



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated **October 16, 2019** which reads as follows:

**“G.R. No. 206876 (BULACAN INTEGRATED WOOD INDUSTRIES CORP. (BIWICO), Petitioner, v. UNION BANK OF THE PHILIPPINES, Respondent)** – The Court denies this appeal from the decision<sup>1</sup> promulgated December 5, 2012 and resolution<sup>2</sup> dated April 29, 2013 in CA-G.R. CV No. 95277, whereby the Court of Appeals (CA) reversed and set aside the decision<sup>3</sup> of the Regional Trial Court (RTC) dated June 10, 2009 which awarded temperate damages amounting to Five Hundred Thousand Pesos (P500,000.00), and exemplary damages of Two Hundred Thousand Pesos (P200,000.00), as well as attorney’s fees, litigation expenses and costs in favor of herein petitioner.

In dishonoring the subject checks, herein respondent had been mindful of its fiduciary duty by observing the proper procedures and protocols when it noticed that the signatures thereon and those in their files substantially differed. The Court notes that the respondent also exerted considerable effort to secure the signatures of the petitioner’s signatories by going to the latter’s office on several occasions. Thus, We cannot fault the respondent from refusing to acknowledge the returned signature cards as they were not signed in the presence of the petitioner’s representative. It should be emphasized that part of the responsibility of the respondent is to know its clients. Certainly, it cannot just honor signed cards without verifying the persons behind the signatures. Accordingly, the CA correctly deleted the award of

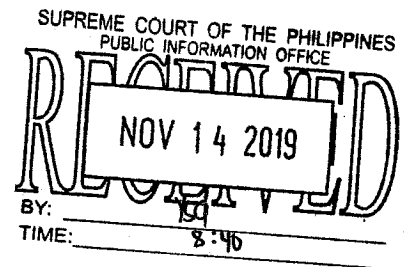
- over – three (3) pages ...

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<sup>1</sup> Rollo, pp. 7-23; penned by CA Associate Justice Ricardo R. Rosario, with Associate Justice Rosmari D. Carandang (now a member of this Court) and Associate Justice Leoncia Real-Dimagiba, concurring.

<sup>2</sup> Id. at 25.

<sup>3</sup> Civil Case No. 29-V-98.



temperate and exemplary damages based on Article 19 of the *Civil Code*.<sup>4</sup>

Neither should the respondent be made liable under *culpa contractual* or breach of contract because moral damages may be awarded only if the respondent had acted fraudulently or in bad faith.<sup>5</sup> As discussed above, the respondent's actions were not tainted with ill-motives or bad faith.

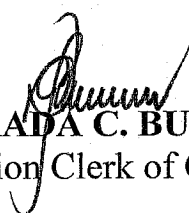
Underlying the award of damages is the premise that an individual had been injured in contemplation of the law. In this regard, there must first be a breach of some duty and the imposition of liability for that breach before damages may be awarded, and the breach of such duty should be the proximate cause of the injury.<sup>6</sup>

As we found no occasion of breach of duty on the part of the respondent, the petitioner's claim for damages shall not prosper.

**WHEREFORE**, We **DENY** the petition; **AFFIRM** the decision promulgated December 5, 2012 and resolution dated April 29, 2013 of the Court of Appeals in CA-G.R. CV No. 95277; and **ORDER** the petitioner to pay costs of suit.

**SO ORDERED.**” *Perlas-Bernabe, J., on official business; Gesmundo, J., designated as Acting Working Chairperson per Special Order No. 2717 dated October 10, 2019; Carandang, J., took no part; Reyes, Jr., Jose, J., designated Additional Member per Raffle dated October 9, 2019; Zalameda, J., designated as Additional Member per Special Order No. 2712 dated September 27, 2019.*

Very truly yours,

  
LIBRADA C. BUENA  
Division Clerk of Court

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<sup>4</sup> Article 19. Every person must, in the exercise of his rights and in the performance of his duties, act with justice, give everyone his due, and observe honesty and good faith.”

<sup>5</sup> *Spouses Carbonell v. Metropolitan Bank and Trust Company*, G.R. No. 178467, April 26, 2017.

<sup>6</sup> *Id.*



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Manila  
(CA-G.R. CV No. 95277)

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The Hon. Presiding Judge  
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(Civil Case No. 29-V-98)

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