

FIRST DIVISION

[CA-G.R. SP No. 131893, December 18, 2014]

AMA COMPUTER COLLEGE, INC. PETITIONER, VS. VILLA GAREZA OUTDOOR ADVERTISING, RESPONDENT.

DECISION

BRUSELAS, JR. J.:

Before us is a petition for review under Rule 42 which seeks to reverse and set aside the *Decision*^[1] and *Order*^[2] of Branch 208 of the Regional Trial Court of Mandaluyong City that dismissed the petitioner's appeal and denied its motion for reconsideration, respectively. The dispositive portions of the assailed decision and order read:

"WHEREFORE, there being no reversible error, the decision appealed from is affirmed *in toto*.

SO ORDERED."^[3]

xxx xxx xxx

"After a careful review of the arguments raised by the plaintiff, the Court finds that the same have already been sufficiently discussed and established in the decision subject of the motion and finds therefore that there is no cogent reason or basis to disturb, modify or set aside the same.

From the premises, the Court finds the motion to be without merit, hence, it is DENIED.

SO ORDERED."^[4]

The antecedent facts of the case are as follows:

The instant petition stemmed from a sum of money *Complaint*^[5] filed by the respondent Villa Gareza Outdoor Advertising ("**Villa Gareza**") against the petitioner AMA Computer College ("**AMA**") with the Metropolitan Trial Court (MeTC).

Villa Gareza, represented by its General Manager, Reynaldo S. Gareza, alleged that it was engaged in the production and marketing of outdoor and indoor display of signages. Villa Gareza's services were engaged by AMA for the supply, fabrication and installation of panaflex signages for its Calamba, Pasig, and Las Piñas branches

and for the maintenance and repair of its existing signages at its Makati branch covered by four (4) Purchase Orders. Under the terms of the Purchase Orders, AMA shall pay Villa Gareza fifty percent (50%) of the contract price and the balance shall be paid after the completion of the project. In accordance with AMA's specifications, Villa Gareza supplied, fabricated and installed the signages within the specified time frame. AMA paid the down payments, leaving a balance in the amount of P 251,351.50. Despite demands, however, AMA failed to settle its remaining obligation. Because of the unjustified refusal of AMA to pay its obligation, Villa Gareza was constrained to engage the services of counsel to protect its right for an agreed attorney's fees of P 50,000.00 and to incur litigation expenses and costs of suit.

In its *Answer*,^[6] AMA denied almost all the material allegations in the complaint. It countered that there was in fact "*no delivery*" made by Villa Gareza because it did not accept the signages made by the former for lack of a certificate of completion, as well as other documents that were required in the determination of compliance with the specifications, details and standards of the petitioner. It prayed for the dismissal of the complaint for lack of merit and that Villa Gareza be held liable to pay AMA exemplary damages for filing an unfounded suit, attorney's fees, appearance fees and cost of suit.

During the pre-trial conference, the parties stipulated on the following facts:

1. That AMA issued purchase order numbers 0165, 13090, 13091 and 13094 in favor of Villa Gareza;
2. That AMA partially paid for the purchase orders; and
3. The existence of the demand letter sent by Villa Gareza to AMA, demanding the latter to pay the alleged balance.

During the trial proper, Reynaldo Gareza testified that Villa Gareza was a supplier of panaflex signages of AMA; that AMA engaged its services for the fabrication and installation of panaflex signages in its Calamba, Pasig and Las Piñas branches evidenced by Purchase Order Nos. 13090, 13091 and 13094, in the amounts of P 140,000.00, P 140,000.00 and P 190,000, respectively; that the maintenance and repair of an existing signage in its Makati branch was evidenced by Purchase Order No. 0165 in the amount of P 16,351.50; that upon the receipt of the agreed upon down payments, they proceeded with the construction and installation of signages; that after the installation, Villa Gareza sent the billings to AMA; that he did not receive any complaint with regard to any defect or problem with the products; that after delivery, they negotiated for the release of the balance of their billing; that AMA's representative by the name of Mr. Patrick made several promises to pay, but three (3) years had passed without the request being paid; that a demand letter was sent to the Finance Department of AMA and received by a certain Alma Sicam but it was ignored; that a counsel of AMA's legal department negotiated with them and proposed for a staggered payment of the balance and was merely awaiting the approval of their President; that Villa Gareza did not have a contract with AMA for the fabrication of the signages; that the transactions were done through the issuance of purchase orders to the supplier; that a contract is not necessary because a quotation was issued; that the practice was once the quotation was

received, Villa Gareza would then issue the purchase order to proceed with the fabrication; that the 50% down payment was paid one time by AMA; and that the installed signages were still existing until the time of his giving of the testimony.

Jerry Vallera, the Graphic Installer of Villa Gareza, testified that he was one of the employees who installed the signages at AMA's Pasig, Las Piñas and Calamba branches, respectively; that he still saw the signages up to the time he testified because he would always pass by those areas; and that after they completed the installations, they informed Reynaldo Gareza for the turnover of the project to AMA.

AMA, on the other hand, presented its Marketing Director, Ferdinand Sia who testified that the purchase orders for their projects in Pasig, Calamba, Las Piñas and Makati branches lacked the necessary documents – letter of coordination, letter of turnover and completion report – needed to be submitted for proper implementation and payments; that the letter of coordination is needed for proper coordination of their department with the supplier; that the letter of turnover was the formal notice that the project was completed and to check if the project has been accomplished; that the letter of completion was a certification from the supplier that it complied with the requirements stated in the purchase order; that the documents were not attached to the record because the supplier did not submit them; that there was also no record on file with regard to any communication coming from AMA; that in their transaction with Villa Gareza, there was no formal contract, only a purchase order; and that the quotation with *conforme* was accepted as a document for the purchase order.

After the presentation of the parties' respective witnesses, and admission of formal offer of evidence of AMA, the case was submitted for resolution. The MeTC then rendered a decision in favor of Villa Gareza. It held:

“WHEREFORE, premises considered, judgment is hereby rendered ordering the defendant to pay the plaintiff:

1. the amount of Two Hundred Fifty One Thousand Three Hundred Fifty One and 50/100 (P 251,351.50) Pesos representing defendant's remaining obligation plus 12% percent interest per annum from the filing of the complaint on 24 July 2002 until fully paid;
2. the amount of P 10,000.00 as attorney's fees; and
3. the cost of suit.

SO ORDERED.”

AMA moved for the reconsideration of the decision but it was denied by the MeTC.

AMA consequently appealed to the RTC *a quo* but the latter court, via the assailed decision, sustained the MeTC's decision. AMA moved for reconsideration but it was denied via the assailed *order*.

Hence, the instant petition.

AMA's petition herein, however, was earlier denied due course and dismissed *via* Our Resolution^[7] dated 08 October 2013 for its failure to: 1) indicate the date when the assailed resolution of the motion for reconsideration before the RTC was received; and 2) append a certified true copy of the decision or order of the RTC and a certified true copy of the decision or order of the MeTC as well as other relevant documents for review.

Upon AMA's *Motion for Reconsideration*,^[8] certified true xerox copies of the assailed decision and order as well as the MeTC's decision were attached. The case was then referred to the Philippine Mediation Center- CA unit, for mediation proceedings but Villa Gareza's non-compliance with the 06 June 2014 resolution was deemed as a refusal to have the case mediated. Hence, the parties were directed to file simultaneous memoranda within twenty (20) days from notice.

AMA assigns as lone error to support its petition:

"THE HONORABLE REGIONAL TRIAL COURT ERRED IN HOLDING THAT PETITIONER IS LIABLE TO PAY RESPONDENT ITS MONEY CLAIMS NOTWITHSTANDING THE LATTER'S NON-COMPLIANCE WITH THE REQUIREMENTS CONSTITUTING 'COMPLETE' DELIVERY."

We find the Petition to be without merit.

AMA asserts that the records of the case show that Villa Gareza failed to make complete delivery of its obligations. It asks the Court to take a second look at the documentary and testimonial evidence presented by Villa Gareza to show the apparent failure of the latter to establish its cause by the quantum of proof required by law. AMA claims that Villa Gareza's stance, to the effect that AMA refused to pay the obligation in bad faith, was without basis because there was no document that would show that indeed the signages covered by the claim were delivered; and neither was there proof that the same was accepted by AMA, assuming that there was delivery, which will call for the payment of the obligation.

AMA insists that there was no written contract between the parties, other than the purchase orders issued; and that even assuming *arguendo* that the purchase orders were the standing contracts between the parties, it was Villa Gareza who breached the same on account of its failure to comply with the provisions as indicated in the purchase orders; that Villa Gareza be made to comply with its obligation under the Purchase Orders, particularly the submission of original copies of the purchase orders, supplier's invoice and the receiving report from the purchaser's campus/warehouse; and that it is only after the showing of complete delivery of all items within the specified period of time of six months from the date of the purchase orders that the terms of payment shall take effect; that the alleged delivery of the items, or the acceptance by AMA thereof, were never proven during trial; that the photographs which were used as evidence by Villa Gareza do not serve as proof that the signages were delivered and installed by Villa Gareza; and while it may have been affirmed during trial that there were existing signages in the campuses, it was not established as to who actually caused the delivery and installation or whether delivery was done within the specified period.