

## FIRST DIVISION

[ G.R. No. 147575, October 22, 2004 ]

**TERESITA B. MENDOZA, PETITIONER, VS. BETH DAVID,  
RESPONDENT.**

### D E C I S I O N

**CARPIO, J.:**

#### The Case

This is a petition for review<sup>[1]</sup> of the Decision<sup>[2]</sup> dated 10 October 2000 and the Resolution dated 20 March 2001 of the Court of Appeals in CA-G.R. SP No. 58087. The Court of Appeals dismissed Teresita B. Mendoza's ("Mendoza") petition for review for being insufficient in form and substance and denied her motion to reconsider the Decision.

#### The Facts

This case<sup>[3]</sup> arose from an action for collection of money with damages that Mendoza filed against Beth David ("David") before the Metropolitan Trial Court of Quezon City ("MTC"), Branch 35.

In her complaint, Mendoza alleged that on 17 February 1997, she ordered three sets of furniture from David worth P185,650 and paid an initial deposit of P40,650. Mendoza and David agreed on the specifications of the dining set, sofa set and tea set including the material and quality. On 18 February 1997, Mendoza cancelled some of the furniture she ordered and David agreed to the cancellation. On 12 April 1997, Mendoza paid an additional deposit of P40,000.

When David delivered the dining set to Mendoza on 17 April 1997, Mendoza rejected the set because of inferior material and poor quality. Mendoza likewise rejected the sala set and the tea set for the same reason. When Mendoza requested a refund of her total deposit of P80,650, David refused. Mendoza then sent David a letter dated 27 May 1997 demanding the refund of her deposit but David ignored the demand letter.<sup>[4]</sup> The parties failed to arrive at an amicable settlement. Thus, Mendoza filed a complaint for collection of money with damages.<sup>[5]</sup>

In her Answer, David admitted that she and Mendoza agreed on the material and quality of the furniture Mendoza ordered since that was the normal practice for "made to order" furniture. David stated that on 17 April 1997, she delivered some of the furniture which was received by Mendoza's father. However, Mendoza could not pay the balance of the price and requested payment on installment which David rejected. As a result of Mendoza's non-payment, David reclaimed the furniture already delivered and informed Mendoza she could get the furniture upon payment of the balance of P105,000. In the meantime, David stored the furniture in her

warehouse. When David received Mendoza's demand letter, she refused to comply with Mendoza's request for a refund of the deposit since all the three sets of furniture Mendoza ordered were already finished and delivered on the agreed date. David only retrieved the furniture due to non-payment of the balance.<sup>[6]</sup>

On 2 August 1999, the MTC dismissed Mendoza's complaint for lack of merit. The MTC held that David is not liable to return the deposit Mendoza paid. The MTC found there was already a perfected contract of sale which imposes reciprocal obligations on the parties. Mendoza is obligated to pay the balance of the purchase price while David is obligated to deliver the three sets of furniture to Mendoza upon payment of the purchase price.

The MTC found no proof of breach of contract on David's part. Mendoza failed to present any evidence that the furniture David delivered to her on 17 April 1997 was not in accordance with the agreed specifications. Besides, the order receipt for the sofa set, tea set and dining set contained no specifications on the required material or the quality of workmanship.

Mendoza appealed to the Regional Trial Court of Quezon City ("RTC"), Branch 105, which modified the decision of the MTC. The dispositive portion of the RTC's decision reads:

WHEREFORE, in the light of the foregoing, the decision appealed from is affirmed with MODIFICATION in that the plaintiff-appellant is ordered to pay to the defendant within sixty (60) days from receipt of this decision the amount of P55,850.00, with legal interest from 17 April 1997 until fully paid; otherwise, the deposit of P80,650.00 will be deemed forfeited and the defendant-appellee shall, thereafter, be authorized to dispose of the subject furniture. Upon timely payment of said obligation by the plaintiff-appellant to the defendant-appellee, the latter is ordered to deliver the subject furniture to the former.<sup>[7]</sup>

The RTC agreed with the MTC that there was a perfected contract of sale. The RTC found that Mendoza failed to present any proof to show that the furniture delivered was not in accordance with the agreed specifications. Applying the doctrine of *caveat emptor*, the RTC held that Mendoza should have specified in writing the details of her order. However, the RTC held that the remaining balance for the furniture ordered was only P55,850 since the total purchase price was reduced to P136,500<sup>[8]</sup> because of the cancelled orders.

Mendoza filed a petition for review with the Court of Appeals. On 10 October 2000, the Court of Appeals dismissed the petition for being insufficient in form and substance. The Court of Appeals held that failure to append the complaint, answer, position papers, memoranda and other evidence is sufficient ground to dismiss the petition, citing Sections 2 and 3, Rule 42 of the 1997 Rules of Civil Procedure. Nevertheless, despite the absence of pleadings and other pertinent documents, the Court of Appeals ruled that there is no basis for Mendoza's claim that the furniture sets did not meet the agreed specifications. Relying merely on the decisions of the MTC and the RTC, the Court of Appeals held that factual findings of the lower courts are entitled to great weight and should not be disturbed except for cogent reasons.

<sup>[9]</sup>

On 6 November 2000, Mendoza filed a motion for reconsideration which the Court of Appeals denied. Hence, the instant petition.

### **The Issues**

Mendoza raises the following issues:

1. Whether the Court of Appeals erred in dismissing the petition for review on the ground that Mendoza failed to attach the required documents to the petition despite subsequent compliance by Mendoza in her motion for reconsideration.
2. Whether the Court of Appeals erred in dismissing the petition despite the fact that the transaction between the parties was one of sale by description or sample.

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

We find the petition partly meritorious. Mendoza substantially complied with the formal requirements when she filed her motion for reconsideration with the Court of Appeals. However, to avoid further delay, the Court will resolve the petition on the merits instead of remanding the case to the Court of Appeals.

### ***Compliance with the Formal Requirements***

The Court of Appeals dismissed the case based on Sections 2 and 3, Rule 42 of the 1997 Rules of Civil Procedure which read:

SEC. 2. *Form and contents.* – The petition shall be filed in seven (7) legible copies, with the original copy intended for the court being indicated as such by the petitioner, and shall (a) state the full names of the parties to the case, without impleading the lower courts or judges thereof either as petitioners or respondents; (b) indicate the specific material dates showing that it was filed on time; (c) set forth concisely a statement of the matters involved, the issues raised, the specification of errors of fact or law, or both, allegedly committed by the Regional Trial Court, and the reasons or arguments relied upon for the allowance of the appeal; (d) be accompanied by clearly legible duplicate originals or true copies of the judgments or final orders of both lower courts, certified correct by the clerk of court of the Regional Trial Court, the requisite number of plain copies thereof and of the pleadings **and other material portions of the record as would support the allegations of the petition.**

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SEC. 3. *Effect of failure to comply with requirements.* – **The failure of the petitioner to comply with any of the foregoing requirements regarding** the payment of the docket and other lawful fees, the deposit for costs, proof of service of the petition, and **the contents of and the documents which should accompany the petition shall be sufficient ground for the dismissal thereof.** (Emphasis supplied)

However, Section 6, Rule 1 of the 1997 Rules of Civil Procedure also provides that rules shall be liberally construed in order to promote their objective of securing a just, speedy and inexpensive disposition of every action and proceeding. Indeed, rules of procedure should be used to promote, not frustrate justice.<sup>[10]</sup> This Court has ruled against the dismissal of appeals based solely on technicalities in several cases, especially when the appellant had substantially complied with the formal requirements.<sup>[11]</sup>

In ***Donato v. Court of Appeals***,<sup>[12]</sup> the Court of Appeals dismissed the petition on two grounds: (a) the certificate of non-forum shopping was signed by petitioner's counsel and not by petitioner himself;<sup>[13]</sup> and (b) only a certified copy of the questioned decision was annexed to the petition leaving out copies of the pleadings and other material portions of the record to support the allegations of the petition. This Court reversed the Court of Appeals' dismissal of the case since in petitioner's motion for reconsideration, he submitted a certificate of non-forum shopping signed by him and attached copies of the pleadings and material portions of the records. This Court considered the subsequent filing of the certification of non-forum shopping duly signed by petitioner himself as substantial compliance which justifies relaxation of the rule. As regards the failure to attach the necessary pleadings and material portions of the records, this Court held:

In like manner, the failure of the petitioner to comply with Section 3, paragraph b, Rule 6 of the RIRCA, that is, to append to his petition copies of the pleadings and other material portions of the records as would support the petition, does not justify the outright dismissal of the petition. It must be emphasized that the RIRCA gives the appellate court a certain leeway to require parties to submit additional documents as may be necessary in the interest of substantial justice. Under Section 3, paragraph d of Rule 3 of the RIRCA, the CA may require the parties to complete the annexes as the court deems necessary, and if the petition is given due course, the CA may require the elevation of a complete record of the case as provided for under Section 3(d)(5) of Rule 6 of the RIRCA. **At any rate, petitioner attached copies of the pleadings and other material portions of the records below with his motion for reconsideration. In *Jaro vs. Court of Appeals*, the Court reiterated the doctrine laid down in *Cusi-Hernandez vs. Diaz* and *Piglas-Kamao vs. National Labor Relations Commission* that subsequent submission of the missing documents with the motion for reconsideration amounts to substantial compliance which calls for the relaxation of the rules of procedure.** xxx (Emphasis supplied)

Similarly, in this case, although Mendoza failed to append the pleadings and pertinent documents in her petition to the Court of Appeals, Mendoza rectified her error by filing a motion for reconsideration and appending the pleadings and documents required by the Court of Appeals. Mendoza appended copies of the following pleadings and documents in her motion for reconsideration:

1. Complaint filed in the MTC (Annex A)
2. David's Answer (Annex B)
3. Pre-Trial Order of the MTC (Annex C)
4. Mendoza's Memorandum filed in the MTC (Annex D)
5. David's Memorandum filed in the MTC (Annex E)

6. Mendoza's Memorandum filed in the RTC (Annex F)
7. David's Comment to the Motion for Reconsideration of Mendoza (Annex G)

The Complaint that Mendoza appended also contained the following annexes: (a) the sales invoice dated 17 February 1997 which indicated the total deposit for the furniture ordered; (b) the letter of Mendoza to David dated 27 May 1997 demanding the return of the P80,650 deposit; and (c) the certification to file action from the Office of the Barangay Captain of Barangay Pasong Tamo, Quezon City.

Instead of denying the Motion for Reconsideration, the Court of Appeals should have ruled on the merits of the case considering that Mendoza already submitted the pleadings and documents required by the Court of Appeals. The rules of procedure are designed to ensure a fair, orderly and expeditious disposition of cases.<sup>[14]</sup> As much as possible, appeals should not be dismissed on a mere technicality in order to afford the litigants the maximum opportunity for the adjudication of their cases on the merits.<sup>[15]</sup>

### ***Reliance on the Factual Findings of the Lower Courts***

Likewise, the Court of Appeals should have refrained from hastily dismissing the petition through the expediency of applying the doctrine that factual findings of the lower courts are entitled to great weight. The doctrine is applicable where there is substantial evidence to support the findings of fact by the lower court as borne by the records of the case.<sup>[16]</sup> In this case, the Court of Appeals admitted that without the pertinent documents and pleadings, it is deprived of a full opportunity to know all the facts and issues involved in the case.<sup>[17]</sup> The doctrine therefore is not applicable considering the absence of the records of the case to determine whether substantial evidence supports the factual findings of the lower court. Instead of relying on the doctrine, the Court of Appeals could have required Mendoza to submit additional documents in accordance with Section 3 (d), Rule 3 of the Revised Internal Rules of the Court of Appeals<sup>[18]</sup> so that it would have a basis for its ruling. Furthermore, the Court of Appeals could order the Clerk of the RTC to elevate the original records of the case for a complete adjudication of the case.<sup>[19]</sup>

### ***Made to Order or Sale by Description or Sample?***

David alleges that the three sets of furniture were "made to order" in accordance with the usual practice of furniture stores. On the other hand, Mendoza insists that the transaction was a sale by sample or description which can be rescinded as provided under Article 1481<sup>[20]</sup> of the Civil Code.

There is a sale by sample when a small quantity is exhibited by the seller as a fair specimen of the bulk, which is not present and there is no opportunity to inspect or examine the same.<sup>[21]</sup> To constitute a sale by sample, it must appear that the parties treated the sample as the standard of quality and that they contracted with reference to the sample with the understanding that the product to be delivered would correspond with the sample.<sup>[22]</sup> In a contract of sale by sample, there is an implied warranty that the goods shall be free from any defect which is not apparent on reasonable examination of the sample and which would render the goods unmerchantable.<sup>[23]</sup>