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Republic of the Philippines
Supreme Court
Manila
SECOND DIVISION

HUN HYUNG PARK,
Petitioner,

- versus -

EUNG WON• CHOI,
Respondent.

G.R. No. 220826

Present:

CARPIO, *J., Chairperson*,
PERLAS-BERNABE,
CAGUIOA,
J. REYES, JR., and
LAZARO-JAVIER, *JJ.*

Promulgated:

27 MAR 2019

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DECISION

CAGUIOA, *J.:*

Before this Court is a petition for review on *certiorari*[1] under Rule 45 of the Rules of Court filed by Petitioner Hun Hyung Park (Park) against Respondent Eung Won Choi (Choi), assailing the Court of Appeals' (CA) *Decision*[2] dated March 30, 2015 and *Resolution*[3] dated September 30, 2015 in CA-G.R. SP No. 124173.

In the assailed *Decision* and *Resolution*, the CA reversed and set aside the *Decision*[4] dated December 23, 2011 and *Order*[5] dated March 28, 2012 of the Regional Trial Court of Makati City – Branch 142 (RTC – Branch 142), which affirmed the *Decision*[6] dated April 26, 2011 of the Metropolitan Trial Court of Makati City - Branch 65 (MeTC), holding Choi civilly liable to pay Park the amount of One Million Eight Hundred Seventy-Five Thousand Pesos (₱1,875,000.00) plus interest of 12% percent per annum from August 31, 2000

• Also spelled as "Wong" in some parts of the *rollo*.
1 *Rollo*, pp. 8-20.
2 Id. at 118-129. Penned by Associate Justice Leoncia Real-Dimagiba with Associate Justices Ramon R. Garcia and Melchor Q.C. Sadang, concurring.
3 Id. at 139-140.
4 Id. at 55-59. Through Presiding Judge Dina Pestaño Teves.
5 Id. at 61.
6 Id. at 63-66. Through Presiding Judge Henry E. Laron.

until the whole amount is paid, ₱200,000.00 as attorney's fees, and ₱9,322.25 as reimbursement for filing fees.[7]

The Antecedent Facts

The present petition arose from a complaint[8] for *estafa* and violation of Batas Pambansa Blg. (B.P.) 22 filed by Park against Choi.

On June 28, 1999, Park, who was engaged in the business of lending money, extended a loan to Choi in the amount of ₱1,875,000.00.[9] As payment for the loan, Choi issued PNB Check No. 0077133[10] in the same amount dated August 28, 1999 in favor of Park.[11] On October 5, 1999, Park attempted to deposit the check to his bank account but the same was returned to him dishonored for having been drawn against a closed account.[12] Thereafter, Park, through counsel, sent a letter to Choi on May 11, 2000 informing the latter of the dishonored check.[13] Based on the registry return receipt attached to Park's *Complaint-Affidavit*,[14] and as stipulated by Choi during the pre-trial conference,[15] Choi received the demand letter on May 19, 2000 through a certain Ina Soliven.[16] Nevertheless, Choi failed to resolve the dishonored check.

With the loan remaining unpaid, Park instituted a complaint against Choi for *estafa* and violation of B.P. 22. Following Park's complaint, the Office of the City Prosecutor of Makati,[17] in an Information[18] dated August 31, 2000, charged Choi with one count of violation of B.P. 22. The case was later docketed as Criminal Case No. 294690 before the MeTC.[19]

On arraignment,[20] Choi pleaded not guilty.[21] After the pre-trial conference and the prosecution's presentation of evidence, Choi filed a *Motion for Leave of Court to File Demurrer to Evidence* along with his *Demurrer.* In his *Demurrer*, Choi asserted that the prosecution failed to prove that he received the notice of dishonor.[22] Thus, Choi argued that since receipt of the notice of dishonor was not proven, then the presumption of knowledge of insufficiency of funds — an element for conviction of violation of B.P. 22 — did not arise.[23]

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7 Id. at 66.
8 Id. at 75.
9 Id. at 65.
10 Id. at 58, 76.
11 Id. at 105.
12 Id. at 9, 79-80.
13 Id. at 75.
14 Id. at 78.
15 See id. at 9.
16 Id. at 78.
17 Id. at 80. Through Prosecutor Elba G. Tayo-Chua.
18 Id. at 81.
19 Id. at 63.
20 April 16, 2001, id. at 55, 64.
21 Id.
22 Id. at 55.
23 Id.

Proceedings before the MeTC

The MeTC **granted** Choi's *Demurrer* in an *Order* dated **February 27, 2003**[24] and **dismissed** the criminal complaint. The prosecution's *Motion for Reconsideration* of the dismissal was likewise denied, leading Park to appeal to the RTC of Makati City – Branch 60 (RTC – Branch 60).[25] In his appeal, Park contended that the dismissal of the criminal case should not carry with it the dismissal of the civil aspect of the case.[26]

Ruling of the RTC – Branch 60

The RTC – Branch 60,[27] in a *Decision*[28] dated September 11, 2003, **granted** Park's appeal. The RTC – Branch 60 held that while the evidence presented was insufficient to prove Choi's criminal liability for B.P. 22, it did not altogether extinguish his civil liability.[29] Accordingly, the RTC – Branch 60 ordered Choi to pay Park the face value of the check (₱1,875,000.00) with legal interest.[30]

Aggrieved by the RTC – Branch 60 *Decision*, Choi filed a Motion for Reconsideration. Acting on Choi's Motion for Reconsideration, the RTC – Branch 60 **reversed** its September 11, 2003 *Decision* (finding that Choi was liable to Park for ₱1,875,000.00) and instead ordered the **remand** of the case to the MeTC so that Choi may adduce evidence on the civil aspect of the case.[31]

Meanwhile, aggrieved by the RTC – Branch 60's remand of the case to the MeTC, Park elevated the matter to the CA.[32] The CA, however, dismissed Park's petition on procedural grounds (*i.e.,* the verification and certification of non-forum shopping failed to comply with Section 4, Rule 7 of the Rules of Court;[33] failure to attach copies of the MeTC *Order* dismissing the criminal case, the *motion for leave to file demurrer to evidence* and the *demurrer*; and finally, for attaching an uncertified and illegible copy of the RTC – Branch 60 *Decision* of September 11, 2003).[34]

Unsatisfied with the CA's dismissal of his petition on procedural grounds, Park assailed the CA dismissal of his petition before the Court, and, in G.R. No. 165496 entitled *"Hun Hyung Park v. Eung Won Choi,"*[35] the

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24 The MeTC Order dated February 27, 2003 is not attached to the record, see id.
25 The Motion for Reconsideration of the MeTC Order dated February 27, 2003 is not attached to the record, see id.
26 *Rollo*, p. 55.
27 See id. at 56.
28 The RTC – Branch 60 Decision dated September 11, 2003 is not attached to the record, see id. at 64.
29 *Rollo*, p. 56.
30 Id.
31 Id.
32 See id. at 64.
33 See id.
34 See *Hun Hyung Park v. Eung Won Choi*, 544 Phil. 431 (2007).
35 Id.

Court, through its Second Division,[36] ruled that the remand of the case to the MeTC for reception of Choi's evidence on the civil aspect of the case was **proper**, *viz.*:

> This Court therefore upholds respondent's right to present evidence as reserved by his filing of leave of court to file the demurrer.
>
> **WHEREFORE,** the petition is, in light of the foregoing discussions, *DENIED.*
>
> The case is *REMANDED* to the court of origin, Metropolitan Trial Court of Makati City, Branch 65 which is *DIRECTED* to forthwith set Criminal Case No. 294690 for further proceedings only for the purpose of receiving evidence on the civil aspect of the case.
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> Costs against petitioner.
>
> **SO ORDERED.**[37]

In a *Resolution*[38] dated June 29, 2007, the Court denied Park's Motion for Reconsideration from the above *Decision*. The Court's *Decision* in G.R. No. 165496 attained finality on January 18, 2008.

Proceedings before the MeTC

With the proceedings now before the MeTC, the MeTC ordered the presentation of Choi's evidence on the civil aspect of the case. However, in the course of the proceedings before MeTC, Choi repeatedly moved for several postponements, which postponements eventually led the MeTC to issue its *Order*[39] dated March 7, 2011, declaring that Choi had waived his right to present evidence.

The specific incidents leading up to the MeTC *Order* dated March 7, 2011 are as follows:

The MeTC initially scheduled the case for reception of Choi's evidence on July 16, 2008, but the same was declared a holiday. Hearing was then reset to January 7, 2009, then to April 7, 2009 and to May 19, 2009 upon the instance of Choi. The case was again rescheduled to August 5, 2009, but the same was again declared a holiday. On September 15, 2010, Choi asked for postponement on the ground that he needed the assistance of an interpreter to assist him in translating his testimony from Korean to English.[40]

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36 Id. Penned by Associate Justice Conchita Carpio-Morales with Associate Justices Antonio T. Carpio, Dante O. Tinga, Presbitero Velasco, Jr., and Leonardo Quisumbing (on official leave), concurring.

37 Id. at 447.

38 *Hun Hyung Park v. Eung Won Choi*, 553 Phil. 96, 99 (2007).

39 *Rollo*, p. 70.

40 Id. at 9-10.

The MeTC granted Choi's request to reset the hearing from September 15, 2010 to November 23, 2010 in an *Order*[41] issued the same day. In the *Order*, the court warned that "[i]n the event that the defense fails to present its evidence on the next scheduled hearing, its right to do so will be deemed waived and the case will be considered submitted for resolution based on the prosecution's evidence."[42]

Notwithstanding the court's warning, in the scheduled hearing on November 23, 2010, Choi asked for another postponement on the ground that the *Certification as a Qualified Interpreter*[43] issued by the Korean Embassy of the Philippines and presented by Choi's interpreter, Han Jong[43a] Oh (Oh), certifies Oh's qualification as an interpreter in another case and not to the case then before the court.[44]

The MeTC again granted Choi's motion for postponement, with a warning that the grant of postponement on November 23, 2010 would be the last. The MeTC cautioned Choi that should he still be not ready by the next hearing, his right to present evidence would be considered waived.[45]

Despite the warning, on the scheduled hearing of March 7, 2011, Choi asked for yet another postponement on the ground that his previous counsel was retired from the practice of law and his new counsel was not prepared for the day's hearing. On that day, Park objected to further postponement of the case considering that the last two postponements had already come with the court's warning against further postponements.[46]

Ruling on what was by then the sixth motion for postponement by Choi, the MeTC, in an *Order* dated March 7, 2011, **denied** Choi's motion for postponement and declared that his right to present evidence had been waived. Accordingly, the MeTC ruled that the case was submitted for resolution.[47]

Subsequently, on **April 26, 2011**, the MeTC, rendered a *Decision* finding Choi civilly liable to Park, the dispositive portion of which reads:

> WHEREFORE, premises considered, Eung Won Choi is ordered to pay private complainant Hun Hyung Park the amount of ₱1,875,000.00 representing the face value of the check subject of this case plus interest of 12% percent *per annum* from August 31, 2000 until the whole amount is paid, the amount of ₱200,000.00 by way of attorney's fees, and the amount of ₱9,322.25 as reimbursement for the filing fees.
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> Costs against the accused.

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41 Id. at 67.
42 Id.
43 Id. at 69.
43a Also referred to as "Jung" in some parts of the *rollo*.
44 *Rollo*, p. 68.
45 Id. at 10.
46 Id.
47 Id. at 70.

SO ORDERED.[48]

Insofar as Choi's alleged indebtedness was concerned, the MeTC held that the prosecution had proven that the check subject matter of the case was issued by Choi to Park in exchange of the cash loaned to him.[49] Choi, on the other hand, did not even adduce any evidence to controvert Park's claim of indebtedness.[50] Consequently, finding that Choi had no valid defense against Park's claim of indebtedness, the MeTC held that Choi was civilly liable to Park for the loan.[51]

On Choi's repeated motions for postponement, the MeTC observed that:

> As early as May 12, 2008, the defense was ordered to present its evidence. In the interim, the parties negotiated for the settlement of the case. The reception of defense evidence was postponed on several dates to accommodate the alleged negotiation for the settlement of the case as well as due to the unavailability of a Korean interpreter to aid the accused.
>
> In the Order of September 15, 2010, the defense was given one last chance to present evidence on November 23, 2010. Accused again failed to present its evidence. In order to afford the accused his constitutional right to defend himself and to present evidence, he was again given one last chance to present evidence on March 7, 2011. On said date, the handling lawyer, sent his son, Atty. Rainald Paggao, who manifested that his father can no longer handle the case. On the same day, Atty. Jesus F. Fernandez verbally entered his appearance as new counsel for the accused. Atty. Fernandez moved for a resetting of the case, which the Court denied considering the objection of the private prosecutor, as well as due to the repeated warnings issued, and considering further the length of time afforded the accused to present its (*sic*) evidence. The defense right (*sic*) to present evidence was deemed waived and the case was considered submitted for resolution.[52]

Unsatisfied, Choi appealed the above MeTC *Decision* dated April 26, 2011 to the RTC – Branch 142.

The Ruling of the RTC – Branch 142

In its *Decision*, dated **December 23, 2011**, the RTC – Branch 142 **affirmed** the MeTC *Decision* and **denied** Choi's appeal, *viz.*:

> All told, this Court finds that the imposition of civil liability against the accused-appellant is correctly decided by the lower court.

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48 Id. at 66.
49 Id. at 65.
50 Id.
51 Id.
52 Id. at 64-65.

> **WHEREFORE**, the instant appeal is hereby **DENIED** and the Decision dated 26 April 2011, rendered by the Metropolitan Trial Court, Branch 65, Makati City is **AFFIRMED IN TOTO**.[53]

In this regard, the RTC – Branch 142 observed that:

> In the 15 September 2010 Order of the lower [court], [Choi] was already given the last opportunity to present his defense on 23 November 2010, but still failed to introduce any. [In spite] of the warning, the lower court cancelled the hearing to afford the defense another day, on 7 March 2011. It was on said date that the lower court was constrained to declare the right of [Choi] to present evidence as deemed waived considering the prosecution's vigorous objection, the repeated warnings to [Choi] and the length of time afforded to [Choi] to present his defense.
>
> x x x x
>
> [Choi's] failure to adduce his evidence[,] is, clearly, attributable not to the lower court but to himself due to his repeated postponements. If it were true that [Choi] wanted to adduce his evidence, he could have taken advantage of the ample opportunity to present, to be heard and to testify in open court with the assistance of his counsel.[54]

Maintaining his position that he did not waive his right to present evidence, Choi filed a *Motion for Reconsideration*[55] of the above *Decision* on March 6, 2012, scheduled for hearing on March 9, 2012.[56]

On March 7, 2012, the RTC – Branch 142 gave Park ten (10) days within which to file an Opposition (to the Motion for Reconsideration) and ten (10) days to Choi to file a Reply to the Opposition upon receipt thereof.[57] On March 13, 2012, Park filed his opposition, which was received by Choi on March 20, 2012.[58]

On March 28, 2012, the RTC – Branch 142 issued an *Order* **denying** Choi's Motion for Reconsideration. On March 30, 2012 – that is, the day on which his ten (10) day period to file his Opposition to the Motion for Reconsideration was to expire – Choi filed a motion for extension of time to file his reply.[59] Notably, the court had already denied Choi's Motion for Reconsideration two days prior, or on March 28, 2012. Based on the record, Choi did not file a Reply to the Opposition to the Motion for Reconsideration.

Aggrieved, Choi filed a petition for review[60] under Rule 42 of the Rules of Court with the CA.

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53 Id. at 59.
54 Id. at 57.
55 Id. at 82-103.
56 Id. at 16.
57 See id. at 16, 60.
58 Id. at 16.
59 Id. at 12.
60 Id. at 21-53.

In his petition before the CA, Choi's arguments were two-fold: (i) the RTC violated his constitutional right to due process in denying his motion for reconsideration even before his period to file a reply to Park's opposition had expired (*i.e.,* Choi had until March 30, 2012 to file a reply to the opposition, while the RTC – Branch 142 *Order* dismissing the motion for reconsideration was issued on March 28, 2012)[61] and (ii) the RTC erred in declaring his right to present evidence to have been waived for the simple reason that the day of presentation of evidence was the day of the retirement of his lawyer.[62]

The Ruling of the CA

In its *Decision* dated **March 30, 2015**, the CA reversed the RTC – Branch 142 *Decision* dated December 23, 2011 and *Order* dated March 28, 2012, *viz.*:

> **WHEREFORE,** foregoing considered, the petition is **GRANTED**. The assailed Regional Trial Court's Decision dated December 23, 2011 and its Order of March 28, 2012 are **REVERSED** and **SET ASIDE**.
>
> The Case is hereby **REMANDED** to the Metropolitan Trial Court, Branch 65, Makati City, for the reception of petitioner's evidence.
>
> **SO ORDERED.**[63]

First, in remanding the case to the MeTC, the CA held that only a full-blown hearing would guarantee a fair resolution of the case.[64] To the CA, the courts' strict adherence to the rules of procedure may be relaxed when a strict implementation of the rules would cause substantial injustice to the parties. In particular, the CA held that several postponements were with "justifiable reasons,"[65] such as, in the instances of the erroneous certification and the substitution of counsel.[66]

As to the other instances of postponement, the CA noted that:

> While it is true that several motions for postponements have been recorded, it behooves on the courts to rationalize the reasons for the postponements and to treat each case accordingly. What is foremost is to render substantive justice and give the parties their day in court.
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> x x x x
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> We shall not touch on the claim of payments posed by [Choi] as the same can be best validated when [Choi] is allowed to present his evidence.[67]

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61 Id. at 27.
62 Id. at 12.
63 Id. at 128.
64 Id.
65 Id. at 125.
66 Id.
67 Id. at 125-126.

Second, with respect to the RTC – Branch 142's denial of Choi's Motion for Reconsideration two (2) days before the expiration of the period within which he was to file a reply to the opposition, the CA, without making a categorical ruling on whether Choi was deprived of his right to due process, simply ruled that "the failure of [Choi] to present [his] evidence was because of justified reasons beyond his control."[68]

In a *Resolution* dated September 30, 2015, the CA **denied** Park's Motion for Reconsideration[69] for lack of merit.

Hence, this petition.

In a *Resolution*[70] dated January 11, 2016, the Court required Choi to comment on Park's petition. Choi filed his *Comment*[71] on January 16, 2017. On February 3, 2017, Park filed his *Reply*.[72]

Issue

The sole issue for the Court's resolution is whether the CA committed any reversible error in the issuance of the assailed *Decision* dated March 30, 2015 and *Resolution* dated September 30, 2015.

Our Ruling

The petition is meritorious.

In resolving the issues raised in the present petition, the Court emphasizes at the outset that the dispute between the parties arose in 2000, or almost eighteen (18) years ago, and that the case has already been remanded to the MeTC on two occasions (*i.e.*, by the Court's Second Division in 2007 and by the CA in the assailed *Decision* and *Resolution* in 2015). Justice dictates, therefore, that the Court resolve the present petition instead of remanding the same to the lower court. In this regard, the Court finds that the CA **erred** in reversing the RTC – Branch 142) *Decision* dated December 23, 2011 and *Order* dated March 28, 2012, for the reasons that follow.

Contrary to the CA's ruling, Choi was not deprived of due process.

The totality of circumstances painstakingly detailed above reveals that Choi was not deprived of due process, either: (i) in the MeTC *Order* dated March 7, 2011, as affirmed by the RTC – Branch 142, declaring Choi to have waived his right to present evidence after he moved for a sixth postponement;

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68 Id. at 122-123.
69 Id. at 130-137.
70 Id. at 142.
71 Id. at 148-171.
72 Id. at 179-182.

or (ii) in the RTC – Branch 142 *Order* dated March 28, 2012 denying his Motion for Reconsideration two days before the lapse of the ten (10) day period given to him by the RTC to file his *Reply to the Opposition (to the Motion for Reconsideration)*.

First, contrary to the ruling of the CA, the MeTC, as affirmed by the RTC – Branch 142, was correct in ruling that Choi had waived his right to present evidence.

Claiming that substantive justice must be the determinative end of courts,[73] Choi argues that any grant of postponement must take into consideration the reason for the postponement and the merits of the case of the movant.[74] To that extent, the Court agrees, and so holds, that Choi had been provided with more than ample opportunity to present his case.

To begin with, the grant or denial of a motion – or, in this case, motions – for postponement is addressed to the sound discretion of the court, which should always be predicated on the consideration that the ends of justice and fairness are served by the grant or denial of the motion.[75] As the Court enunciated in *Sibay v. Bermudez*:[76]

> x x x After all, postponements and continuances are part and parcel of our procedural system of dispensing justice. When no substantial rights are affected and the intention to delay is not manifest with the corresponding motion to transfer the hearing having been filed accordingly, it is sound judicial discretion to allow the same to the end that the merits of the case may be fully ventilated. Thus, in considering motions for postponements, two things must be borne in mind: (1) the reason for the postponement, and (2) the merits of the case of the movant. Unless grave abuse of discretion is shown, such discretion will not be interfered with either by *mandamus* or appeal.[77] **Because it is a matter of privilege, not a right, a movant for postponement should not assume beforehand that his motion will be granted**.[78]
>
> Thus, We agree with the appellate court's finding that **in the absence of any clear and manifest grave abuse of discretion resulting in lack or in excess of jurisdiction,** We cannot overturn the decision of the court *a quo*. More so, in this case, where the denial of the motion for postponement appears to be justified.[79] (Emphasis and underscoring supplied)

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73 Id. at 37.
74 Citing *Simon v. Canlas*, 521 Phil. 558, 572 (2006); see id. at 37-38.
75 *Sibay v. Bermudez*, G.R. No. 198196, July 17, 2017, 831 SCRA 191, 197.
76 Id.
77 Id. at 197-198, citing *Simon v. Canlas*, supra note 74.
78 Id. at 198, citing *The Philippine American Life & General Insurance Company v. Enario*, 645 Phil. 166, 178 (2010).
79 Id.

In fact, pursuant to Sections 2[80] and 3[81] of Rule 30 of the Rules of Court, although a court may adjourn a trial from day to day, a motion to postpone trial on the ground of absence of evidence can be granted only upon affidavit showing the materiality or relevancy of such evidence, and that due diligence has been used to procure it. Rules governing postponements serve a clear purpose — to avert the erosion of people's confidence in the judiciary.[82]

Consequently, in granting or denying motions for postponements, courts must exercise their discretion constantly mindful of the Constitutional guarantee against unreasonable delay in the disposition of cases. In other words, while it is true that cases must be adjudicated in a manner that is in accordance with the established rules of procedure, so is it crucial that cases be promptly disposed to better serve the ends of justice. After all, justice delayed is justice denied.[83] Excessive delay in the disposition of cases renders inutile the rights of the people guaranteed by the constitution and by various legislations.[84]

Here, Choi bewails the MeTC *Order* dated March 7, 2011 in which the court, after several warnings, declared Choi to have waived his right to present evidence. The facts leading up to the MeTC *Order* dated March 7, 2011, however, clearly show that the MeTC had been very liberal in granting Choi's numerous motions for postponement, each time reminding Choi to come prepared to present his evidence. In all these, Choi's propensity to disregard the opportunity given to him to present his evidence is palpable.

To be clear, trial was initially scheduled on **July 16, 2008**. After four motions for postponement (July 16, 2008 to January 7, 2009, then to April 7, 2009, then to May 19, 2009, and to September 15, 2010) at Choi's instance, trial was set to proceed on **September 15, 2010**. Come September 15, 2010, however, Choi again moved that the trial be postponed to **November 23, 2010**, asking for the first time the assistance of an interpreter in translating his testimony from Korean to English.[85]

While the lower court granted Choi's by then sixth postponement, it did so with a stern warning that his failure to present evidence on the scheduled date would result in his right to present evidence being deemed waived. Yet, on **November 23, 2010**, Choi again moved for postponement on the excuse

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80 SEC. 2. *Adjournments and postponements.*—A court may adjourn a trial from day to day, and to any stated time, as the expeditious and convenient transaction of business may require, but shall have no power to adjourn a trial for a longer period than one month for each adjournment, nor more than three months in all, except when authorized in writing by the Court Administrator, Supreme Court. (3a, R22).

81 SEC. 3. *Requisites of motion to postpone trial for absence of evidence.*—A motion to postpone a trial on the ground of absence of evidence can be granted only upon affidavit showing the materiality or relevancy of such evidence, and that due diligence has been used to procure it. But if the adverse party admits the facts to be given in evidence, even if he objects or reserves the right to object to their admissibility, the trial shall not be postponed. (4a, R22; Bar Matter No. 803, July 21, 1998).

82 *Rosauro v. Judge Villanueva, Jr.*, 389 Phil. 699 (2000).

83 *Marcelo v. Peroxide Phils., Inc.*, G.R. No. 203492, April 24, 2017, 824 SCRA 91, 105, citing *Biggel v. Judge Pamintuan*, 581 Phil. 319, 325 (2008).

84 *Matias v. Judge Plan*, 355 Phil. 274, 282 (1998).

85 *Rollo*, p. 10.

that the Korean Interpreter who was present to assist him had an erroneous certification (*i.e.,* was a Certified Qualified Interpreter, but the *Certification* issued by the Korean embassy was for another case). Using the certification issue as reason, Choi again asked that the trial be postponed to **March 7, 2011**. On that day, Choi's counsel moved for another postponement on the ground that Choi's previous counsel was retiring and this new counsel was not prepared to present evidence that day.

Based on the foregoing, it does not escape the Court's attention that from the time the MeTC gave Choi the opportunity to present his evidence on July 16, 2008 until the issuance of the MeTC *Order* dated March 7, 2011 declaring Choi's right to present evidence to have been waived, Choi had been given several opportunities — spanning almost three (3) years — to present his evidence.

There is no deprivation of due process when a party is given an opportunity to be heard, not only through hearings, but even through pleadings, so that one may explain one's side or arguments.[86] Inasmuch as Choi had been given more than enough opportunity to present his case, the Court agrees with the MeTC and the RTC that Choi had waived his right to present evidence. In this regard, Choi cannot claim that he was "prevented from testifying"[87] by the trial court, considering that all the postponements in the proceedings were at the instance of Choi.

In any event, the unpreparedness of counsel that led to the MeTC *Order* of March 7, 2011 cannot, by any stretch of imagination, justify further delay in the proceedings to the detriment of Park's right to an expeditious resolution of what really is, at the end of the day, a simple money claim.

Second, that the RTC – Branch 142 denied Choi's Motion for Reconsideration on March 28, 2012, or two days before the lapse of the ten (10) day period given to Choi by the RTC to file his *Reply to the Opposition (to the Motion for Reconsideration)* does not, by and of itself, support Choi's claim of a violation of due process considering that, to begin with, the *Reply to Opposition* is limited to issues and arguments raised in Park's *Opposition*, which in turn, is limited to the issues and arguments raised in Choi's own Motion for Reconsideration.

Choi is liable to pay Park the principal amount of ₱1,875,000.00 and corresponding legal interests thereon.

Having dispensed with the procedural issues, the Court proceeds to determine the extent of Choi's liability to Park.

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86 *Cabanting v. BPI Family Savings Bank, Inc.*, 781 Phil. 164, 171 (2016).

87 *Rollo*, p. 28.

Suffice it to state that based on the records, it is clear that Choi is liable to Park for the loan extended by the latter to him. This is so because, Choi in his *Counter-Affidavit*, already admitted that he borrowed money from Park, arguing only regarding the *extent* of his liability — *i.e.*, that what he owed was ₱1,500,000.00 and not ₱1,875,000.00. In his *Counter-Affidavit*, Choi himself stipulated:

> "2. That the truth of the matter is **that I borrowed from said complainant the amount of P1,500,000.00 on June 29, 1999** and he thereupon issued to me two (2) International Bank Manager's Checks, to wit:
>
> | | | |
> |---|---|---|
> | IEB Check No. 01022 6/29/99 | - | P1,000,000.00 |
> | IEB Check No. 01023 6/29/99 | - | [P]500,000.00 |
> | | Total: | P1,500,000.00 |
>
> 3. That in place of a formal document such as a promissory note, [Park] required me instead to give him the subject check in the amount of P1,875,000.00 which includes the interest of Twenty-Five percent (25%) which is equivalent to P375,000.00 and the date of said check of August 28, 1999 served to indicate the maturity date of the two-month period within which the aforementioned loan was to be paid. In other words, the subject check was not intended by us to be in payment of the loan but to serve merely as an evidence of my indebtedness to the complaint in lieu of a promissory note as I have duly informed the complainant of the lack of sufficient funds to cover the same check when I handed over to him that check.[88] (Emphasis and underscoring supplied)

Judicial admissions made by parties in the course of the trial in the same case are conclusive and do not require further evidence to prove them.[89] They are legally binding on the party making them[90] except when it is shown that they have been made through palpable mistake, or that no such admission was made,[91] neither of which was shown to exist in this case. Thus, Choi himself having admitted liability, the only question that remains for the Court to resolve is the extent of such liability.

In this regard, the Court finds that Choi is liable to pay Park the face value of the check in the amount of ₱1,875,000.00 as principal. The Court notes that the only bases relied upon by Choi in support of his contention that ₱1,500,000.00 is the principal and ₱375,000.00 to be the interest are his own allegations in his *Counter-Affidavit*. Without more, Choi's bare allegations on the terms of the loan fail to persuade. This is so because in accordance with Article 1956 of the Civil Code, no interest shall be due unless it has been expressly stipulated in writing.[92] Here, without further proof of any express agreement that ₱375,000.00 of the ₱1,875,000.00 pertains to interest, the Court is predisposed, based on the facts of the case, to rule that the entire

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88 See Motion for Reconsideration (of the Decision dated 23 December 2011), id. at 98-99.

89 *Odiamar v. Valencia*, 788 Phil. 451, 459 (2016), citing *Josefa v. Manila Electric Company*, 739 Phil. 114, 129 (2014).

90 Id., citing *Eastern Shipping Lines, Inc. v. BPI/MS Insurance Corp.*, 750 Phil. 95, 118 (2015).

91 Id., citing *Josefa v. Manila Electric Company*, supra note 89.

92 See *Anchor Savings Bank v. Pinzman Realty and Dev't Corp.*, 741 Phil. 190, 194 (2014).

principal amount owed by Choi to Park is the face value of the check, or ₱1,875,000.00.

In an attempt to further minimize liability, Choi raises the defense of payment and insists that he already paid the sum of ₱1,590,000.00 (₱1,500,000.00 as principal and ₱90,000.00 as interest), and that the remaining amount that he owes Park is ₱285,000.00.[93] In his *Counter-Affidavit*, Choi claims:

> "5. That complainant is now demanding still for the payment of the face value of the check which is P1,875,000.00 notwithstanding his awareness of the fact that **I have already paid to him the total amount of P1,590,000.00 as of this date**, thereby leaving an unpaid balance of only P285,000.00.
>
> 6. That, attached hereto as Annex "A" the LIST of the instalment payments I made to complainant from August 28, 1999 up to February 22, 2000, together with documents evidencing some of such payments, as Annexes "B", "C" and "D"."[94] (Emphasis and underscoring supplied; italics omitted)

Yet, other than mere allegation of payment of ₱1,590,000.00, Choi has adduced no evidence to prove the fact of payment. A party claiming that an obligation has been discharged by payment has the burden of proving the same.[95] As aptly elucidated by the Court in *Alonzo v. San Juan:*[96]

> The law requires in civil cases that the party who alleges a fact has the burden of proving it. Section 1, Rule 131 of the Rules of Court provides that the burden of proof is the duty of a party to prove the truth of his claim or defense, or any fact in issue by the amount of evidence required by law. In this case, the burden of proof is on the respondents because they allege an affirmative defense, namely payment. **As a rule, one who pleads payment has the burden of proving it. Even where the plaintiff must allege [non-payment], the general rule is that the burden rests on the defendant to prove payment, rather than on the plaintiff to prove [non-payment].** The debtor has the burden of showing with legal certainty that the obligation has been discharged by payment.[97] (Emphasis supplied)

As against Choi's allegation of payment, Park's categorical testimony that Choi owed him ₱1,875,000.00, coupled with the presentation of the subject check constituting evidence of indebtedness and absent evidence on the part of Choi to the contrary, leads to the conclusion that Choi in fact owes Park the full amount of ₱1,875,000.00.[98]

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93 *Rollo*, p. 58.

94 See Motion for Reconsideration (of the Decision dated 23 December 2011), id. at 92.

95 *Multi-International Business Data System, Inc. v. Martinez*, 773 Phil. 1 (2015); *Philippine National Bank v. Spouses Caibal*, G.R. No. 199779, February 12, 2018, pp. 4-5 (Unsigned Resolution), citing *Alonzo v. San Juan*, 491 Phil. 233 (2005).

96 Id.; see also *Philippine National Bank v. Spouses Caibal*, id.

97 *Alonzo v. San Juan*, id. at 243-244.

98 *Rollo*, p. 58.

More importantly, Park, in his *Reply-Affidavit*, categorically testified that although Choi gave him a check for ₱1,590,000.00, that amount was *not* in payment of PNB Check No. 0077133 (the ₱1,875,000.00 check dated June 28, 1999), but was for the payment of PNB Check No. 0077134 in the amount of ₱750,000.00 dated August 28, 1999 and PNB Check No. 0008013 in the amount of ₱700,000.00 dated September 7, 1999.[99]

Given these facts, as correctly observed by the RTC – Branch 142, if Choi really did make a partial payment on the loan, then he would have taken the check back as debtors would in the ordinary course of business.[100] Quite the contrary, the check for ₱1,875,000.00 remained in Park's possession who continued to make demands on the basis of the check.

Finally, even if the Court were to indulge Choi's claim that he handed Park a check for ₱1,590,000.00, it has not been shown, much less proven, to the satisfaction of the Court whether those payments were made specifically by Choi for the purpose of discharging his loan obligations to Park. As shown in Park's *Reply-Affidavit*:

> "2. That after I gave him the cash of P1,875,000.00, he gave P100,000.00 to Moo Pyung Park as the latter's commission for bringing him to me; then he handed P196,000.00 to me to pay for and in his behalf the rentals for 14 months of the warehouse he is renting through me from Mr. Tony Arellano located at Cubao, Quezon City; likewise, **he handed P1,500,000.00 to me to change it to manager's checks which he said he will use in paying Samsung Electric Company which he did not want to pay in cash for fear of bringing that much with him** and which account (*sic*) for IEB Checks Nos. 01022 and 01023; and lastly[,] **he gave me the balance of P69,000.00 in payment on interest on the P1,875,000.00 for two months, i.e., July and August.**
>
> 3. That I admit that he had indorsed in my favor several checks from different owners as enumerated in Annex "A" of his counter-affidavit and he had issued two checks in my favor in the sum total of P1,590,000.00 but **not in payment of the PNB Check No. 0077133 in the amount of P1,875,000.00 he issued to me in June 28, 1999 but of PNB Check No. 0077134 in the amount of P750,000.00 dated August 28, 1999 and the PNB Check No. 0008013 in the amount of P700,000.00 dated September 7, 1999 which he encash (*sic*) with me also in July 1999** and which he told me not to present for payment anymore as he will just replace them with other checks. Copies of said checks are hereto attached as Annexes "D" and "E" and made as integral parts hereof."[101] (Emphasis and underscoring supplied)

Given the foregoing, the Court therefore finds that: ***first***, Choi was not deprived of due process, and was in fact, given more than ample opportunity to present his case; and ***second***, that, as correctly observed by the MeTC and subsequently affirmed by the RTC – Branch 142, Choi is liable to pay Park the amount ₱1,875,000.00 along with its corresponding legal interest.

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99 Id. at 93.

100 Id.

101 See Motion for Reconsideration (of the Decision dated 23 December 2011), id.

A final note on interest. There are two types of interest – monetary interest and compensatory interest.[102] Interest as a compensation fixed by the parties for the use or forbearance of money is referred to as monetary interest,[103] while interest that may be imposed by law or by courts as penalty for damages is referred to as compensatory interest.[104] Right to interest therefore arises only by virtue of a contract *or* by virtue of damages for delay or failure to pay the principal loan on which interest is demanded.[105]

Inasmuch as the parties did not execute a written loan agreement, and consequently, did not stipulate on the imposition of interest, Article 1956 of the Civil Code, which states that "[n]o interest shall be due unless it has been expressly stipulated in writing," operates to preclude the imposition and running of monetary interest on the principal. In other words, no monetary interest having been agreed upon between the parties, none accrues in favor of Park.

Nevertheless, the moment a debtor incurs in delay in the payment of a sum of money, the creditor is entitled to the payment of interest as indemnity for damages arising out of that delay. Article 2209 of the Civil Code provides that: "[i]f the obligation consists in the payment of 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 percent (6%) *per annum*."

Consequently, by operation of Article 2209 of the Civil Code, Choi becomes liable to pay Park **compensatory interest** to indemnify Park for the damages the latter suffered as a result of Choi's delay in the payment of the loan. Delay in this case, pursuant to Article 1169 of the Civil Code,[106] begins to run from the time Park extrajudicially demanded from Choi the fulfillment of his loan obligation that is, on May 19, 2000. There being no stipulation as to the rate of compensatory interest, the rate is six percent (6%) *per annum* pursuant to Article 2209 of the Civil Code.

To be clear, however, Article 2212 of the Civil Code, which provides that "[i]nterest due shall earn legal interest from the time it is judicially demanded, although the obligation may be silent upon this point," does not apply because "interest due" in Article 2212 refers only to *accrued* interest. A look at the counterpart provision of Article 2212 of the new Civil Code, Article 1109 of the old Civil Code, supports this. It provides:

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[102] *Siga-an v. Villanueva*, 596 Phil. 760 (2009); *Isla v. Estorga*, G.R. No. 233974, July 2, 2018, p. 5.
[103] *Siga-an v. Villanueva*, id. at 769.
[104] Id., citing Paras, CIVIL CODE OF THE PHILIPPINES ANNOTATED (13th Edition, 1995, Volume V), p. 854; Caguioa, COMMENTS AND CASES ON CIVIL LAW, (1st Edition, Volume VI), p. 260.
[105] Id., citing *Baretto v. Santa Marina and "La Insular,"* 37 Phil. 568, 571 (1918).
[106] ART. 1169. Those obliged to deliver or do something incur in delay from the time the obligee judicially or extrajudicially demands from them the fulfillment of their obligation.

> Art. 1109. **Accrued interest** shall draw interest at the legal rate from the time the suit is filed for its recovery, even if the obligation should have been silent on this point.
>
> In commercial transactions the provisions of the Code of Commerce shall govern.
>
> Pawnshops and savings banks shall be governed by their special regulations. (Emphasis and underscoring supplied)

In interpreting the above provision of the old Civil Code, the Court in *Zobel v. City of Manila*,[107] ruled that Article 1109 applies only to conventional obligations containing a stipulation on interest. Similarly, Article 2212 of the new Civil Code contemplates, and therefore applies, only when there exists stipulated or conventional interest.[108]

Finally, in accordance *Eastern Shipping Lines, Inc. v. Court of Appeals*[109] as further clarified by the Court in *Nacar v. Gallery Frames*,[110] in the absence of an express stipulation as to the rate of interest that would govern the parties, the rate of legal interest for loans or forbearance of any money, goods or credits and the rate allowed in judgments is twelve percent (12%) *per annum* computed from default (*i.e.,* the date of judicial or extrajudicial demand). With the issuance of Bangko Sentral ng Pilipinas (BSP-MB) Circular No. 799 (s. 2013), said rate of 12% *per annum* applies until June 30, 2013, and, from July 1, 2013, the new rate of six percent (6%) *per annum* applies. Finally, when the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest shall be 6% *per annum* from such finality until its satisfaction, the interim period being deemed to be by then an equivalent to a forbearance of credit.[111]

WHEREFORE, premises considered, the petition is **GRANTED.** The Court of Appeals' *Decision* dated March 30, 2015 and *Resolution* dated September 30, 2015 in CA-G.R. SP No. 124173 are hereby **REVERSED** and **SET ASIDE.** The *Decision* of the Regional Trial Court, Branch 142 dated December 23, 2011 and *Order* dated March 28, 2012, which affirmed the Metropolitan Trial Court of Makati City – Branch 65 *Decision* dated April 26, 2011, are hereby **REINSTATED**.

Respondent Eung Won Choi is hereby ordered to pay Petitioner Hun Hyung Park the amount of One Million Eight Hundred Seventy-Five Thousand Pesos (**₱1,875,000.00**) representing the principal amount of the unpaid PNB Check No. 0077133 dated August 28, 1999, with legal interest at the rate of twelve percent (12%) *per annum* from May 19, 2000, the date of

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107 47 Phil. 169, 187 (1925).

108 *The Phil. American Accident Insurance Co., Inc. v. Hon. Flores*, 186 Phil. 563, 566 (1980); *David v. Court of Appeals*, 375 Phil. 177 (1999).

109 304 Phil. 236 (1994).

110 716 Phil. 267 (2013).

111 Id. at 283.

extrajudicial demand, until June 30, 2013;[112] and thereafter, six percent (6%) *per annum*[113] until this Decision becomes final and executory.

Further, this sum shall further earn interest at the rate of six percent (6%) *per annum* from the date of finality of this Decision until full payment,[114] in accordance with the Monetary Board of the Bangko Sentral ng Pilipinas Circular No. 799 (s. 2013).

SO ORDERED.

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ESTELA M. PERLAS-BERNABE
Associate Justice

JOSE C. REYES, JR.
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

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[112] *Rep. of the Phils. v. Judge Mupas*, 769 Phil. 21 (2015), citing *Eastern Shipping Lines v. Court of Appeals*, supra note 109; see *Reyes v. National Housing Authority*, 443 Phil. 603 (2003); *Land Bank of the Phils. v. Wycoco*, 464 Phil. 83 (2004); *Republic v. Court of Appeals*, 494 Phil. 494 (2005); *Land Bank of the Phils. v. Imperial*, 544 Phil. 378 (2007), *Philippine Ports Authority v. Rosales-Bondoc*, 557 Phil. 737 (2007); *Sps. Curata v. Philippine Ports Authority*, 608 Phil. 9 (2009); *Evergreen Manufacturing Corp. v. Republic*, G.R. Nos. 218628 & 218631, September 6, 2017, 839 SCRA 200.

[113] *Rep. of the Phils. v. Judge Mupas*, id., citing *Eastern Shipping Lines v. Court of Appeals*, id.; *Republic v. Court of Appeals*, id.; *Land Bank of the Phils. v. Imperial*, id.; *Sps. Curata v. Philippine Ports Authority*, id.; *Evergreen Manufacturing Corp. v. Republic*, id.

[114] See *Land Bank of the Phils. v. Alfredo Hababag, Sr.*, 786 Phil. 503, 509-510 (2016).

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.

ANTONIO T. CARPIO
Associate Justice
Chairperson, Second 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 Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

LUCAS P. BERSAMIN
Chief Justice