

SUPREME COURT OF THE PHILIPPINES
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Third Division

JUL 19 2019

Republic of the Philippines
Supreme Court
Baguio City

THIRD DIVISION

MICHAEL C. GUY,
Plaintiff-Appellee,

G.R. No. 213023

Present:

-versus-

PERALTA, *J.*, Chairperson,
LEONEN,
REYES, A.B., JR.,
HERNANDO, and
CARANDANG,* *JJ*

**RAFFY TULFO, ALLEN
MACASAET, NICOLAS V.
QUIJANO, JR., JANET BAY, JESUS
P. GALANG, RANDY HAGOS,
JEANY LACORTE, and VENUS
TANDOC,**
Accused-Appellant.

Promulgated:
April 10, 2019

X-----*Wilfredo V. Lapitan*-----X

DECISION

LEONEN, J.:

The degree of freedom by which journalists operate to uncover and write the news is an indication of the current state of our country's democracy. By freely obtaining vital information on matters of public concern, citizens become socially aware and well-equipped to participate in different political processes to exercise their rights enshrined in the fundamental law. Journalists are the sentinels who keep watch over the actions of the government. They are the eyes and ears of the citizenry. In today's digital age, the work of journalists is held to a higher standard more than ever. Beyond the multitude that participate on social media, they have value as part of a profession that should be trusted with the truth.

* Designated additional Member per Special Order No. 2624 dated November 28, 2018.

Nevertheless, the probing done by journalists must be made “with good motives and for justifiable ends[.]”¹ The protection afforded by the Constitution² to the press is not *carte blanche* that allows journalists to abandon their responsibility for truth and transparency. It is incumbent upon them to exercise a high degree of professionalism in their work, regardless of the subject of their stories.

This resolves a Petition for Review on Certiorari³ assailing the Court of Appeals June 13, 2014 Amended Decision⁴ in CA-G.R. CR No. 33256.

On March 24, 2004, an article entitled “Malinis ba talaga o naglilinis-linisan lang (Sino si Finance Sec. Juanita Amatong?)”⁵ was published in *Abante Tonite*, a newspaper of general circulation in the Philippines.⁶

Written by Raffy T. Tulfo (Tulfo), the article reported that a certain Michael C. Guy (Guy), who was then being investigated by the Revenue Integrity Protection Service of the Department of Finance for tax fraud, went to former Department of Finance Secretary Juanita Amatong (Secretary Amatong)’s house to ask for help.⁷ Secretary Amatong then purportedly called the head of the Revenue Integrity Protection Service and directed that all the documents that the Revenue Integrity Protection Service had obtained on Guy’s case be surrendered to her.⁸ The article read:

Ang mga tanong ngayon, may katotohanan kaya ang akusasyon ni Salanga laban kay Amatong? Nagsasabi naman kaya ng totoo si Amatong nang itanggi niya ang akusasyon ni Salanga laban sa kanya?

Narito ang isang balitang natanggap ng SHOOT TO KILL mula sa isang magpakakatiwalaan at A-1 source na kung saan ay inarbor ni Amatong sa kanyang mga tauhan ang isang negosyanteng iniimb[e]st[i]gahan ng DoF dahil sa katiwalian sa tax refund. Narito ang kwento at kayo na ang bahalang manghusga kung sino ang may kredibilidad, si Amatong o si Salanga?

Noong March 20, 2004, Sabado ng hapon pumunta ang isang negosyanteng nagngangalang Michael Guy sa bahay ni Amatong. Si Guy ay iniimb[e]st[i]gahan ng mga tauhan ng Revenue Integrity Protection

¹ *U.S. v. Perfecto*, 43 Phil. 58, 62 (1922) [Per J. Johnson, En Banc].

² CONST., art. III, sec. 4 provides:

SECTION 4. No law shall be passed abridging the freedom of speech, of expression, or of the press, or the right of the people peaceably to assemble and petition the government for redress of grievances.

³ *Rollo*, pp. 17–37. Filed under Rule 45 of the Rules of Court.

⁴ *Id.* at 39–60. The amended Decision was penned by Associate Justice Pedro B. Corales, and concurred in by Associate Justices Sesinando E. Villon and Florito S. Macalino of the Former Seventeenth Division, Court of Appeals, Manila.

⁵ *Id.* at 18.

⁶ *Id.*

⁷ *Id.* at 18–19.

⁸ *Id.*

Service (RIPS) ng DOF dahil sa kahinahinalang mga tax refund na natanggap nito mula sa BIR simula 1998 hanggang 2003.

Problemado si Guy sapagkat natunugan niyang iniimbestigahan na siya ng RIPS. Ito'y matapos magpadala ng sulat ang RIPS sa Central Bank at hinihingi rito ang lahat ng mga transaksyon ng kumpanya ni Guy sa lahat ng mga bangko. Ang nakatanggap ng sulat sa Central Bank ay kakilala ni Guy.

Noong Sabado ng hapon din, ayon sa aking source, tinawagan ni Amatong ang hepe ng RIPS para hilingin dito na ihinto imbestigasyon laban kay Guy at isurender sa kanyang opisina ang lahat ng mga dokumentong nakalap ng RIPS laban dito!!!⁹

Claiming that the article had tainted his reputation, Guy filed before the Office of the City Prosecutor of Makati City a Complaint-Affidavit against Tulfo and the following representatives of *Abante Tonite's* publisher, Monica Publishing Corporation: (1) Allen Macasaet; (2) Nicolas V. Quijano, Jr.; (3) Janet Bay; (4) Jesus P. Galang; (5) Randy Hagos; (6) Jeany Lacorte; and (7) Venus Tandoc (collectively, Macasaet, et al.).¹⁰

After a preliminary investigation, the Office of the City Prosecutor filed an Amended Information charging Tulfo and Macasaet, et al. with the crime of libel.¹¹

On arraignment, Tulfo and Macasaet, et al. refused to enter a plea. Accordingly, the Regional Trial Court ordered that a plea of not guilty be entered for all of them.¹²

In its February 24, 2010 Judgment, the Regional Trial Court convicted Tulfo and Macasaet, et al. of the crime of libel. It ruled that the prosecution was able to establish by proof beyond reasonable doubt the elements of the crime.¹³

The trial court ordered Tulfo and Macasaet, et al. to pay Guy: (1) ₱5,000,000.00 as actual damages; (2) ₱5,000,000.00 as moral damages; and (3) ₱211,200.00 as attorney's fees.¹⁴ The dispositive portion of its Judgment read:

WHEREFORE, the Court finds the accused Allen Macasaet, Nicolas V. Quijano, Jr., Janet Bay, Jesus P. Galang, Randy Hagos, Jeany Lacorte, Venus Tandoc and Raffy Tulfo, GUILTY beyond

⁹ Id.

¹⁰ Id.

¹¹ Id. at 19.

¹² Id.

¹³ Id. at 48.

¹⁴ Id. at 49.

reasonable doubt of the crime of Libel, as defined in Article 353 of the Revised Penal Code, and sentences each of the accused to pay a fine of **SIX THOUSAND PESOS (P6,000.00) with subsidiary imprisonment, in case of insolvency.**

They are likewise hereby ordered to pay private complainant Michael C. Guy, jointly and severally, the sum of **FIVE MILLION PESOS (P5,000,000.00)** as actual damages, **FIVE MILLION PESOS (P5,000,000.00)** as moral damages, and **TWO HUNDRED ELEVEN THOUSAND TWO HUNDRED PESOS (P211,200.00)** as attorney's fees.¹⁵ (Emphasis in the original)

Aggrieved, Tulfo and Macasaet, et al. filed before the Court of Appeals separate Appeals assailing the Regional Trial Court February 24, 2010 Judgment.¹⁶

In its August 30, 2013 Decision,¹⁷ the Court of Appeals affirmed the trial court's Judgment convicting Tulfo and Macasaet, et al. of libel. Nonetheless, it reduced the award of moral damages to ₱500,000.00 and ordered them to pay Guy exemplary damages in the amount of ₱500,000.00.¹⁸ The dispositive portion of its Decision read:

WHEREFORE, the appeal is **DENIED**. The February 24, 2010 Judgment of the Regional Trial Court, Branch 132, Makati City in Criminal Case No. 04-3614 is **AFFIRMED** with **MODIFICATION** that all accused-appellants are ordered to pay Michael Guy, jointly and severally, ₱500,000.00 moral damages and ₱500,000.00 exemplary damages.¹⁹ (Emphasis in the original)

Insisting on their innocence, Tulfo sought the reconsideration of the Court of Appeals August 30, 2013 Decision. Similarly, Guy moved for partial reconsideration and clarification of the Decision.²⁰

In its June 13, 2014 Amended Decision,²¹ the Court of Appeals modified its August 30, 2013 Decision and deleted the award of exemplary damages. It likewise deleted the Regional Trial Court's award of actual damages for lack of factual and legal basis.²² The dispositive portion of its Amended Decision read:

¹⁵ Id.

¹⁶ Id.

¹⁷ Id. at 62–82. The Decision was penned by Associate Justice Pedro B. Corales, and concurred in by Associate Justices Sesinando E. Villon and Florito S. Macalino of the Seventeenth Division, Court of Appeals, Manila.

¹⁸ Id. at 81.

¹⁹ Id. at 82.

²⁰ Id. at 39.

²¹ Id. at 39–60.

²² Id. at 58–59.

WHEREFORE, the appeal is DENIED. The February 24, 2010 Judgment of the Regional Trial Court, Branch 132, Makati City in Criminal Case No. 04-3614 is hereby AFFIRMED with MODIFICATIONS that all accused-appellants are ORDERED to pay Michael Guy, jointly and severally, ₱500,000.00 moral damages and ₱211,200.00 attorney's fees. The award of ₱5,000,000.00 actual damages is DELETED for lack of factual and legal basis.²³ (Emphasis in the original)

On August 26, 2014, Guy filed this Petition for Review on Certiorari,²⁴ seeking the reversal of the Court of Appeals Amended Decision and the reinstatement of the Regional Trial Court Judgment.

Petitioner maintains that contrary to the Court of Appeals' findings, there is factual and legal basis for the award of actual damages.²⁵ He avers that it had been established in the trial court proceedings that he may be able to earn ₱50,000,000.00 in 10 years. This possibility, he points out, constitutes the factual basis for the award of actual damages.²⁶

Assuming that there is no sufficient basis for the award of actual damages, petitioner asserts that he is still entitled to temperate damages. Citing Articles 2216, 2224, and 2225 of the Civil Code, he claims that temperate damages may be awarded even without competent proof, as long as the court finds that the victim has incurred some pecuniary loss.²⁷ He insists that in his case, the libelous article tainted his reputation, causing some of his clients to terminate their arrangements with him.²⁸

Petitioner further claims to have had good standing in the community, which the libelous article destroyed. Thus, he argues that the amount of ₱5,000,000.00 as moral damages is a reasonable recompense for the grief and suffering he has endured.²⁹

Petitioner maintains that as the president of MG Forex Corporation, a company engaged in foreign exchange trading, he was a reputable businessman.³⁰ However, as a result of the libelous article, his business associates and clients lost trust in him. One (1) of his sisters, who was also his business associate, sold him back her company shares after losing confidence in his dealings. Clients refused to do business with him, terrified that they be linked with the accusations against him.³¹

²³ Id. at 59.

²⁴ Id. at 17-37.

²⁵ Id. at 22.

²⁶ Id. at 22-23.

²⁷ Id. at 24.

²⁸ Id. at 25.

²⁹ Id. at 26.

³⁰ Id. at 26 and 41.

³¹ Id. at 43-44.

Petitioner likewise avers that his family members doubted him. His mother berated him for bringing shame to the family. His children were questioned in school for the article about their father.³²

Finally, petitioner contends that exemplary damages should be awarded in his favor. He maintains that respondent Tulfo deliberately took advantage of his standing as a renowned journalist to tarnish petitioner's reputation.³³ He asserts that respondent Tulfo's penchant for writing defamatory articles should be restrained.³⁴

In its November 12, 2014 Resolution,³⁵ this Court directed respondents to file their comment.

In its July 13, 2015 Resolution,³⁶ this Court required the counsels of respondents Tulfo and Macasaet, et al. to show cause why they should not be disciplinary dealt with for their failure to file their respective comments. It also required them to comply with the November 12, 2014 Resolution.

On September 3, 2015, respondents Macasaet, et al. filed a Compliance,³⁷ manifesting that they would not submit any comment and instead leave the Petition to this Court's discretion.

In his Comment³⁸ filed on August 26, 2016, respondent Tulfo avers that the Court of Appeals correctly deleted the award of actual damages for lack of sufficient legal basis.³⁹ Maintaining further that the deletion of the award of exemplary damages was proper, he argues that exemplary damages may be awarded only when the crime was committed with one (1) or more aggravating circumstances. He insists that the amount of moral damages should also be deleted.⁴⁰

In its September 21, 2016 Resolution,⁴¹ this Court required petitioner to file a reply.

In his Reply,⁴² petitioner reiterates that he is entitled to actual, moral, and exemplary damages.

³² Id. at 43.

³³ Id. at 20.

³⁴ Id. at 32.

³⁵ Id. at 23-84.

³⁶ Id. at 97-98.

³⁷ Id. at 99-103.

³⁸ Id. at 114-119.

³⁹ Id. at 114.

⁴⁰ Id. at 115-116.

⁴¹ Id. at 120-121.



For this Court's resolution are the following issues:

First, whether or not there is sufficient factual basis for an award of actual damages;

Second, whether or not petitioner Michael C. Guy is entitled to moral damages; and

Finally, whether or not he is entitled to exemplary damages.

The Petition is partly meritorious.

I

"Generally, a criminal case has two aspects, the civil and the criminal."⁴³ This notion is rooted in the fundamental theory that when a criminal act is committed, two (2) different entities are offended: (1) the State, whose law has been violated; and (2) the person directly injured by the offender's act or omission.⁴⁴ As explained in *Banal v. Tadeo, Jr.*:⁴⁵

Generally, the basis of civil liability arising from crime is the fundamental postulate of our law that "Every man criminally liable is also civilly liable" (Art. 100, The Revised Penal Code). Underlying this legal principle is the traditional theory that when a person commits a crime he offends two entities namely (1) the society in which he lives in or the political entity called the State whose law he had violated; and (2) the individual member of that society whose person, right, honor, chastity or property was actually or directly injured or damaged by the same punishable act or omission. . . . While an act or omission is felonious because it is punishable by law, it gives rise to civil liability not so much because it is a crime but because it caused damage to another. Viewing things pragmatically, we can readily see that what gives rise to the civil liability is really the obligation and the moral duty of everyone to repair or make whole the damage caused to another by reason of his own act or omission, done intentionally or negligently, whether or not the same be punishable by law. In other words, criminal liability will give rise to civil liability only if the same felonious act or omission results in damage or injury to another and is the direct and proximate cause thereof. Damage or injury to another is evidently the foundation of the civil action. Such is not the case in criminal actions for, to be criminally liable, it is enough that the act or omission complained of is punishable, regardless of whether or not it also causes material damage to another.⁴⁶ (Citations omitted)

⁴² Id. at 122-130.

⁴³ *Heirs of Burgos v. Court of Appeals*, 625 Phil. 603, 609 (2010) [Per J. Abad, Second Division].

⁴⁴ *Banal v. Tadeo, Jr.*, 240 Phil. 327, 331 (1987) [Per J. Gutierrez, Jr., Third Division].

⁴⁵ 240 Phil. 327 (1987) [Per J. Gutierrez, Jr., Third Division].

⁴⁶ Id. at 331.

Nevertheless, the private offended party's interest in a criminal case is limited to the civil liability arising from it.⁴⁷ It is a fundamental principle in remedial law that if the trial court dismisses the case or renders a judgment of acquittal, the private offended party cannot appeal the criminal aspect of the case.⁴⁸ Only the Office of the Solicitor General can represent the State in actions brought before the Court of Appeals or this Court.⁴⁹ In *People v. Santiago*:⁵⁰

*It is well-settled that in criminal cases where the offended party is the State, the interest of the private complainant or the private offended party is limited to the civil liability. Thus, in the prosecution of the offense, the complainant's role is limited to that of a witness for the prosecution. If a criminal case is dismissed by the trial court or if there is an acquittal, an appeal therefrom on the criminal aspect may be undertaken only by the State through the Solicitor General. Only the Solicitor General may represent the People of the Philippines on appeal. The private offended party or complainant may not take such appeal. However, the said offended party or complainant may appeal the civil aspect despite the acquittal of the accused.*⁵¹ (Emphasis supplied, citations omitted)

Similarly, in *Malayan Insurance Company, Inc. v. Piccio*:⁵²

Accordingly, jurisprudence holds that if there is a dismissal of a criminal case by the trial court or if there is an acquittal of the accused, it is only the OSG that may bring an appeal on the criminal aspect representing the People. The rationale therefor is rooted in the principle that the party affected by the dismissal of the criminal action is the People and not the petitioners who are mere complaining witnesses. For this reason, the People are therefore deemed as the real parties in interest in the criminal case and, therefore, only the OSG can represent them in criminal proceedings pending in the CA or in this Court. In view of the corollary principle that every action must be prosecuted or defended in the name of the real party-in-interest who stands to be benefited or injured by the judgment in the suit, or by the party entitled to the avails of the suit, an appeal of the criminal case not filed by the People as represented by the OSG is perforce dismissible. *The private complainant or the offended party may, however, file an appeal without the intervention of the OSG but only insofar as the civil liability of the accused is concerned.* He may also file a special civil action for certiorari even without the intervention of the OSG, but only to the end of preserving his interest in the civil aspect of the case.⁵³ (Emphasis supplied, citations omitted)

⁴⁷ *People v. Santiago*, 255 Phil. 851, 861 (1989) [Per J. Gancayco, First Division].

⁴⁸ *Id.*

⁴⁹ *People v. Gabriel*, 539 Phil. 252, 256 (2006) [Per J. Sandoval-Gutierrez, Second Division].

⁵⁰ 255 Phil. 851 (1989) [Per J. Gancayco, First Division].

⁵¹ *Id.* at 861–862.

⁵² 740 Phil. 616 (2014) [Per J. Perlas-Bernabe, Second Division].

⁵³ *Id.* at 622–623.

Here, petitioner's sole purpose is to question the amount of damages awarded by the Court of Appeals. He neither disputes nor challenges the Court of Appeals Amended Decision on respondents' criminal liability. He only intends to protect his interest in the civil aspect of the case. Accordingly, petitioner has the legal standing to file this Petition even without the intervention of the Office of the Solicitor General.

II

Significantly, "[t]he issue on the amount of damages is a factual question that this [C]ourt may not resolve in a Rule 45 petition."⁵⁴ Settled is the rule that only questions of law may be raised in a petition for review on certiorari.⁵⁵ "[This] Court is not a trier of facts and it is not its duty to review, evaluate, and weigh the probative value of the evidence adduced before the lower courts."⁵⁶ Absent "any clear showing that the trial court overlooked or misconstrued cogent facts and circumstances that would justify altering or revising such findings and evaluation[,]"⁵⁷ this Court will not disturb, let alone overturn the lower courts' findings of fact and appreciation of the witnesses' testimonies.⁵⁸

Nonetheless, jurisprudence has carved out certain exceptions to this rule:

(1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures . . . ; (2) When the inference made is manifestly mistaken, absurd or impossible . . . ; (3) Where there is a grave abuse of discretion . . . ; (4) When the judgment is based on a misapprehension of facts . . . ; (5) When the findings of fact are conflicting . . . ; (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee . . . ; (7) The findings of the Court of Appeals are contrary to those of the trial court . . . ; (8) When the findings of fact are conclusions without citation of specific evidence on which they are based . . . ; (9) When the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents . . . ; and (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record⁵⁹
(Emphasis supplied, citations omitted)

⁵⁴ *City of Dagupan v. Maramba*, 738 Phil. 71, 96 (2014) [Per J. Leonen, Third Division].

⁵⁵ RULES OF COURT, Rule 45, sec. 1 provides:

SECTION 1. *Filing of Petition with Supreme Court.* — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition shall raise only questions of law which must be distinctly set forth. (Emphasis in the original)

⁵⁶ *Fronarina v. Malazarte*, 539 Phil. 279, 291 (2006) [Per J. Velasco, Jr., Third Division].

⁵⁷ *Medina, Jr. v. People*, 724 Phil. 226, 234 (2014) [Per J. Bersamin, First Division].

⁵⁸ *People v. Deloso*, G.R. No. 215194, December 14, 2017, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/63669>> [Per J. Leonardo-De Castro, First Division].

⁵⁹ *Medina v. Mayor Asistio, Jr.*, 269 Phil. 225, 232 (1990) [Per J. Bidin, Third Division].

Here, the Regional Trial Court awarded petitioner actual damages in the amount of ₱5,000,000.00 based on his testimony that he could earn ₱50,000,000.00 in 10 years.⁶⁰ Petitioner's testimony read:

COURT:

This is my problem. Now, Php50 Million is not a small amount of money and it has to be based on, for example, the business standing. You did not give me any financial statement. Are you saying that you are making PhP50 Million a year?

MR. GUY:

No, Your Honor. In my understanding, in moral damages, it is not only the amount of money for a certain period of time. It also includes the sleepless nights. You do not know if there will be new articles against you which are not true. So, I put them all together.

COURT:

So, it is clear. You do not make PhP50 Million a year?

MR. GUY:

No.

COURT:

Maybe in ten years, you can make that?

MR. GUY:

It is possible.⁶¹ (Emphasis in the original)

Actual damages are "compensation for an injury that will put the injured party in the position where it was before the injury. They pertain to such injuries or losses that are actually sustained and susceptible of measurement."⁶² Actual damages constitute compensation for sustained pecuniary loss. Nevertheless, a party may only be awarded actual damages when the pecuniary loss he or she had suffered was duly proven.⁶³ Thus:

Except as provided by law or by stipulation, a party is entitled to adequate compensation only for such pecuniary loss as is duly proven. Basic is the

⁶⁰ *Rollo*, p. 58.

⁶¹ *Id.* at 23.

⁶² *International Container Terminal Services, Inc. v. Chua*, 730 Phil. 475, 489 (2014) [Per J. Perez, Second Division].

⁶³ CIVIL CODE, art. 2199 provides:

ARTICLE 2199. Except as provided by law or by stipulation, one is entitled to an adequate compensation only for such pecuniary loss suffered by him as he has duly proved. Such compensation is referred to as actual or compensatory damages.

rule that to recover actual damages, not only must the amount of loss be capable of proof; it must also be actually proven with a reasonable degree of certainty, premised upon competent proof or the best evidence obtainable[.]

....

This Court has, time and again, emphasized that actual damages cannot be presumed and courts, in making an award, must point out specific facts which could afford a basis for measuring whatever compensatory or actual damages are borne. An award of actual damages is “dependent upon competent proof of the damages suffered and the actual amount thereof. *The award must be based on the evidence presented, not on the personal knowledge of the court; and certainly not on flimsy, remote, speculative and unsubstantial proof.*”⁶⁴ (Emphasis supplied, citations omitted)

As the Court of Appeals correctly found, petitioner failed to substantiate the loss he had allegedly sustained. Save for his testimony in court, he presented no evidence to support his claim. His allegation of possibly earning ₱50,000,000.00 in 10 years is a mere assumption without any foundation. This bare allegation is insufficient to prove that he has indeed lost ₱5,000,000.00 as earnings. As this Court has previously held, “the award of unrealized profits cannot be based on the sole testimony of the party claiming it.”⁶⁵

Notwithstanding the absence of any evidence on the amount of actual damages suffered,⁶⁶ a party may be awarded temperate damages should the court find that he or she has suffered some pecuniary loss even if its amount cannot be determined with exact certainty.⁶⁷

Unfortunately, petitioner failed to prove that he has suffered any pecuniary loss.⁶⁸ While he testified that he lost clients as a result of the libelous article, records reveal that he lost only one (1) client, Jayson Mallari (Mallari). On cross-examination, Mallari even testified “that he was not immediately convinced by the article and called [petitioner] before terminating his business with him[.]”⁶⁹ Moreover, as the records show, Mallari started transacting with petitioner again sometime in 2005.⁷⁰

⁶⁴ *International Container Terminal Services, Inc. v. Chua*, 730 Phil. 475, 489–490 (2014) [Per J. Perez, Second Division].

⁶⁵ *Metro Rail Transit Development Corporation v. Gammon Philippines, Inc.*, G.R. No. 200401, January 17, 2018, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/63930>> [Per J. Leonen, Third Division].

⁶⁶ *International Container Terminal Services, Inc. v. Chua*, 730 Phil. 475, 492 (2014) [Per J. Perez, Second Division].

⁶⁷ CIVIL CODE, art. 2224 provides:

ARTICLE 2224. Temperate or moderate damages, which are more than nominal but less than compensatory damages, may be recovered when the court finds that some pecuniary loss has been suffered but its amount can not, from the nature of the case, be proved with certainty.

⁶⁸ *Rollo*, p. 58.

⁶⁹ *Id.* at 45.

⁷⁰ *Id.*

III

Moral damages are “compensatory damages awarded for mental pain and suffering or mental anguish resulting from a wrong.”⁷¹ They are awarded to the injured party to enable him to obtain means that will ease the suffering he sustained from respondent’s reprehensible act.⁷²

“Moral damages are not punitive in nature,”⁷³ but are instead a type of “award designed to compensate the claimant for actual injury suffered[.]”⁷⁴ As explained in *Mangaliag v. Catubig-Pastoral*:⁷⁵

It must be remembered that moral damages, though incapable of pecuniary estimation, are designed to compensate and alleviate in some way the physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injury unjustly caused a person. Moral damages are awarded to enable the injured party to obtain means, diversions or amusements that will serve to alleviate the moral suffering he/she has undergone, by reason of the defendant's culpable action. Its award is aimed at restoration, as much as possible, of the spiritual status quo ante; thus, it must be proportionate to the suffering inflicted. Since each case must be governed by its own peculiar circumstances, there is no hard and fast rule in determining the proper amount.⁷⁶ (Citations omitted)

Similarly, in *Equitable Leasing Corporation v. Suyom*:⁷⁷

Moral damages are not punitive in nature, but are designed to compensate and alleviate in some way the physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar injury unjustly caused a person. Although incapable of pecuniary computation, moral damages must nevertheless be somehow proportional to and in approximation of the suffering inflicted. This is so because moral damages are in the category of an award designed to compensate the claimant for actual injury suffered, not to impose a penalty on the wrongdoer.⁷⁸ (Citations omitted)

Unlike actual and temperate damages, moral damages may be awarded even if the injured party failed to prove that he has suffered pecuniary loss. As long as it was established that complainant’s injury was

⁷¹ *People v. Jugueta*, 783 Phil. 806, 828 (2016) [Per J. Peralta, En Banc].

⁷² *Mangaliag v. Catubig-Pastoral*, 510 Phil. 637, 651 (2005) [Per J. Austria-Martinez, Second Division].

⁷³ *Equitable Leasing Corporation v. Suyom*, 437 Phil. 244, 257 (2002) [Per J. Panganiban, Third Division].

⁷⁴ *Id.* at 258.

⁷⁵ 510 Phil. 637 (2005) [Per J. Austria-Martinez, Second Division].

⁷⁶ *Id.* at 651–652.

⁷⁷ 437 Phil. 244 (2002) [Per J. Panganiban, Third Division].

⁷⁸ *Id.* at 257–258.

the result of the offending party's action, the complainant may recover moral damages.⁷⁹

Article 2219⁸⁰ of the Civil Code specifically states that moral damages may be recovered in cases of libel, slander, or defamation. The amount of moral damages that courts may award depends upon the set of circumstances for each case. There is no fixed standard to determine the amount of moral damages to be given. Courts are given the discretion to fix the amount to be awarded in favor of the injured party, so long as there is sufficient basis for awarding such amount.⁸¹

Here, petitioner insists that he is entitled to moral damages in the amount of ₱5,000,000.00. He argues that he suffered social humiliation and anxiety from the libelous article. His 77-year-old mother castigated him for disgracing their family. His children questioned him after they had been interrogated in school for the article about their father.⁸² Finally, petitioner claims that the article tainted his reputation, prompting his clients and business associates to refuse to transact with him.⁸³

While this Court recognizes the embarrassment and unease suffered by petitioner, it must be emphasized that moral damages may only be awarded when the claimant has sufficiently proved: (1) the factual foundation of the award; and (2) the causal connection of petitioner's suffering to respondents' act.⁸⁴ In *Kierulf v. Court of Appeals*:⁸⁵

This Court cannot remind the bench and the bar often enough that in order that moral damages may be awarded, there must be pleading and proof of moral suffering, mental anguish, fright and the like. ***While no proof of pecuniary loss is necessary in order that moral damages may be awarded, the amount of indemnity being left to the discretion of the court, it is nevertheless essential that the claimant should satisfactorily show the existence of the factual basis of damages and its causal connection to defendant's acts.*** This is so because moral damages, though incapable of pecuniary estimation, are in the category of an award designed to compensate the claimant for actual injury suffered and not to impose a penalty on the wrongdoer. In *Francisco vs. GSIS*, the Court held that there must be clear testimony on the anguish and other forms of mental suffering. Thus, if the plaintiff fails to take the witness stand and testify as to his/her social humiliation, wounded feelings and anxiety,

⁷⁹ *Punongbayan-Visitacion v. People*, G.R. No. 194214, January 10, 2018, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/63864>> [Per J. Martires, Second Division].

⁸⁰ CIVIL CODE, art. 2219 (7) provides:

ARTICLE 2219. Moral damages may be recovered in the following and analogous cases:

....

(7) Libel, slander or any other form of defamation[.]

⁸¹ *Sulpicio Lines, Inc. v. Sesante*, 791 Phil. 409, 427-428 (2016) [Per J. Bersamin, First Division].

⁸² *Rollo*, p. 25.

⁸³ *Id.* at 26.

⁸⁴ *Kierulf v. Court of Appeals*, 336 Phil. 414, 431-432 (1997) [Per J. Panganiban, Third Division].

⁸⁵ 336 Phil. 414 (1997) [Per J. Panganiban, Third Division].

moral damages cannot be awarded. In *Cocoland Development Corporation vs. National Labor Relations Commission*, the Court held that “additional facts must be pleaded and proven to warrant the grant of moral damages under the Civil Code, these being, . . . social humiliation, wounded feelings, grave anxiety, etc., that resulted therefrom.”⁸⁶ (Emphasis supplied, citations omitted)

In *Mendoza v. Spouses Gomez*,⁸⁷ this Court disallowed the award of moral damages to the respondents. It ruled that they failed to allege and present “evidence of besmirched reputation or physical, mental[,] or psychological suffering incurred by them.”⁸⁸

Similarly, in *Quezon City Government v. Dacara*,⁸⁹ this Court deleted the award of moral damages after finding that the respondent had failed to adduce proof of the emotional and mental sufferings he experienced due to the petitioners’ negligent act.⁹⁰

Here, other than his bare allegations of besmirched reputation and loss of clientele, petitioner failed to present evidence supporting his assertions. He submitted no evidence substantiating his claimed loss. He also failed to adduce proof to support his claim that his reputation was tainted due to the libelous article. Moreover, he did not present in court any testimony from the business associates who had allegedly lost faith in him. Indeed, as the Court of Appeals found, the client, whom he had supposedly lost due to the libelous article, has been transacting business with him again.⁹¹

Nonetheless, moral damages should still be awarded. As he had testified during trial, members of his family were displeased with him for being accused of committing illegal and corrupt acts. He was berated by his mother for having humiliated their family. His children were questioned at school. As such, an award of ₱500,000.00 as moral damages is an adequate recompense to the mental anguish and wounded feelings that petitioner had endured.

IV

The Court of Appeals deleted the award of exemplary damages and ruled that under Article 2230 of the Civil Code, exemplary damages may be awarded only when the crime was committed with one (1) or more aggravating circumstances.⁹²

⁸⁶ Id. at 431–432.

⁸⁷ 736 Phil. 460 (2014) [Per J. Perez, Second Division].

⁸⁸ Id. at 480.

⁸⁹ 499 Phil. 228 (2005) [Per J. Panganiban, Third Division].

⁹⁰ Id. at 243–244.

⁹¹ *Rollo*, p. 59.

⁹² Id.

Contrary to the Court of Appeals' pronouncement, exemplary damages may be awarded even in the absence of aggravating circumstances. It may be awarded "where the circumstances of the case show the highly reprehensible or outrageous conduct of the offender."⁹³

"Exemplary or corrective damages are imposed by way of example or correction for the public good[.]"⁹⁴ "It is imposed as a punishment for highly reprehensible conduct"⁹⁵ and serves as a notice to prevent the public from "the repetition of socially deleterious actions."⁹⁶ "Such damages are required by public policy, for wanton acts must be suppressed. They are an antidote so that the poison of wickedness may not run through the body politic."⁹⁷

Kierulf laid down the requirements that must be satisfied before exemplary damages may be awarded:

Exemplary damages are designed to permit the courts to mould behavior that has socially deleterious consequences, and its imposition is required by public policy to suppress the wanton acts of an offender. However, it cannot be recovered as a matter of right. It is based entirely on the discretion of the court. Jurisprudence sets certain requirements before exemplary damages may be awarded, to wit:

(1) They may be imposed by way of example or correction only in addition, among others, to compensatory damages, and cannot be recovered as a matter of right, their determination depending upon the amount of compensatory damages that may be awarded to the claimant;

(2) the claimant must first establish his right to moral, temperate, liquidated or compensatory damages; and

(3) the wrongful act must be accompanied by bad faith, and the award would be allowed only if the guilty party acted in a wanton, fraudulent, reckless, oppressive or malevolent manner.⁹⁸ (Citations omitted)

Here, respondents published the libelous article without verifying the truth of the allegations against petitioner. As the Court of Appeals found, the Revenue Integrity Protection Service only investigates officials of the Department of Finance and its attached agencies who are accused of

⁹³ *People v. Jugueta*, 783 Phil. 806, 832 (2016) [Per J. Peralta, En Banc].

⁹⁴ *Spouses Timado v. Rural Bank of San Jose, Inc.*, 789 Phil. 453, 459 (2016) [Per J. Brion, Second Division].

⁹⁵ *Torreón v. Aparra, Jr.*, G.R. No. 188493, December 13, 2017 <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/63764>> [Per J. Leonen, Third Division].

⁹⁶ *Spouses Timado v. Rural Bank of San Jose, Inc.*, 789 Phil. 453, 459 (2016) [Per J. Brion, Second Division].

⁹⁷ *Octot v. Ybañez*, 197 Phil. 76, 82 (1982) [Per J. Teehankee, First Division].

⁹⁸ *Kierulf v. Court of Appeals*, 336 Phil. 414, 428-429 (1997) [Per J. Panganiban, Third Division].

corruption. Petitioner, on the other hand, is no government official and, therefore, beyond the Revenue Integrity Protection Service's jurisdiction. It only goes to show that respondents did not verify the information on which the article was based.⁹⁹

Thus, to ensure that such conduct will no longer be repeated, and considering their profession, respondents are directed to pay petitioner exemplary damages in the amount of ₱1,000,000.00.

V

Among the advantages brought by modern technology is the ease by which news can be shared and disseminated through different social media outlets. News matters are now simultaneously cascaded in real-time. Society is swamped with a myriad of information involving a wide array of topics. News dissemination has always been in a constant state of flux. Occurrences across the globe, or the lack thereof, are immediately subject of the news written by journalists.

More often than not, journalists are at the forefront of information publication and dissemination. Owing to the nature of their work, they have the prerogative to shape the news as they see fit. This Court does not turn a blind eye to some of them who twist the news to give an ambiguous interpretation that is in reckless disregard of the truth.

Crafting inaccurate and misleading news is a blatant violation of the Society of Professional Journalists Code of Ethics. The Society of Professional Journalists is a journalism organization dedicated toward stimulating high standards of ethical behavior, promoting the free flow of information vital to a well-informed citizenry, and inspiring and educating current and future journalists through professional development.¹⁰⁰ Its Code of Ethics espouses the practice that journalism should be accurate and fair, and mandates accountability and transparency in the profession.¹⁰¹

As such, journalists should observe high standards expected from their profession. They must take responsibility for the accuracy of their work, careful never to deliberately distort facts or context by verifying information before releasing it for public consumption.¹⁰²

⁹⁹ *Rollo*, p. 56.

¹⁰⁰ *About SPJ – Society of Professional Journalists*, <<https://www.spj.org/aboutspj.asp>> (last accessed April 10, 2019).

¹⁰¹ *Society of Professional Journalists Code of Ethics*, <<https://www.spj.org/ethicscode.asp>> (last accessed April 10, 2019).

¹⁰² *Id.*

This case comes at a time when the credibility of journalists is needed more than ever; when their tried-and-tested practice of adhering to their own code of ethics becomes more necessary, so that their truth may provide a stronger bulwark against the recklessness in social media. Respondents, then, should have been more circumspect in what they published. They are not media practitioners with a lack of social following; their words reverberate. Thus, exemplary damages in the amount of ₱1,000,000.00 is justifiable.

This Court can only hope that respondents appreciate the privilege their fame has brought them and, in the future, become more circumspect in the exercise of their profession.


WHEREFORE, the Petition is **PARTIALLY GRANTED**. The June 13, 2014 Amended Decision of the Court of Appeals in CA-G.R. CR No. 33256 is **AFFIRMED WITH MODIFICATION**. Respondents Raffy Tulfo, Allen Macasaet, Nicolas V. Quijano, Jr., Janet Bay, Jesus P. Galang, Randy Hagos, Jeany Lacorte, and Venus Tandoc are **ORDERED** to solidarily pay petitioner Michael C. Guy: (1) Five Hundred Thousand Pesos (₱500,000.00) as moral damages; (2) One Million Pesos (₱1,000,000.00) as exemplary damages; and (3) Two Hundred Eleven Thousand Two Hundred Pesos (₱211,200.00) as attorney's fees.

All damages awarded shall be subject to interest at the rate of six percent (6%) per annum from the finality of this Decision until its full satisfaction.¹⁰³

SO ORDERED.


MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:


DIOSDADO M. PERALTA
Associate Justice
Chairperson

¹⁰³ See *Nacar v. Gallery Frames*, 716 Phil. 267 (2013) [Per J. Peralta, En Banc].

Meyer
ANDRES B. REYES, JR.
 Associate Justice

RP
RAMON PAUL L. HERNANDO
 Associate Justice

[Signature]
ROSMARI D. CARANDANG
 Associate Justice

ATTESTATION

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.

[Signature]
DIOSDADO M. PERALTA
 Associate Justice
 Chairperson

CERTIFICATION

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.

[Signature]
LUCAS P. BERSAMIN
 Chief Justice

CERTIFIED TRUE COPY
[Signature]
WILFREDO V. LAPITAN
 Division Clerk of Court
 Third Division

JUL 19 2019