



Republic of the Philippines
 Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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THIRD DIVISION

GAISANO SUPERSTORE, INC. G.R. No. 253825
 (Valencia City Branch),

Petitioner, Present:

CAGUIOA, J., *Chairperson,*
 INTING,
 GAERLAN,
 DIMAAMPAO, and
 SINGH, JJ.

- versus -

SPOUSES FRANK RHEDEY Promulgated:
AND JOCELYN RHEDEY,

Respondents. July 6, 2022

X ----- MISDOCBAH ----- X

RESOLUTION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision² dated July 26, 2019 and the Resolution³ dated July 6, 2020 of the Court of Appeals (CA), Cagayan de Oro City in CA-G.R. CV No. 04759-MIN. The assailed CA Decision denied the appeal filed by Gaisano Superstore, Inc. (Valencia City Branch) (petitioner); and affirmed the Decision⁴ dated December 9, 2016 and the Order dated July 18, 2017⁵ of Branch 9, Regional Trial Court (RTC), Malaybalay City, Bukidnon in Civil Case No. 4189-11 that ordered petitioner to pay Spouses Frank Rhedey and Jocelyn Rhedey (respondents) ₱50,000.00 as temperate damages and ₱10,000.00 as actual damages.

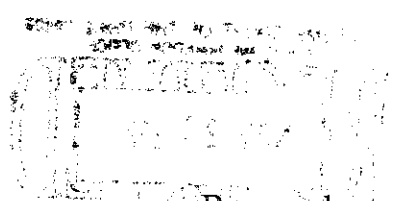
¹ *Rollo*, pp. 12-21.

² *Id.* at 41-53. Penned by Associate Justice Walter S. Ong and concurred in by Associate Justices Edgardo A. Camello and Loisa S. Posadas-Kahulugan.

³ *Id.* at 66-68. Penned by Associate Justice Loida S. Posadas-Kahulugan and concurred in by Associate Justices Edgardo A. Camello and Richard D. Mordeno.

⁴ *Id.* at 29-38. Penned by Presiding Judge Ma. Theresa Aban-Camannong.

⁵ See *id.* at 52.



The Antecedents

Respondents bought from petitioner several Cadbury chocolate bars in September 2007. When respondents opened the chocolate bars, they discovered that these were infested with maggots, maggot eggs, and cobwebs. They informed Cadbury Adams Philippines, Inc. (Cadbury) of the incident, and the latter offered to pay respondents the amount of ₱7,000.00 as compensation.⁶

A similar incident happened on January 29, 2008 when respondents once again bought Cadbury chocolate bars from petitioner as gifts for Frank Rhedey's (Frank) brother-in-law. All eight chocolate bars they purchased were likewise found to have been infested with live maggots, maggot eggs, and cobwebs. Respondents communicated with Cadbury, which assured them that they will conduct an investigation on the matter.⁷

There being no positive result on the investigation allegedly conducted by Cadbury, respondents filed a complaint before the Department of Health (DOH), Region 10, Carmen, Cagayan de Oro City. The DOH conducted an investigation by purchasing a Cadbury chocolate bar from petitioner and subjecting it to laboratory examination. After testing and analysis, the result showed that the chocolate was no longer fit for consumption. Despite this finding, however, the complaint was dismissed by the DOH on the ground of lack of jurisdiction over respondents' claim for damages amounting to ₱10,000,000.00.⁸

Respondents still tried to demand compensation from Cadbury and petitioner as a last-ditch effort but to no avail. This prompted respondents to file a case in the RTC against Cadbury and petitioner for damages for their alleged malicious and fraudulent acts of selling infested products and refusing to give compensation.⁹


In its Answer, petitioner asserted that respondents have no cause of action against it: *first*, because the complaint is already barred by *laches* and prescription as the supposed purchase of the chocolates took place almost four (4) years before the filing of the complaint; and

⁶ Id. at 29.

⁷ Id. at 30.

⁸ Id.

⁹ Id. at 31.



second, because there was no proof of purchase of the chocolate bars attached to the complaint.¹⁰

Meanwhile, because summons was left unserved, the RTC ordered the archiving of the case with respect to Cadbury for failure of the RTC to acquire jurisdiction over it.¹¹

The Ruling of the RTC

On December 9, 2016, the RTC rendered a Decision¹² in favor of respondents and held:

ALL THE FOREGOING CONSIDERED, this Court renders a judgment in favor of the plaintiffs. By more than preponderance of evidence plaintiff Spouses Rhedey proved that they are entitled to damages. Defendant Gaisano is adjudged liable and ordered to pay the spouses the following sum[s]:

1. P50,000.00 as temperate damages; and
2. P10,000.00 as actual damages.

IT IS SO ORDERED.¹³

The RTC found that petitioner is liable for damages for selling contaminated food products under Republic Act No. (RA) 7394, otherwise known as *The Consumer Act of the Philippines*.¹⁴ However, it ruled that while respondents proved that they suffered pecuniary loss, the amount thereof cannot be proven with certainty, thereby entitling them to temperate damages amounting to ₱50,000.00.¹⁵

In addition, the RTC awarded actual damages in favor of respondents in the amount of ₱10,000.00 representing litigation expenses.¹⁶

Petitioner sought reconsideration, but the RTC denied it in an Order dated July 18, 2017.¹⁷ Petitioner thus appealed to the CA.

¹⁰ Id. at 32.

¹¹ Id. at 33, 45.

¹² Id. at 29-38.

¹³ Id. at 38.

¹⁴ Id. at 35-36.

¹⁵ Id. at 37-38.

¹⁶ Id. at 38.

¹⁷ Id. at 46.

The Ruling of the CA

In its Decision¹⁸ dated July 26, 2019, the CA affirmed the ruling of the RTC. The CA found no cogent reason to depart from the factual findings of the RTC in that: (1) a receipt, as a proof of purchase, is not exclusive or conclusive evidence, and in its absence, the fact of purchase may be established by other evidence of the circumstances under which it was given¹⁹ such as the positive testimony of Frank;²⁰ and (2) petitioner was negligent in selling spoiled or defective Cadbury chocolates to respondents under Articles 97 and 98 of RA 7394.²¹

The CA explained that petitioner, being an establishment engaged in the business of selling goods such as chocolates, has the duty to exercise due care and diligence in maintaining a safe environment and preventing any danger from contaminating the perishable goods it sells. The CA ruled that petitioner's failure to exercise the degree of care and diligence required of it as a seller renders it liable to respondents.²²

Petitioner filed a Motion for Reconsideration,²³ but the CA denied it in the assailed Resolution²⁴ dated July 6, 2020.

Hence, the petition before the Court.

The Issue

The sole issue raised in the petition is whether petitioner is liable for damages despite respondents' failure to present the receipts of the purchase of the Cadbury chocolates.

Petitioner asserts that both the RTC and the CA erred when they gave credence to the allegation of respondents that the Cadbury chocolate bars were purchased at its store despite the fact that respondents failed to present in evidence any official receipt that will prove it. Petitioner insists that the alleged purchase by respondents of the chocolate bars at the Gaisano store must be proven first based on the rule that he or she who alleges must prove his or her allegation.²⁵

¹⁸ Id. at 41-53.

¹⁹ Id. at 47.

²⁰ Id. at 49.

²¹ Id. at 50-51.

²² Id. at 52.

²³ Id. at 54-64.

²⁴ Id. at 66-68.

²⁵ Id. at 17.

In their Comment,²⁶ respondents point out that their testimony during the trial must be considered as a whole because the fact of purchase was clearly testified to with precise details and certainty by Frank himself. Moreover, one of the witnesses of petitioner even testified that she was ordered by their department head to pull out the Cadbury chocolate bars from the store display after respondents' first complaint on September 26, 2007.²⁷ Thus, respondents maintain that the RTC and CA did not err when they adjudged petitioner liable for damages.²⁸

In its Rejoinder,²⁹ petitioner argues that RA 7394 is not applicable in the case unless respondents can show the official receipt that would prove that the maggot-infested chocolates were purchased from its store.³⁰

The Court's Ruling

The petition is without merit. The CA did not commit any reversible error that would merit the Court's exercise of its discretionary appellate jurisdiction.

Before proceeding to the merits of the case, the Court deems it necessary to emphasize that a petition for review under Rule 45 is limited only to questions of law.³¹ The rule, however, is not without exceptions. In *Medina v. Mayor Asistio, Jr.*,³² it was held that findings of fact by the CA may be passed upon and reviewed by the Court in the following instances: (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 CA, 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) when the findings of the CA are contrary to those of the

²⁶ Id. at 89-92.

²⁷ Id. at 89-90.

²⁸ Id. at 90.

²⁹ This should have been denominated as a Reply. Id. at 84-86, 95.

³⁰ Id. at 84.

³¹ *Miro v. Vda. de Erederos*, 721 Phil. 772, 785 (2013).

³² 269 Phil. 225 (1990).

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) when the finding of fact of the CA is premised on the supposed absence of evidence and is contradicted by the evidence on record.³³

Although jurisprudence has provided several exceptions to the rule, the exceptions must be alleged, substantiated, and proved by the parties, so that the Court may evaluate and review the facts of the case.³⁴ Here, petitioner merely alleges that the CA erred in sustaining the RTC which ruled in favor of respondents despite their failure to present the receipts of the chocolate bars that they purchased. In other words, petitioner is assailing the findings of fact and appreciation of evidence by the RTC as affirmed by the CA. There is no question of law raised in the petition and there is likewise no indication that a review of the facts of the case is warranted under the circumstances that would justify the Court's exercise of its appellate jurisdiction.

At any rate, the award of damages to respondents is anchored in Article 2176 of the Civil Code which provides:

ARTICLE 2176. Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict and is governed by the provisions of this Chapter.

Thus, the CA did not err when it upheld the award of damages imposed by the RTC against petitioner.

Under Article 2224 of the Civil Code, temperate damages may be recovered when pecuniary loss has been suffered but the amount cannot be proven with certainty. In such cases, the amount of the award is left to the discretion of the courts, according to the circumstances of each case, but it should be reasonable, considering that temperate damages should be more than nominal but less than compensatory.³⁵

Here, the lower courts made a factual finding that petitioner was

³³ Id. at 232. Citations omitted.

³⁴ *Pascual v. Burgos*, 776 Phil. 167, 169 (2016).

³⁵ *Rep. of the Phils. v. Looyuko*, 788 Phil. 1, 17 (2016), citing *Sps. Sabio v. The International Corporate Bank, Inc.*, 416 Phil. 785, 826 (2001), further citing *Lufthansa German Airlines v. CA*, 313 Phil. 503, 526 (1995) and *Sps. Ong v. CA*, 361 Phil. 338, 353 (1999); see also *Luxuria Homes, Inc. v. CA*, 361 Phil. 989, 1002 (1999).

negligent in selling the maggot-infested chocolate bars to respondents. This factual finding is deemed conclusive as the circumstances appearing on record convince the Court that respondents suffered some pecuniary loss. Nonetheless, it is difficult, if not impossible, to adduce solid proof of the damage suffered by respondents as a consequence of petitioner's negligence.³⁶ Hence, it is only proper that respondents be awarded temperate or moderate damages. In the case, and as held by the lower courts, the amount of ₱50,000.00 as temperate damages is reasonable under the circumstances.

Nonetheless, the award of ₱10,000.00 as actual damages in the dispositive portion of the RTC decision must be corrected. As expressly stated in the body of the RTC decision, the ₱10,000.00 awarded is for litigation expenses.³⁷ Thus, it is more accurate to denominate it as attorney's fees and not as actual damages. Verily, respondents are entitled to a reasonable amount of attorney's fees and litigation expenses pursuant to Article 2208(2)³⁸ of the Civil Code, considering that they were forced to litigate and incur expenses to protect their rights and interests.

Also, in accordance with prevailing jurisprudence,³⁹ the Court imposes legal interest on the monetary awards at the rate of six percent (6%) *per annum*, reckoned from the finality of the Court's Resolution until their full payment.

WHEREFORE, the Petition for Review on *Certiorari* is **DENIED**. The Decision dated July 26, 2019 and the Resolution dated July 6, 2020 of the Court of Appeals, Cagayan de Oro City, in CA-G.R. CV No. 04759-MIN are hereby **AFFIRMED** with **MODIFICATION**. Petitioner Gaisano Superstore, Inc. (Valencia City Branch) is ordered to pay respondents Spouses Frank Rhedey and Jocelyn Rhedey ₱50,000.00 as temperate damages and ₱10,000.00 as attorney's fees, both with legal interest at the rate of six percent (6%) *per annum* from the date of finality of this Resolution until fully paid.

³⁶ See *rollo*, pp. 37-38.

³⁷ *Id.* at 38.

³⁸ Article 2208 (2) of the Civil Code of the Philippines provides:

Article 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs cannot be recovered, except:

x x x x

(2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;

x x x x

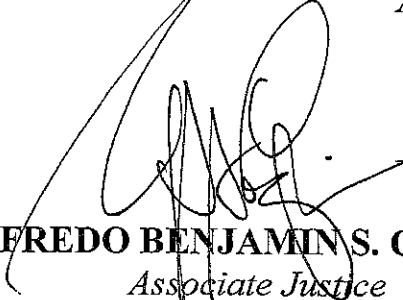
³⁹ *Nacar v. Gallery Frames*, 716 Phil. 267, 283 (2013).

SO ORDERED.

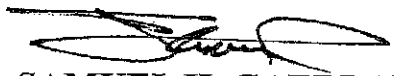


HENRI JEAN PAUL B. INTING
Associate Justice

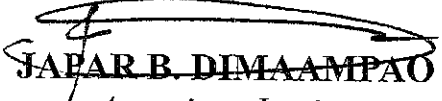
WE CONCUR:



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson



SAMUEL H. GAERLAN
Associate Justice



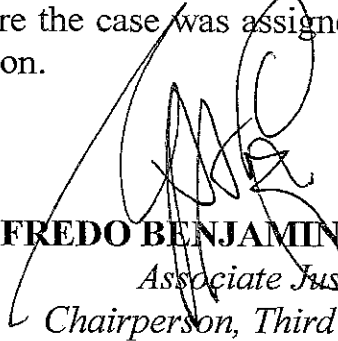
JAPAR B. DIMAAMPAO
Associate Justice



MARIA FILOMENA D. SINGH
Associate Justice

ATTESTATION

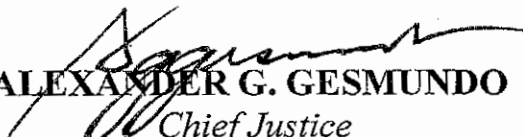
I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution 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

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