SECOND DIVISION

[G.R. No. 263632. January 22, 2025]

GIL G. CHUA, PETITIONER, VS. BANK OF COMMERCE, RESPONDENT.

[G.R. No. 264110]

INTERBRAND LOGISTICS AND DISTRIBUTION, INC., EDGAR AND DORIS SAN LUIS, ALMER AND JANE CARAS, AND CARLOS FRANCISCO S. MIJARES, PETITIONERS, VS. BANK OF COMMERCE, RESPONDENT.

D E C I S I O N

LAZARO-JAVIER, J.:

In these consolidated Petitions for Review on *Certiorari*,[1] petitioner Gil G. Chua (Chua) (in G.R. No. 263632) and petitioners Interbrand Logistics and Distribution, Inc. (Interbrand), Edgar and Doris San Luis (spouses San Luis), Almer and Jane Caras (spouses Caras), and Carlos Francisco S. Mijares (Mijares; collectively, Interbrand et al.) (in G.R. No. 264110) assail the following dispositions of the Court of Appeals in CA-G.R. CV No. 116319:

1) Decision[2] dated May 31, 2022, affirming the money judgment rendered by the trial court in favor of respondent Bank of Commerce and against petitioners; and

2) Resolution[3] dated October 3, 2022, denying petitioners' motions for reconsideration.

Antecedents

Interbrand is a domestic corporation engaged in trading local and imported goods on wholesale and retail.[4]

Sometime in 2009, the board of directors of Interbrand issued a resolution authorizing its officers to secure or renew loan/s and/or credit accommodations from respondent in the amount of PHP 150,000,000.00. To secure the obligation, the resolution further authorized the issuance of Continuing Suretyship Agreements (CSAs) to be signed by petitioners, namely: spouses San Luis, spouses Caras, Chua, and Mijares. Except for

Chua, these people were either key officers, stockholders, or owners of more than 50% of Interbrand's outstanding capital stock.

After the pertinent documents were drawn, including the CSAs and promissory notes, Interbrand, through petitioner Almer Caras, president of Interbrand, received in tranches the total loan amount of PHP 150,000,000.00.[5]

Notably, the CSAs bore a waiver on: (a) notice of acceptance of the suretyship; (b) presentment, demand protest, and notice of dishonor of any and all such instruments, loans, advances, credits, or other indebtedness or obligations hereinbefore referred to and promptness in commencing any suit against any party thereto or liable thereon; and/or (c) giving any notice or making any claim or demand.[6]

As it turned out, however, Interbrand defaulted and thereafter failed to heed respondent's repeated demands to settle its obligation. Per the demand letter dated March 15, 2010, its total outstanding balance amounted to PHP 154,187,888.89.[7]

Consequently, on April 8, 2010, respondent was constrained to file before the Regional Trial Court of Makati City a complaint for sum of money against Interbrand et al. and Chua docketed as Civil Case No. 10-346. In the complaint, respondent sought to collect the amounts covered by the following promissory notes:[8]

Annex	PN Number	Value Date	Maturity Date	Amount
A	910-60-026938-7	May 7, 2009	August 5, 2009	37 Million
B	910-60-026961-1	May 8, 2009	August 6, 2009	28 Million
C[9]		April 28, 2009		30 Million
D	910-00-02872-8	July 23, 2009	October 21, 2009	30 million
E	910-60-026749-0	April 24, 2009	May 29, 2009	15 million
F	910-60-026984-1	May 11, 2009	August 7, 2009	6 million
G	910-60-028756-3	July 24, 2009	October 22, 2009	4 million
			Total	150 million

Meantime, the parties considered a possible amicable settlement, but the same did not take off, because of Interbrand's failure to submit the supporting documents to enable the bank to evaluate its proposal. Hence, there was no development on the case for a long period of time.[10]

Four years from the filing of the initial complaint, respondent, with leave of court, moved to amend the complaint and admit the attached amended complaint. Respondent alleged that the intended amendment was solely for the purpose of including two promissory notes which had also matured. The pertinent portions of the amended complaint[11] are quoted below:

7. Pursuant to the terms of the aforesaid Board Resolution and thru its authorized officer and signatory, individual defendant Almer L. Caras, the Borrower[,] obtained loans from the plaintiff evidenced by the following Promissory Notes with the corresponding Disclosure Statements:

VALUE DATE	PROMISSORY NOTE NO.	AMOUNT	INTEREST (*per annum*)	PENALTY (*per month*)	MATURITY DATE
26 Nov 2009	PN No. 910-60-031120-1	P 4,000,000.00	13%	3%	24 Feb 2010
10 Dec 2009	PN No. 910-60-031530-3	14,000,000.00	13%	3%	10 Mar 2010
11 Dec 2009	PN No. 910-60-031572-9	6,000,000.00	13%	3%	11 Mar 2010
29 Dec 2009	PN No. 910-60-032009-9	12,000,000.00	13%	3%	29 Mar 2010
19 Jan 2010	PN No. 106003242 9-9 [sic]	18,000,000.00	13%	3%	19 April 2010
21 Jan 2010	PN No. 910-60-032502-3	10,000,000.00	13%	3%	21 April 2010
22 Jan 2010	PN No. 910-60-32529-5	15,000,000.00	13%	3%	22 Feb 2010
26 Jan 2010	PN No. 910-60-032571-6	71,000,000.00	13%	3%	26 Apr 2010
	TOTAL	150,000,000.00			

8. Pursuant further to the terms of the aforesaid Board Resolution, individual defendants executed Continuing Suretyship Agreements, whereby, among other things, they bound themselves jointly and severally with the Borrower as Surety to pay the plaintiff the obligation of the Borrower and agreed to be bound by the terms and conditions of any and all documents which may have been or will be signed by their Principal, the Borrower, provided, however, that their liability as Surety shall not exceed at any one time the aggregate principal sum of [PHP]180,000,000.00, Philippine Currency, and such interest as may accrue thereon, and such expenses as may be incurred by the plaintiff, copies of which are hereto attached and made an integral parts hereof as ANNEXES "K," "L," "M" and "N"[.][12]

Petitioners opposed the motion, arguing that contrary to respondent's alleged purpose, the amended complaint sought to be admitted included not two but eight new promissory notes. Notably, none of the promissory notes attached to the original complaint were carried over to the amended complaint. Over the opposition of petitioners, the trial court allowed the amendment and, thereafter, admitted the amended complaint. Petitioners' subsequent motion for reconsideration was denied.

In his answer, Chua asserted that he was not privy to the loans in question. These loans were not yet existing when he signed the surety which in fact covered a different set of loans. He could not have known of the resolutions authorizing Interbrand's officers to secure the subject loans as he was not an officer or director of Interbrand. He did not even appear before the notary public contrary to what was indicated in the subject CSAs.[13]

In their Answer, Interbrand et al. claimed that the promissory notes were a sham as the same were not supported by valuable consideration or were already fully paid, hence, extinguished. These loans were even obtained *ultra vires* and should not therefore bind them as corporate and individual defendants.[14]

During the hearing, respondent's lone witness, Atty. Girlie Isabel D. Umali (Atty. Umali), testified that: (1) she was the head of the Remedial Management Department of respondent where she had worked since 2010; (2) spouses San Luis, Almer Caras, and Mijares were key officers and owners of majority of the shares of stock of Interbrand authorized to secure the loans and credit accommodations from respondent; and (3) the CSAs were voluntarily signed by spouses Caras, Chua, and Mijares.[15]

On cross-examination, she admitted that: (1) Chua had no signature card on file with the bank; (2) she had no personal knowledge regarding the execution or submission of the loan documents to the bank; and (3) she confirmed that she was not employed by respondent at the time of the execution of the subject documents since the CSAs were executed in January 2009, while the promissory notes were executed in December 2009, and she was employed by respondent only in 2010.[16]

Meantime, Chua testified that per Interbrand's General Information Sheet, he was not an officer or director of the company at the time the CSAs were executed. He was not aware of any resolution authorizing Interbrand's officers to secure loans from respondent. He denied signing any surety agreement to secure its loans with respondent. He also never appeared before any notary public for the acknowledgment of the CSAs in question.[17] He immediately confronted Edgar San Luis, director of Interbrand, when he saw his signature on the CSAs. He admitted having signed a blank surety agreement for the obligation of North Force Sales, Inc., but not for Interbrand. As for North Force Sales, Inc., he had a personal stake in it, as he was a shareholder.[18]

For their part, Interbrand et al. waived the presentation of their evidence.[19]

On rebuttal, Atty. Umali pointed out that Chua already acted as a surety for Interbrand in 2007 relative to the renewal and increase of the company's credit accommodation with respondent.[20]

Ruling of the Trial Court

By Decision[21] dated July 10, 2018, the trial court, through Hon. Presiding Judge Eugene C. Paras (Judge Paras), ruled that only Interbrand and Edgar San Luis should be jointly and severally liable to respondent for the aggregate amounts indicated in the eight promissory notes. The same liability though should not attach to Doris San Luis, spouses Caras, and Mijares for being premature, and to Chua for lack of cause of action. The trial court found that only Interbrand and Edgar San Luis received demand letters from respondent. Citing Article 1169 of the Civil Code, it emphasized that demand on the other defendants is necessary to hold them liable for the obligation in question.

As for Chua, the trial court further noted that he denied affixing his supposed signature to the subject CSAs. Atty. Umali confirmed that she had no personal knowledge regarding the execution of these CSAs. She even admitted that respondent did not have on its file Chua's signature card. Too, she never refuted Chua's claim that he did not appear before the notary public who allegedly notarized these CSAs.[22]

Undaunted, respondent, on one hand, and Interbrand, together with Edgar San Luis, on the other, filed their respective partial motions for reconsideration.

Meantime, Acting Presiding Judge Rosario Ester B. Orda-Caise (Judge Orda-Caise) took over the case. Per her Joint Resolution[23] dated February 10, 2020, she modified the Decision dated July 10, 2018 of Judge Paras. Judge Orda-Caise this time held Doris San Luis, Chua, spouses Caras, and Mijares jointly and severally liable together with Interbrand and Edgar San Luis for the unpaid loans with respondent, thus:

> **WHEREFORE**, the Motion for Reconsideration of plaintiff Bank of Commerce is hereby **GRANTED**. The Motion for Reconsideration of defendants Interbrand Logistics and Edgar San Luis, is **DENIED**. Decision dated July 10, 2018 is hereby **MODIFIED** and the court rules that defendants Interbrand Logistics & Distribution, Inc., Spouses Edgar and Doris San Luis, Gil G. Chua, Spouses Almer and Jane Caras and Carlos Mijares, are jointly and severally liable and are hereby **ORDERED** to pay plaintiff the following:
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> a. Under Promissory Note No. 910-60-031120-1 in the principal amount of [PHP] 4,000,000.00 with interest at the rate of 13% per annum from November 26, 2009 until fully paid and penalty charges at the rate of 12% per annum from February 24, 2010, until fully paid;
> b. Under Promissory Note No. 910-60-031530-3 in the principal amount of [PHP] 14,000,000.00 with interest at the rate of 13% per annum

from December 10, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 10, 2010, until fully paid;

c. Under Promissory Note No. 910-60-031572-9 in the principal amount of [PHP] 6,000,000.00 with interest at the rate of 13% per annum from December 11, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 11, 2010, until fully paid;
d. Under Promissory Note No. 910-60-032009-9 in the principal amount of [PHP] 12,000,000.00 with interest at the rate of 13% per annum from December 29, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 29, 2010, until fully paid;
e. Under Promissory Note [No.] 1060032429-9 in the principal amount of [PHP] 18,000,000.00 with interest rate of 13% per annum from January 19, 2010 until fully paid and penalty charges at the rate of 12% per annum from April 19, 2010, until fully paid;
f. Under Promissory Note No. 910-60-032502-3 in the principal amount of [PHP] 10,000,000.00 with interest at the rate of 13% per annum from January 21, 2010 until fully paid and penalty charges at the rate of 12% per annum from April 21, 2010, until fully paid;
g. Under Promissory Note No. 910-60-32529-5 in the principal amount of [PHP] 15,000,000.00 with interest at the rate of 13% per annum from January 22, 2010 until fully paid and penalty charges at the rate of 12% per annum from February 22, 2010, until fully paid;
h. Under Promissory Note No. 910-60-032571-6 in the principal amount of [PHP] 71,000,000.00 with interest at the rate of 13% per annum from January 26, 2010 until fully paid and penalty charges at the rate of 12% per annum from April 26, 2010, until fully paid;
i. Attorney's fees at [PHP] 1,000,000.00.

No pronouncement as to costs.

SO RESOLVED.[24] (Emphasis in the original)

Ruling of the Court of Appeals

Aggrieved, Interbrand et al. filed their appeal together while Chua filed his separate appeal. In its assailed Decision[25] dated May 31, 2022, the Court of Appeals affirmed in full. Petitioners' motions for partial reconsideration were denied under its assailed Resolution[26] dated October 3, 2022.

The Present Petitions

Petitioners now seek the discretionary appellate jurisdiction of the Court to review and reverse the assailed dispositions of the Court of Appeals pertaining to their joint and several liability for the aggregate amounts indicated in the eight promissory notes.

In *G.R. No. 263632*, Chua posits that the presumption of regularity accorded to the notarized CSA bearing his supposed signature was overthrown by clear and convincing

evidence of irregularities attendant to its execution and notarization.[27]

On the other hand, in *G.R. No. 264110*, Interbrand et al., assert that since their CSAs were all executed ahead of the subject promissory notes, these CSAs were deemed to have been issued without any consideration, hence, they cannot be held liable therefor. They likewise question the allowance of the amended complaint which allegedly contained an entirely new cause of action not found in the original complaint.[28]

Further, all the petitioners raise anew the alleged absence of prior demand before they were sued as sureties.[29]

In its consolidated Comment[30] dated May 30, 2023, respondent maintains that the rule on presumption of regularity of notarized documents remains in place here as Chua failed to present clear and convincing evidence to the contrary insofar as the CSAs are concerned.[31] As for Interbrand et al., respondent posits that as stipulated in the CSAs, the parties have waived the requirement of prior demand; the subject loans have remained unpaid; and as in the case of Chua, the notarized documents bear the presumption of regularity as public documents insofar as Interbrand et al. are concerned.[32]

Our Ruling

Foremost, a petition for review on *certiorari* under Rule 45 of the Rules of Court covers only questions of law. Questions of fact are not reviewable and cannot be passed upon by the Court in the exercise of its power of review. The distinction between questions of law and questions of fact is established. A question of law exists when the doubt or difference centers on what the law is on a certain state of facts. A question of fact, on the other hand, exists if the doubt centers on the truth or falsity of the alleged facts. This being so, the findings of fact of the Court of Appeals are final and conclusive and the Court will not review them on appeal.[33]

This rule, however, is subject to the following exceptions, viz.: (1) the conclusion is grounded on speculations, surmises, or conjectures; (2) the inference is manifestly mistaken, absurd, or impossible; (3) there is grave abuse of discretion; (4) the judgment is based on a misapprehension of facts; (5) the findings of fact are conflicting; (6) there is no citation of specific evidence on which the factual findings are based; (7) the findings of absence of facts are contradicted by the presence of evidence on record; (8) the findings of the Court of Appeals are contrary to those of the trial court; (9) the Court of Appeals manifestly overlooked certain relevant and undisputed facts that, if properly considered, would justify a different conclusion; (10) the findings of the Court of Appeals are beyond the issues of the case; and (11) such findings are contrary to the admissions of both parties.[34]

Here, the Court finds that the courts below manifestly overlooked certain relevant facts that would justify a different conclusion. Too, the trial court itself arrived at some conflicting factual findings in its main decision and in its resolution of the motions for

reconsideration. In fine, there is a valid reason for the Court to review the evidence and come out with its own factual findings in accordance therewith.

There exist serious questions on the supposed public character of the notarized CSA bearing the supposed signature of Chua

We shall first discuss the petition of Chua in *G.R. No. 263632*.

As stated, Interbrand, through a board resolution, authorized its officers to obtain or renew loans and/or credit accommodations from respondent in the principal amount of PHP 150,000,000.00. As security, the company submitted to the bank CSAs, each bearing as surety the respective names and signatures of spouses Edgar (director) and Doris San Luis (director), spouses Almer (President) and Jane Caras, Chua and Mijares (director). The CSAs were notarized by a certain Richard S. Allas (Allas) and Fernando M. Alonzo (for spouses San Luis) on January 27, 2009 or January 23, 2009. They each bore the following acknowledgment:

> In City of Calamba/Makati, Philippines, on January 27, 2009, partially appeared exhibiting to me his/her/their Taxpayer's Account No. ____ and Resident Certificate and that of the entity that he/she/they represents, bearing their respective Nos. A-[number of competent evidence of identity] issued on [date] at [place of issuance] and B-[number of competent evidence of identity] issued on [date] at [place of issuance], known to me and to me known the same person(s) who executed the foregoing instrument, signed by the parties and his/her/their instrumental witnesses and acknowledged that he/she/they executed the same as his/her/their free act and deed and the free act and deed of the company/corporation he/she/they represents for the uses and purposes therein mentioned.[35]

It is noted that the only reason cited by the trial court in reversing itself and holding Chua liable as surety was the presumption of regularity accorded to his CSA for being a notarized document.

Nonetheless, Chua counters that he cannot be held liable based alone on such presumption of regularity which has already been overthrown by clear and convincing evidence to the contrary. In fact, he has, from day one, vehemently denied executing the subject CSA, let alone, appearing before any notary public to affirm its genuineness and due execution. He also points to several infirmities or irregularities which tainted the subject CSA, including its notarization.

The argument is well taken.

First. Unlike Chua, the names appearing as sureties and signatories to the other CSAs are either directors, officers, and/or majority shareholders of Interbrand. As such, they are integral to Interbrand' s management and operations, actively involved in its

decision-making process, and vested with authority to act on its behalf, including the assumption of its obligations.

In stark contrast, Chua has no such connection or involvement with Interbrand. He is neither a shareholder nor an officer, nor does he have any role in the day-to-day operations of the company. Without any stake in the company, whether in terms of ownership or management, there is no logical or reasonable justification for him to assume responsibility for its loan obligations. From a rational standpoint, it defies common sense for an individual to expose himself to significant personal financial risk by guaranteeing a loan for a business with which he or she has no direct connection. A personal guarantee involves an inherent risk of losing personal assets—such as savings, properties, or investments—if the corporation defaults on the loan. Here, Chua effectively asserts that he will not and is not willing to stand in for a company that is, in all practical terms, a complete stranger to him. Indeed, logic and practical considerations dictate that a reasonable person in Chua's position would not agree to guarantee the loan availments of a company with which he has no relation at all. In fine, Chua's lack of connection to Interbrand casts doubts, and lends credence to his persistent claim that he did not execute the supposed CSA as surety for Interbrand's loans with respondent.

Second. Indeed, Chua vigorously and consistently denied that he signed a CSA for Interbrand, let alone, acknowledged its execution in person before Notary Public Richard S. Allas (Notary Public Allas). This is a critical point, as notarization requires that the individual appearing before the notary affirm the document's contents and sign it in their presence. Surprisingly, Atty. Umali, as the lone witness for respondent, failed to shed light on this matter, let alone, on the genuineness and due execution of the CSA as she even confirmed that respondent did not have a signature card of Chua.[36] At any rate, respondent could have easily presented Notary Public Alias or the supposed witnesses named in the document, i.e., Gilbert Espinola and Maria Yvette A. Tambunting to refute the irregularities imputed by Chua. But it never did.

It is settled that while notarization creates a presumption of regularity regarding the authenticity and proper execution of the contract, it does not alter the status of a void contract. The impugned documents cannot be presumed as valid because of the direct challenge posed thereto.[37] In any case, a disputable presumption does not allow a claimant to just sit down and wait for respondent to present evidence to overcome the disputable presumption as what happened in this case.[38]

We therefore bring to the fore *Dela Rama v. Papa*,[39] a civil case for cancellation of title grounded on forgery. There, the Court held that while the burden of proof for establishing forgery is on petitioners who alleged the same, the improper acknowledgment of the deed shifted the burden of evidence to the respondent. The failure of respondent to discharge this burden as in the said case compels a declaration of nullity or the fictitious character of the conveyance. Hence, the Court annulled the deed of sale in *Dela Rama*; and cancelled the respondents' title to the subject property, viz.:

> The totality of the evidence for the petitioners established a *prima facie* case that the deed of sale was **not genuine**. Even as the burden of proof may have initially lain with petitioners in establishing the forgery of what is a private document, their evidence was sufficient to shift the burden of evidence to respondents to establish the authenticity and due execution of said private document, especially as it is they who rely on the same in their defense.[40]
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> . . . .
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> The deed was purportedly notarized by Atty. William Gumtang, who was personally known to Papa as he was one of the notaries public of CSE. Had Atty. Gumtang testified that Papa had signed the deed of sale in his presence, Papa's memory lapse would have had less relevance. Yet Atty. Gumtang was never called on as a witness for the defense, nor was any other step taken by the respondents to otherwise establish that Papa had signed the deed of sale in front of the notary public.[41]
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> . . . .
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> There are a myriad of ways respondents could have swayed the case then in their behalf after the burden of evidence had shifted to them. Most pertinently, they could have presented the two persons whom Oscar Papa had identified as witnesses to the deed of sale, Mrs. Galeos and Mrs. Reyes, as well as Atty. Gumtang, to whom the deed was referred to for notarization. All three persons were personally known to Papa. Galeos and Reyes were, according to Papa, "staff of LEDC... who finalize[d] the document," while Atty. Gumtang was one of the notaries public of CSE. Yet none of them testified in respondents' behalf.... Assuming that the deed of sale was prepared, signed and notarized according to Papa's version of events, any of these three witnesses could have easily bolstered the evidence in favor of the genuineness of the deed since Papa himself attested to their personal knowledge of these events. That they were not presented by Papa in his behalf speaks poorly of the veracity of his tale.[42] (Emphasis supplied)

To be sure, a fictitious conveyance does not bind the parties despite its notarization as in this case considering that "[t]he cumulative effect of the evidence on record . . . identified badges of simulation proving that the sale . . . was not intended to have any legal effect between them."[43]

In other words, although the notarization of the subject CSA carries with it the presumption of regularity, it is not the intention nor the function of the notary public to validate and make it binding when such CSA, in the first place, was never intended to have any binding legal effect upon Chua.

In any event, it does not escape the Court's attention that both the CSA of spouses San Luis[44] and the CSA of Chua[45] were executed on the same day, January 27, 2009, in

two different places: Calamba, Laguna, and Makati City, respectively, before two different notaries public, but listing exactly the same set of witnesses Gilbert Espinola and Maria Yvette A. Tambunting. It is quite contrary to ordinary experience that two separate documents involving different people and different notaries public, are notarized on exactly the same date, in the presence of exactly the same witnesses, but in two geographically far apart places. This is another patent irregularity which further lends credence to Chua's firm position that he did not sign the CSA nor affirm its existence and genuineness before any notary public.

Third. By Decision[46] dated July 10, 2018, the trial court, through Judge Paras, absolved Chua from any liability arising from the subject CSA. Judge Paras held that his signature on the CSA was not duly established. He further pronounced that even the witness for respondent, Atty. Umali (head of the Remedial Management Department) could not identify his signature with certainty since admittedly, the bank did not have on file his signature card from which it may be able to compare the signature appearing on the subject CSA.

In fine, Judge Paras directly tackled and resolved the core issue affecting the execution of the CSA and the infirmities attendant to its alleged notarization. *Indeed, to accept the decree of reversal would set a dangerous precedent, allowing presumptions to override solid factual disputes where evidence has indubitably failed to establish the authenticity of the key document in question.*

In contrast,[47] Acting Presiding Judge Orda-Caisa who took over the case on motion for reconsideration, made a complete turnaround on the liability of Chua per her Joint Resolution[48] dated February 10, 2020. As it was, the decree of reversal was solely hinged on the presumption of regularity accorded to notarized documents and appeared to have sidestepped the critical factual dispute involved in the case. In fine, there was a total failure to fully address the central factual dispute regarding the vehement assertion of Chua that he did not execute the subject CSA; and the irregularities he pointed out pertaining to its supposed notarization. We cannot subscribe to this kind of disposition which simply applied the presumption of regularity without regard at all to the clear and convincing evidence on record showing otherwise. On this score, the testimony of Chua assumes greater weight as to the genuineness or spuriousness of his own signature on the CSA that was stripped of its character as a public document.[49]

Interbrand et al. remain jointly and solidarily liable to respondent

We now move to the petition of Interbrand et al. in *G.R. No. 264110*. They seek to be exonerated from liability as sureties since allegedly the execution of their CSAs on January 27, 2009 or January 23, 2009[50] came ahead of the subject promissory notes which got executed only between November 26, 2009 and January 26, 2010.

The Petition must fail.

First. To clarify, the dates "January 27, 2009" or "January 23, 2009" being referred to as the date of execution of the subject CSAs also refers to the date when the CSAs got notarized. On whether the promissory notes were executed prior to or subsequent to the particular date is totally irrelevant to the execution of and the binding effect of these promissory notes on the sureties. Notably, the CSAs and the promissory notes are in *pari materia* and may not be separated from each other.

Second. By its nature, a continuing surety agreement covers current and future loans. [51] These continuing suretyships have the effect of encouraging the creditor to extend further accommodations without the fears and uncertainties that unsecured credits carry. [52]

The common terms of the CSAs here are clear. They were meant to subsume future loan availments of Interbrand, viz.:

CONTINUING SURETYSHIP AGREEMENT

KNOW ALL MEN BY THESE PRESENTS

THAT WE SPS. ALMER AND JANE CARAS, MARRIED, FILIPINOS, BOTH OF LEGAL AGE, with offices at 62 11TH AVE., MURPHY, CUBAO, QUEZON CITY, for and in consideration of any existing indebtedness to you of INTERBRAND LOGISTICS & DISTRIBUTION, INC., a corp. duly organized & existing by virtue of the laws of the Republic of the Phils., with office address at 62 11th Ave., Murphy, Cubao, Quezon City, hereinafter called the "Borrower," for the payment of which the undersigned surety/ies is now obligated to you, jointly and severally with the Borrower and/or in order to induce you, in your discretion, at any time or from time to time hereafter, to make loans or advances or to extend credit in any other manner to or at the request or for the account of the Borrower, either with or without security, and/or to purchase or discount, or, to make any loans or advances evidenced or secured by any notes, bills receivable, drafts, acceptances; checks or other instruments or evidences of indebtedness (all hereinafter called "instruments") upon which the Borrower is or may become liable as maker, endorser, acceptor, or otherwise, ***the undersigned agrees to guarantee and warrant, and does hereby guarantee and warrant the punctual payment at maturity to you of any and all such, instruments, loans, advances, credits and/or other obligations hereinbefore referred to, and also any and all other indebtedness of every kind which is now or, may hereafter become due or owing to you by the Borrower*** together with any and all expenses which may be incurred by you in collecting all or any such instruments or other indebtedness or obligations hereinbefore referred to, and/or in enforcing any rights hereunder, and also to make or cause any and all such payments to be made strictly in accordance with the terms and provisions of any agreement(s), express or implied which has (have), been or may hereafter be made or entered into by the Borrower in reference thereto regardless of any law, regulations or

> decree, now or hereafter in effect, within might in any manner affect any of the terms or provisions of any such agreement(s) or your rights with respect thereto as against the Borrower, or cause any or permit to be invoked any alteration in the time, amount or manner of payment by the Borrower of any such instruments, obligations, or indebtedness; provided however, that: the liability of the undersigned hereunder shall not exceed at any one time the aggregate principal sum of PESOS ONE HUNDRED EIGHTY MILLION ONLY ([PHP] 180,000,000.00) (irrespective of the currency/ies in which the obligations hereby guaranteed are payable)[53] (Emphasis supplied)

A contract of suretyship is an agreement whereby a party, called the surety, guarantees the performance by another party, called the principal or obligor, of an obligation or undertaking in favor of another party, called the obligee. Although the suretyship itself is a contract that is ancillary to the main financial accommodation contract between the principal and the creditor, what sets the surety apart from a mere guaranty is that in a suretyship, the surety is principally liable, as opposed to a guarantor who is only secondarily liable. So much so that with a suretyship agreement securing the loan transaction, a creditor may go directly against the surety even without a prior demand on the principal debtor, although the latter may be solvent or otherwise able to pay. A surety's liability stands irrespective of the principal debtor's ability to perform his obligations under the contract which is subject of the suretyship.[54]

Thus, Interbrand et al. are liable for the principal loans, together with the interest and penalties due thereon, regardless of their claim that they signed the promissory notes before they executed the CSAs. Precisely, the essence of a continuing suretyship agreement is to anticipate a series of commercial transactions with projected principal debtors already equipped with a suretyship agreement to cover present and future loans.

CSAs are in fact quite commonplace in present day financial and commercial practice. A bank or financing company which anticipates entering into a series of credit transactions with a particular company, normally requires the projected principal debtor to execute a CSA along with its sureties. By its execution, the principal debtor places itself in a position to enter into the projected series of transactions with its creditor; with such suretyship agreement, there would be no need to execute a separate surety contract or bond for each financing or credit accommodation extended to the principal debtor.[55]

Finally, unlike Chua, Interbrand et al. in *G.R. No. 264110* chose not to present any testimonial evidence during the trial court proceedings. This simply means that there was no evidence in the possession of Interbrand et al. to counter the claims of respondent regarding their joint and solidary obligation as sureties under the CSAs.

Interbrand et al. waived the requirement of prior demand under the CSAs

Interbrand et al. also raise anew the absence of a prior demand before the suit for their liability as sureties commenced. But as correctly found by the courts below, Interbrand

et al. already waived such requirement as stipulated in the subject CSAs, thus:

> The undersigned hereby waives notice of acceptance of this suretyship, and also presentment, demand protest and notice of dishonor of any and all such instruments, loans, advances, credits or other indebtedness or obligations hereinbefore referred to and promptness in commencing suit against any party thereto or liable thereon, and/or giving any notice to or of ***making any claim or demand*** hereunder upon the undersigned.[56] (Emphasis supplied)

In *Lim v. Security Bank Corp.*,[57] the terms of the Continuing Suretyship executed by therein petitioner included a stipulation that he, as surety, shall, *without need for any notice or demand*, immediately become liable and shall pay all credit accommodations extended by the bank to the debtor. The Court held that such stipulation is valid and should constitute the law between the parties.

In any event, a surety is not even entitled, as a matter of right, to be notified of the principal's default. Inasmuch as the creditor owes no duty of active diligence to take care of the interest of the surety, his or her mere failure to voluntarily give information to the surety of the default of the principal cannot have the effect of discharging the surety. The surety is bound to take notice of the principal's default and to perform the obligation. He or she cannot complain that the creditor has not notified him or her in the absence of a special agreement to that effect in the contract of suretyship.[58]

The respondent is entitled to the amounts granted by the trial court and the appellate court

Interbrand et al. contend that the amended complaint should not have been allowed since it introduced an entirely different set of promissory notes. Thus, they assert that a new complaint should have been filed. The Court of Appeals, however, ruled that the amendment is sanctioned by the Rules of Court since it "effected no change in the cause of action, defense, or theory of the case since it remained to be an action for collection of sum of money between the appellee bank and the appellants on the CSAs executed by individual appellants."[59]

To begin with, the Court finds no reversible error when the trial court allowed the amendment of the complaint, and admitted the attached amended complaint. Respondent sought leave and the same was granted. Under Rule 10, Section 8 of the Rules of Court, an amended complaint supersedes an original one. As a consequence, the original complaint is deemed withdrawn and no longer considered part of the record. In effect, the amended complaint is treated as an entirely new complaint.[60]

As a general rule, an amendment cannot include obligations that were not yet due at the time of the filing of the original complaint.

As borne out by the records, the original complaint was filed on April 8, 2010 where the bank sought to collect the liabilities of Interbrand et al. under the following

promissory notes:[61]

Annex	PN Number	Value Date	Maturity Date	Amount
A	910-60-026938-7	May 7, 2009	August 5, 2009	37 Million
B	910-60-026961-1	May 8, 2009	August 6, 2009	28 Million
C	(not attached in the records)	April 28, 2009		30 Million
D	910-00-02872-8	July 23, 2009	October 21, 2009	30 million
E	910-60-026749-0	April 24, 2009	May 29, 2009	15 million
F	910-60-026984-1	May 11, 2009	August 7, 2009	6 million
G	910-60-028756-3	July 24, 2009	October 22, 2009	4 million
			Total	150 million

Before the case was called for pre-trial, respondent sought and was granted leave to amend the complaint over the objection of Interbrand et al. The Court notes, however, that although respondent referred to its new complaint as an amended complaint, the same did not carry over the six promissory notes subject of its original complaint. What it pleaded was entirely a new set of eight promissory notes, thus:

Annex	PN Number	Value Date	Maturity Date	Amount
C	910-60-031120-1	November 26, 2009	February 24, 2010	4 Million
D	910-60-031530-3	December 10, 2009	March 10, 2010	14 million
E	910-60-031572-9	December 11, 2009	March 11, 2010	6 million
F	910-60-032009-9	December 29, 2009	March 29, 2010	12 million
G	910-60-032429-9	January 19, 2010	April 19, 2010	18 million
H	910-60-032502-3	January 21, 2010	April 21, 2010	10 million
I	910-60-032529-5	January 22, 2010	February 22, 2010	15 million
J	910-60-032571-3	January 26, 2010	April 26, 2010	71 million
			Total	150 million

Upon the filing of the amended Complaint[62] on September 12, 2024, all of the eight promissory notes listed above were already due and demandable.

Clearly, although respondent denominated its "second complaint" as "amended complaint," it was for all intents and purposes an entirely new complaint. In other words, calling the "the second complaint" an "amended complaint" is a misnomer. It is

the allegations in the complaint that dictate the kind of pleading it is, not the caption given by the parties as in this case. Consequently, the "second complaint" should not be governed by the rules pertaining to amended complaints[63] but by the rules governing the filing of a complaint in general.

Verily, the argument of Interbrand et al. against the inclusion of the eight promissory notes in the "new complaint," albeit they were not yet due and demandable when the first complaint was filed is at best misplaced. As clarified, the cause of action for sum of money relative to the six promissory notes in the original complaint was already abandoned and no longer carried over to the "new complaint" which bore a different cause of action relative to an entirely different set of eight promissory notes.

At any rate, there are highly exceptional circumstances which warrant the grant of the full amount/s prayed for by respondent in the new complaint despite the technical objection of Interbank et al., which, at any rate, is devoid of merit.

First. Justice delayed is justice denied—an old adage that must be realized and must be given meaning by the Court. This case has been pending for nearly 14 years. The Court cannot, in good conscience, direct respondent to initiate the filing of another complaint and start the case all over again for another 14 years. This would unduly prejudice the bank, which has already endured an extraordinary delay in pursuing its legitimate claim.

Second. The delay in this case was caused by Interbrand, et al. There was no movement in the case for a prolonged period of time (four years) because of Interbrand et al.'s offer of compromise. The bank gave them unlimited chances to make good their commitment to finally settle the case. Yet, time and again, they failed to honor their commitment. Its empty promises have compounded the delay in this case, leaving the bank with no recourse but to pursue this litigation.

Third. The debt at issue is owed to a bank, an institution that plays a critical role as the backbone of the financial system, amounting to a staggering PHP 150,000,000.00. Allowing this obligation to remain unresolved could have far-reaching consequences, not only for the bank involved but also for the stability of the broader economy. The failure to enforce the bank's rights in this case could undermine public confidence in the financial system and the efficacy of contractual obligations in general. The public interest in maintaining the integrity of financial transactions and upholding obligations to financial institutions is therefore a critical factor that should weigh in favor of granting the claims in the amended complaint.

Fourth. There was no bad faith on the part of respondent as there was no intent to defraud the government with respect to the filing fees. The total principal amount for both the initial complaint and the new complaint is the same—PHP 150,000,000.00. Other than the promissory notes, the amount prayed for remains the same. To the contrary, the bank paid higher filing fees for the initial complaint due to the higher amount of interest that had accrued, as it was calculated from the earlier maturity date specified in the original complaint. Hence, the Court finds no reason to require the bank to file another complaint, as the appropriate filing fees have already been paid.

Fifth. Interbrand, et al. waived the presentation of their evidence. They did not deny the existence of the debt and failed to present any substantial evidence to refute the bank's claims. To try the case anew when Interbrand, et al. have no controverting evidence would be an exercise in futility. Ironically, Interbrand et al.'s sole contention is that the bank should have initiated a new complaint. Under the Rules, the amended complaint superseded the initial complaint. It is treated as an entirely new complaint. In effect, the bank even waived its claims against the Interbrand et al. under the six promissory notes attached to the initial complaint. Indubitably, the basis of the Interbrand et al. to oppose the so-called amendment is devoid of merit.

Lastly. The new complaint did not result in any prejudice to Interbrand et al. The so-called amendment was made before pre-trial, and the case was thereafter tried based on the new complaint. Consequently, both the trial court and the Court of Appeals rendered their decisions based on the second complaint. It simply means that Interbrand et al. were afforded due process. They were given ample opportunity to challenge the claims made in the second complaint, but failed to do so.

Indeed, Interbrand et al.'s refusal to fully resolve the claims of respondent based on post-accrued causes of action would be tantamount to permitting an injustice to persist. The Court must consider not just the facts of the case, but also the weight of justice itself. To require respondent to start anew would amount to a denial of that justice. A delay of 14 years in securing resolution for an established claim is an affront to the principles of fairness and judicial efficiency.

Interest rates and penalty charges on the principal obligation

There are two types of interest. Interest as a compensation fixed by the parties for the use or forbearance of money is referred to as monetary interest, while interest that may be imposed by law or by courts as penalty for damages is referred to as compensatory interest.[64]

Under the principle of mutuality of contract, parties can freely stipulate the amount of interest rate. *Spouses Abella v. Spouses Abella*,[65] however, decreed that while the contracting parties may depart from the legal interest rate of 6% per annum, any deviation therefrom must be reasonable and fair. If the stipulated interest for a loan is more than twice the prevailing legal rate of interest, the creditor must prove that interest rate is justified under the prevailing market conditions. Hence, the courts are allowed to equitably temper interest rates that are found to be excessive, iniquitous, unconscionable, and/or exorbitant.

Jurisprudence dictates that the interest rate of 24% per annum (or 2% per month) is fair and reasonable.[66] Hence, the stipulated interest rate of 13% per annum in the subject promissory notes must be upheld.

The penalty charges are likewise expressly sanctioned under Article 2229 of the Civil Code, viz.:

> If the obligation consists in the payment of a sum of money, and the debtor incurs in delay, the indemnity for damages, there being no stipulation to the contrary, shall be the payment of the interest agreed upon, and in the absence of stipulation, the legal interest, which is six per cent *per annum*.

They are in the nature of liquidated damages that may be equitably reduced by the Court if found to be unconscionable. *Tan v. Court of Appeals*[67] emphasized that the Civil Code expressly permits an agreement with a penalty charge on top of the stipulated monetary interest. If the parties stipulate this kind of agreement, the penalty does not include the monetary interest, and as such the two are different and distinct from each other and may be demanded separately.[68]

Here, the Court finds no reason to invalidate the 12% penalty charge per annum. In *Pabalan v. Sabnani*,[69] the Court pronounced that it will not intervene with the parties' freedom to contract if the stipulated rates of interest, penalty charges, liquidated damages, and attorney's fees were freely and voluntarily agreed upon by the parties without any *indicia* of fraud or coercion.

In *Development Bank of the Philippines v. Family Foods Manufacturing Co., Ltd.*[70] the Court upheld the stipulated interest rates of 22% and 18%, and additional penalty charge of 8% per annum, emphasizing that the parties are bound by the stipulations in the contracts voluntarily entered into by them.

Accordingly, Interbrand et al. in G.R. No. 264110 are experienced business persons and directors of a corporation who entered into the contract with respondent on equal footing, with a mutual understanding of the terms. In fact, despite having the opportunity, they never contested or raised any objections to the interest rates during trial or on appeal. Given the clear absence of any challenge to the stipulated penalty, and considering the voluntary and informed nature of the agreement, there is no basis for the Court to intervene or set aside the imposition of the penalty charge at the rate of 12% per annum.

Too, it cannot be denied that the amount of PHP 150,000,000.00 owed by Interbrand et al. way back in 2010 has significantly diminished in value over time. Therefore, the accrued interest and penalty charges serve as the means to restore the equitable value of the debt.

Award of attorney's fees should be sustained

Article 2208 of the Civil Code entitles respondent to an award of attorney's fees and expenses of litigation when "*the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim*," as here.[71]

Here, respondent's claim is based on a clearly valid and just debts expressly agreed upon by the parties. Interbrand et al.'s refusal to satisfy them, despite being well aware of their obligation, is an act of bad faith. The refusal was not merely a delay or a

misunderstanding, but a deliberate disregard for an undeniable obligation. The fact that Interbrand et al. failed to present any evidence to support their refusal to honor their contractual obligations speaks volumes of the lack of any legitimate defense for their actions.

By reason of the unjust refusal on the part of Interbrand et al. to satisfy their just and valid obligation upon maturity, respondent was compelled to engage the services of counsel. Hence, the award of attorney's fees is proper.

Also, consistent with *Nacar v. Gallery Frames*,[72] the Court deems it proper to impose legal interest on the total monetary award at the rate of 6% from finality of this Decision until fully paid.

ACCORDINGLY, the Petition in G.R. No. 263632 is **GRANTED** while the Petition in G.R. No. 264110 is **DENIED**. The Decision dated May 31, 2022 and Resolution dated October 3, 2022 of the Court of Appeals in CA-G.R. CV No. 116319 are **AFFIRMED** with **MODIFICATION** as to Gil Chua who is **RELEASED** from any liability to the respondent Bank of Commerce, including all interests and penalties, as well as attorney's fees.

Petitioners Interbrand Logistics and Distribution, Inc., spouses Edgar and Doris San Luis, spouses Almer and Jane Caras and Carlos Francisco S. Mijares, are jointly and severally liable to **PAY** respondent Bank of Commerce the principal obligation in the total amount of **PHP 150,000,000.00** plus interest and penalties, and attorney's fees, as follows:

a. Under Promissory Note No. 910-60-031120-1, the principal amount of **PHP 4,000,000.00** with interest at the rate of 13% per annum from November 26, 2009 until fully paid and penalty charges at the rate of 12% per annum from February 24, 2010, until fully paid;

b. Under Promissory Note No. 910-60-031530-3, the principal amount of **PHP 14,000,000.00** with interest at the rate of 13% per annum from December 10, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 10, 2010, until fully paid;

c. Under Promissory Note No. 910-60-031572-9, the principal amount of **PHP 6,000,000.00** with interest at the rate of 13% per annum from December 11, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 11, 2010, until fully paid;

d. Under Promissory Note No. 910-60-032009-9, the principal amount of **PHP 12,000,000.00** with interest at the rate of 13% per annum from December 29, 2009 until fully paid and penalty charges at the rate of 12% per annum from March 29, 2010, until fully paid;

e. Under Promissory Note No. 1060032429-9, the principal amount of **PHP 18,000,000.00** with interest at the rate of 13% per annum from January 19, 2010 until

fully paid and penalty charges at the rate of 12% per annum from April 1, 2010, until fully paid;

f. Under Promissory Note No. 910-60-032502-3, the principal amount of **PHP 10,000,000.00** with interest at the rate of 13% per annum from January 21, 2010 until fully paid and penalty charges at the rate of 12% per annum from April 21, 2010, until fully paid;

g. Under Promissory Note No. 910-60-32529-5, the principal amount of **PHP 15,000,000.00** with interest at the rate of 13% per annum from January 22, 2010 until fully paid and penalty charges at the rate of 12% per annum from February 22, 2010, until fully paid;

h. Under Promissory Note No. 910-60-032571-6, the principal amount of **PHP 71,000,000.00** with interest at the rate of 13% per annum from January 26, 2010 until fully paid and penalty charges at the rate of 12% per annum from April 26, 2010, until fully paid; and

i. Attorney's fees of **PHP 1,000,000.00**.

All monetary awards shall earn interest at the legal rate of 6% per annum from the finality of the Decision until fully paid.

SO ORDERED.

Leonen, SAJ. (Chairperson), M. Lopez, and *J. Lopez, JJ.*, concur.

Kho, Jr.,[*] *J.*, on official business.

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[*] On official business.

[1] *Rollo* (**G.R. No. 263632**), pp. 1-45; *Rollo* (**G.R. No. 264110**), pp. 3-24.

[2] *Rollo* (**G.R. No. 264110**), pp. 26-41. Penned by Associate Justice Marie Christine Azcarraga-Jacob and concurred in by Associate Justices Remedios A. Salazar-Fernando and Angelene Mary W. Quimpo-Sale of the First Division, Court of Appeals, Manila.

[3] *Id.* at. 42-45. Penned by Associate Justice Marie Christine Azcarraga-Jacob and concurred in by Associate Justices Remedios A. Salazar-Fernando and Angelene Mary W. Quimpo-Sale of the Former First Division, Court of Appeals, Manila.

[4] *Id.* at 27.

[5] *Id.*

[6] *Id.* at 39.

[7] *Id.* at 28.

[8] *Id.* at 53-67.

[9] Not attached in the *rollo*.

[10] *Rollo* (**G.R. No. 264110**), p. 94; pp. 155-156.

[11] *Id.* at 91-156.

[12] *Id.* at 93-94.

[13] *Id.* at 163.

[14] *Id.*

[15] *Id.* at 165.

[16] *Id.* at 161-171. Penned by Judge Eugene C. Paras of Branch 59, Regional Trial Court, Makati City.

[17] *Id.* at 166.

[18] *Id.* at 167.

[19] *Id.*

[20] *Id.*

[21] *Id.* at 161-171.

[22] *Id.* at 168.

[23] *Id.* at 177-183.

[24] *Id.* at 29-31.

[25] *Id.* at 26-41.

[26] *Id.* at 42-45.

[27] *Rollo* (**G.R. No. 263632**), pp. 12-45.

[28] *Rollo* (**G.R. No. 264110**), pp. 3-24.

[29] *Id.* at 38.

[30] *Id.* at 226-250.

[31] *Id.* at 234.

[32] *Id.* at 246.

[33] **Sps. Jorge v. Metropolitan Bank and Trust Co., G.R. No. 224339**, June 20, 2019 [Notice, First Division].

[34] *Id.*

[35] *Rollo* (**G.R. No. 264110**), pp. 143-150.

[36] *Id.* at 166.

[37] **Romulo v. Belen**, 474 Phil. 630, 640 (2004) [Per J. Ynares-Santiago, First Division].

[38] **Destriza v. Fair Shipping Corporation**, 896 Phil. 409, 419 (2021) [Per J. Hernando, Third Division].

[39] 597 Phil. 227 (2009) [Per J. Tinga, Second Division].

[40] *Id.* at 255.

[41] *Id.* at 241.

[42] *Id.* at 255.

[43] **Suntay v. Court of Appeals**, 321 Phil. 809 (1995) [Per J. Hermosisima, Jr., First Division].

[44] *Rollo* (**G.R. No. 264110**), pp. 143-144.

[45] *Id.* at 149-150.

[46] *Id.* at 161-171.

[47] *Id.* at 179.

[48] *Id.* at 177-183.

[49] **Strong Fort Warehousing Corporation v. Banta**, 890 Phil. 172, 181 (2020) [Per J. Lopez, Second Division].

[50] *Rollo* (**G.R. No. 264110**), p. 246.

[51] **Saludo, Jr. v. Security Bank Corporation**, 647 Phil. 569, 577 (2010) [Per J. Perez, First Division].

[52] **Tan v. First Malayan Leasing and Finance Corp.**, 904 Phil. 880, 890-891 (2021) [Per J. Caguioa, First Division].

[53] *Rollo* (**G.R. No. 264110**), pp. 145-146.

[54] **Tan v. First Malayan Leasing and Finance Corp.**, 904 Phil. 880, 889-890 (2021) [Per J. Caguioa, First Division].

[55] **Lim v. Security Bank Corp.**, 729 Phil. 345, 351-353 (2014) [Per J. Peralta, Third Division] citing **Saludo Jr. v. Security Bank Corp**., 647 Phil. 569, 576-577 (2010) [Per J. Perez, First Division].

[56] *Rollo* (**G.R. No. 264110**), pp. 143-150.

[57] 729 Phil. 345, 353 (2014) [Per J. Peralta, Third Division].

[58] **People's General Insurance Corp. v. Republic, G.R. No. 241533**, January 7, 2019 [Notice, First Division].

[59] *Rollo* (**G.R. No. 264110**), p. 35.

[60] **Mercado, et al. v. Spouses Espina**, 704 Phil. 545, 551 (2013) [Per J. Peralta, Third Division].

[61] *Rollo* (**G.R. No. 264110**), pp. 53-67.

[62] *Id.* at 91-156.

[63] RULES OF COURT, Rule 10.

[64] **Vasquez v. Philippine National Bank**, 860 Phil. 922, 954 (2019) [Per J. Caguioa, Second Division].

[65] 763 Phil. 372, 389 (2015) [Per J. Leonen, Second Division].

[66] **Garcia v. Court of Appeals**, 249 Phil. 739 (1988) [Per J. Gutierrez, Jr., Third Division]; **Asian Construction and Development Corporation v. Cathay Pacific Steel Corporation**, 636 Phil. 127, 135-136 (2010) [Per J. Del Castillo, First Division]; **Lara's Gifts and Decors, Inc. v. Midtown Industrial Sales, Inc.**, 860 Phil. 744, 762 (2019) [Per J. Carpio, *En Banc*].

[67] 419 Phil. 857, 865 (2001) [Per J. De Leon, Jr., Second Division].

[68] *Id.*

[69] **G.R. No. 211363**, February 21, 2023 [Per J. Gaerlan, *En Banc*].

[70] 611 Phil. 843, 853 (2009) [Per J. Nachura, Third Division].

[71] **The Mercantile Insurance Co., Inc. v. DMCI-Laing Construction, Inc.**, 863 Phil. 20, 46 (2019) [Per J. Caguioa, Second Division].

[72] 716 Phil. 267, 283 (2013) [Per J. Peralta, *En Banc*].

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