

<sup>12</sup> Id. at 56.

<sup>13</sup> Id. at 57.

<sup>14</sup> Id. at 58.

<sup>15</sup> Id. at 59.

<sup>16</sup> Id. at 60.

<sup>17</sup> Id. at 36.

<sup>18</sup> Id. at 61.

<sup>19</sup> Id.

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However, despite said promises, respondents still failed to settle their obligation. Thereafter, or on April 2, 2001, respondents wrote another promissory note<sup>20</sup> in favor of petitioner, stating that: (a) they will pay him the amount of ₱5,000.00 to ₱10,000.00 a month until the debt is paid; and (b) in case of default, the latter can hold them liable for *estafa*. On May 1, 2001, respondents wrote a letter<sup>21</sup> reiterating their promises based on the April 2, 2001 promissory note. However, respondents still failed to pay their outstanding obligation or to replace the dishonored checks.<sup>22</sup> This prompted petitioner to send a formal demand letter<sup>23</sup> dated March 17, 2004 to respondents, which was left unheeded, which then prompted the filing of the instant complaint against respondents, praying that: (a) a writ of preliminary attachment be issued against them for the satisfaction of the ₱420,000.00 debt from the latter's ₱1,500,000.00; and (b) upon hearing, a decision be made ordering them to pay petitioner the amount of ₱420,000.00 with legal interest of six percent (6%) per annum from March 2004 until full payment, and ₱50,000.00 as attorney's fees and cost of litigation.<sup>24</sup> In his complaint, petitioner revealed that the amount of ₱1,080,000.00 from respondents' ₱1,500,000.00 obligation was the subject of a separate case for violation of Batas Pambansa Bilang 22<sup>25</sup> filed before the Metropolitan Trial Court of Manila, Branch 16 in Criminal Case Nos. 377637-43-CR.<sup>26</sup>

In their defense, respondents denied petitioner's allegations, maintaining that whatever financial obligation they had or may have incurred had already been paid or was being paid. Further, respondents insisted that the complaint stated no cause of action and that the same was barred by statute of limitations and statute of frauds. Lastly, respondents imposed the defense of estoppel and that the court had no jurisdiction over the complaint because they never received the written demand letter.<sup>27</sup>

### The RTC Ruling

In a Decision<sup>28</sup> dated August 20, 2018, the RTC ruled in favor of petitioner, and accordingly, ordered respondents to pay the former the amounts of: (a) ₱420,000.00 plus twelve percent (12%) interest from extra-judicial demand on March 17, 2004 up to October 2013 and six percent (6%) legal interest from October 2013 until fully paid; (b) ₱50,000.00 as attorney's fees; (c) ₱1,000.00 as Sheriff's fees; and (d) ₱1,715.00 as cost of suit.<sup>29</sup>

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<sup>20</sup> Not attached to the *rollo*.

<sup>21</sup> *Rollo*, p. 62.

<sup>22</sup> *Id.* at 36-37.

<sup>23</sup> Not attached to the *rollo*.

<sup>24</sup> *Rollo*, pp. 68-69.

<sup>25</sup> Entitled "AN ACT PENALIZING THE MAKING OR DRAWING AND ISSUANCE OF A CHECK WITHOUT SUFFICIENT FUNDS OR CREDIT AND FOR OTHER PURPOSES," approved on April 3, 1979.

<sup>26</sup> *Rollo*, p. 66.

<sup>27</sup> *Id.* at 37.

<sup>28</sup> *Id.* at 278-293. Penned by Acting Presiding Judge Mitushealla R. Manzanero-Casiño.

<sup>29</sup> *Id.* at 293.

In so ruling, the RTC ruled that petitioner has proven his claim by preponderance of evidence. Respondents committed an act or omission in violation of petitioner's right when they failed to provide payment for the purchase of assorted textiles and clothing materials. Further, respondents failed to provide evidence to support their claim that they have already settled their obligations to petitioner. On the contrary, the sale transaction between petitioner and respondents was supported by the promissory notes signed by respondents.<sup>30</sup>

Dissatisfied, respondents appealed to the CA.

### **The CA Ruling**

In a Decision<sup>31</sup> dated December 5, 2019, the CA reversed and set aside the RTC ruling, and accordingly, dismissed petitioner's complaint for lack of merit.<sup>32</sup>

According to the CA, the complaint failed to establish a *prima facie* case tending to show the existence of a perfected contract of sale. The CA ruled that the dishonored checks are not competent proof to establish the fact that these were issued for payment of the purchases from 1991 to 1993. Likewise, the submitted promissory notes were held insufficient to indicate the specific obligation or transaction which it referred to. As such, petitioner failed to substantiate in his complaint a perfected contract of sale. Without proving the sale transaction, respondents cannot be held liable.<sup>33</sup>

Petitioner moved for reconsideration,<sup>34</sup> which was denied in a Resolution<sup>35</sup> dated January 15, 2021; hence, this petition.<sup>36</sup>

### **The Issue Before the Court**

The essential issue before the Court is whether or not the CA correctly reversed the RTC ruling, and accordingly, ruled that respondents' liability against petitioner was not established.

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<sup>30</sup> Id. at 290–293.

<sup>31</sup> Id. at 35–44.

<sup>32</sup> Id. at 42.

<sup>33</sup> Id. at 39–43.

<sup>34</sup> Not attached to the *rollo*.

<sup>35</sup> *Rollo*, pp. 47–48.

<sup>36</sup> Id. at 3–30.

### The Court's Ruling

The petition is meritorious.

Preliminarily, it must be emphasized that as a general rule, only questions of law may be raised in a petition for review on *certiorari* under Rule 45 of the Rules of Court. The Court is not a trier of facts. Thus, it is not its function to reevaluate the probative value of the evidence of both parties, which were already considered in the proceedings below.<sup>37</sup>

However, jurisprudence has provided certain exceptions to the above general rule, such as when the findings of the RTC on the one hand, and the CA, on the other are conflicting, as in this case. Thus, there is a need to reevaluate the factual issues and to reexamine the questioned findings.<sup>38</sup>

In civil cases, the basic rule is that the party making allegations has the burden of proving them by a preponderance of evidence. In this regard, case law defines preponderance of evidence as the weight, credit, and value of the aggregate evidence on either side and is usually considered to be synonymous with the term “greater weight of evidence” or “greater weight of the credible evidence.” It is a phrase that, in the last analysis, means probability of the truth. “It is evidence that is more convincing to the court as it is worthier of belief, than that which is offered in opposition thereto.”<sup>39</sup>

In the case at bar, petitioner argues that the CA erred in its conclusion and insists that the dishonored checks, promissory notes, and admissions in court are legally sufficient to prove the existence of the sales transaction and consequently sufficient to enforce the payment of debts. Thus, petitioner prays that the Court grants the instant petition and affirm *in toto* the Decision of the RTC dated August 20, 2018.<sup>40</sup>

Respondents, on the other hand, mainly counter that as there is no written contract of sale and that the sale transaction was based on the trust between parties, it is not far-fetched that respondents issued the subject checks as mere guarantee checks and that they have already fully paid petitioner without having the original checks returned to them.<sup>41</sup>

The Court finds that the evidence on record preponderates in petitioner's favor.

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<sup>37</sup> See *KLM Royal Dutch Airlines v. Tiongco*, G.R. No. 212136, October 4, 2021.

<sup>38</sup> See *Teletech Customer Care Management Philippines, Inc. v. Gerona, Jr.*, G.R. No. 219166, November 10, 2021.

<sup>39</sup> See *Tan, Jr. v. Hosana*, 780 Phil. 258, 266 (2016).

<sup>40</sup> *Rollo*, pp. 14–29.

<sup>41</sup> *Id.* at 364–371.

Article 1458 of the Civil Code<sup>42</sup> defines a contract of sale as follows:

Art. 1458. By the contract of sale, one of the contracting parties obligates himself to transfer the ownership of and to deliver a determinate thing, and the other to **pay therefor a price certain in money or its equivalent.** (emphasis supplied)

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In a Contract of Sale, “no particular form is required for its validity. Upon perfection of the contract, the parties may reciprocally demand performance, *i.e.*, the vendee may compel the transfer of ownership of the object of the sale, and the vendor may require the vendee to pay the thing sold.”<sup>43</sup>

Here, the following facts are undisputed: (1) respondents purchased from petitioner assorted textiles and clothing materials; (2) as payment, respondents issued several postdated checks in favor of petitioner; (3) the said checks were dishonored; (4) respondents executed a promissory note acknowledging their debt and committing to settle the same until December 1997; (5) respondents failed to honor the same; (6) respondents again executed another promissory note to settle the debt with staggered payments of ₱5,000.00 to ₱10,000.00 until the same is fully paid; and (7) respondents again failed to settle the same.<sup>44</sup>

The fact that petitioner failed to provide a copy of the contract of sale is of no moment. Verily, petitioner was able to prove the existence of the sale transaction between him and respondents and the latter’s existing obligation to pay, through his presentation of testimonial and documentary evidence, *i.e.*, the subject checks, promissory notes, and the letter dated May 1, 2001. It is worthy to emphasize that the July 8, 1997 promissory note executed by respondents in favor of petitioner and the former’s letter dated May 1, 2001 readily revealed that they acknowledged their debt obligation to the latter, thus:

#### July 8, 1997 Promissory Note

Mr. MANUEL ONG,

PLS. GIVE US UNTIL THIS MONTH OF JULY TO STUDY ON HOW WE CAN PROGRAM ALL THE TERMS OF PAYMENT OF THE 1.5M CHECKS, TO BE ISSUED TO YOU, WE ARE PLS (sic) AND HOPE THAT YOU WILL LET US PAY ALL OF THIS AMOUNT UNTIL DEC. 1997.

<sup>42</sup> Entitled “AN ACT TO ORDAIN AND INSTITUTE THE CIVIL CODE OF THE PHILIPPINES,” approved on June 18, 1949.

<sup>43</sup> See *Ace Foods, Inc. v. Micro Pacific Technologies Co., Ltd.*, 723 Phil. 742, 751 (2013).

<sup>44</sup> *Rollo*, pp. 36–39.

Thank you.

[Rowell Villorente]<sup>45</sup>

**May 1, 2001 Letter**

To: Mr. Manuel Ong,

Kami po ay gumawa ng isang kasulatan na sa amin kakayahan sa paghulog sa amin pagkakautang, ang amin kaya po na maihulog o mabigay sa isang buwan ay hindi baba sa 5,000 hangang 10,000 o higit pa kada buwan depende sa takbo ng Negosyo. Kung kami ay hindi makatupad sa aming pangako or default, kusang loob kami ay pasasakdal sa salang estafa.

(signed)  
[Amelita T. Villorente]<sup>46</sup>

Maraming salamat,

In an attempt to evade liability, respondents contend that: (a) it was their mother who ordered and purchased from petitioners, and hence, she is the one liable for the unpaid obligations to petitioner; and (b) the dishonored checks are not sufficient proof of their liability.

Respondents' contentions are untenable.

As to the first contention, a perusal of respondents' testimony would show that it was respondents' mother who ran and managed their business, it was respondents themselves who ordered the clothing materials from petitioner, and hence, they should be the ones held liable for the payment of any obligation/s arising therefrom.<sup>47</sup> Moreover, it was respondents who executed and signed the two (2) promissory notes and the letter dated May 1, 2001, wherein they acknowledged their obligation with petitioner.

As regards the second contention, case law recognizes that a check constitutes an evidence of indebtedness. It is a veritable proof of an obligation. It can be relied on by its holder as proof of another's personal obligation to him.<sup>48</sup> Additionally, the same is presented and submitted in evidence, a presumption that the credit has not been satisfied arises in his favor.<sup>49</sup> Applying the foregoing in this case, respondents are thus required to overcome the said presumption and present evidence to prove the fact of payment.

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<sup>45</sup> Id. at 61.

<sup>46</sup> Id. at 62.

<sup>47</sup> Id. at 131-147.

<sup>48</sup> See *Ubas, Sr. v. Chan*, 805 Phil. 264, 274 (2017).

<sup>49</sup> See id.

Notably, petitioner, being the holder of the checks, has presented, identified, and authenticated such checks. Petitioner may then rely on the same as proof of respondents' personal obligation to him. On the other hand, respondents failed to refute and deny the authenticity and genuineness of the checks. Further, respondents never denied their signatures provided therein. Respondents asserted that the checks were issued as guarantee checks and were never meant to be deposited. However, they failed to provide a copy of such agreement. Furthermore, even admitting that the checks were issued as guarantee checks, the issuance thereof proves an obligation or existence of a debt that the checks guaranteed. Likewise, the promissory notes provided for signatures of respondents. Respondents, again, failed to deny the same. Given the foregoing, it may be reasonably concluded that aside from mere allegations, respondents failed to provide proof as to their defense of payment. Thus, absent any clear indication that their obligation to petitioner has been paid, the Court finds the same to still be unsettled.

All things considered, the RTC correctly ruled that petitioner has sufficiently, through preponderance of evidence, proven his claim against respondents. Contrary to the findings of the CA, this Court found sufficient basis for petitioner to arrive at the amount of ₱420,000.00 for his total claim originating from several PCIB Checks with Nos. 325430, 325427, 325431, and 325432 in the amount of ₱25,000.00 each, Metrobank Checks with Nos. 059444, 059407, 059442, and 059443 in the amount of ₱25,000.00 each, Metrobank Check No. 059445 amounting to ₱20,000.00, and UCPB Checks with Nos. 0116291 and 0116290, both in the amount of ₱100,000.00. This is part of the ₱1,500,000.00 debt respondents owed to petitioner, considering that a separate criminal case was filed for the remaining ₱1,080,000.00 of the subject obligation. Moreover, petitioner, being the seller and after delivering the purchased textiles and clothing materials, has the right to enforce payment upon respondents, the buyers in this case. Absent any proof of payment, the obligation still stands.

However, there is a need to modify the legal interest imposed by the RTC pursuant to the case of *Nacar v. Gallery Frames*,<sup>50</sup> and considering further that records are bereft of any showing that petitioner and respondents agreed on a stipulated monetary interest. Thus, the principal amount shall earn legal interest at the rate of twelve percent (12%) per annum from the date of extrajudicial demand, or on March 17, 2004, until June 30, 2013, and thereafter, at six percent (6%) per annum from July 1, 2013 until full payment.<sup>51</sup>

Finally, the Court finds that the RTC correctly awarded to petitioner the amount of ₱50,000.00 as attorney's fees, considering that he was compelled

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<sup>50</sup> 716 Phil. 267 (2013).

<sup>51</sup> See *Uysipuo v. RCBC Bankard Services Corporation*, G.R. No. 248898, September 7, 2020.



to litigate to protect his interests.<sup>52</sup> This amount shall likewise earn legal interest at the rate of six percent (6%) per annum from the date of finality of this Decision until full payment.<sup>53</sup>

**ACCORDINGLY**, the instant petition is **GRANTED**. The Decision dated December 5, 2019 and the Resolution dated January 15, 2021 of the Court of Appeals in CA-G.R. CV No. 111793 are hereby **REVERSED** and **SET ASIDE**. The Decision dated August 20, 2018 of the Regional Trial Court of Quezon City, Branch 219 in Civil Case No. Q-04-54398 is **REINSTATED with MODIFICATION** as follows: (a) the amount of ₱420,000.00 representing the principal obligation shall earn legal interest at the rate of twelve percent (12%) per annum from the date of extra-judicial demand, or on March 17, 2004, until June 30, 2013, and six percent (6%) per annum from July 1, 2013 until full payment; and (b) the award of attorney's fees shall earn legal interest at the rate of six percent (6%) per annum from the date of finality of this Decision until full payment. The rest of the Regional Trial Court ruling **STANDS**.

**SO ORDERED.**



**ANTONIO T. KHO, JR.**

Associate Justice

**WE CONCUR:**



**MARVIC M.V.F. LEONEN**

Senior Associate Justice  
Chairperson, Second Division



**AMY C. LAZARO-JAVIER**

Associate Justice



**MARIO W. ECHE**

Associate Justice



**JHOSEP V. LOPEZ**

Associate Justice


<sup>52</sup> See Article 2208 (2) of the Civil Code.

<sup>53</sup> See *Uysipuo v. RCBC Bankard Corporation*, supra note 50.



**A T T E S T A T I O N**

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARVIC M.V.F. LEONEN**  
Senior Associate Justice  
Chairperson, Second Division

**C E R T I F I C A T I O N**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**ALEXANDER G. GESMUNDO**  
Chief Justice