



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

**POLYTECHNIC UNIVERSITY OF
THE PHILIPPINES,**

Petitioner,

- versus -

**NATIONAL
COMPANY**

DEVELOPMENT

Respondent.

G.R. No. 213039

Present:

CARPIO, J., *Chairperson*,
PERALTA,
PERLAS-BERNABE,*
CAGUIOA,
REYES, JR., *JJ.*

Promulgated:

27 NOV 2017

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DECISION

PERALTA, J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court seeking the reversal of the Decision¹ dated February 19, 2014 and Resolution² dated June 16, 2014, respectively, of the Court of Appeals (CA) in CA-G.R. SP No. 124575 which dismissed Polytechnic University of the Philippines's (*PUP*) petition for *certiorari* and prohibition under Rule 65 of the 1997 Rules of Civil Procedure, as amended, for lack of merit.³

The instant case is an offshoot of the consolidated cases: *Polytechnic University of the Philippines v. Golden Horizon Realty Corporation*;

* On leave.

¹ Penned by Court of Appeals Associate Justice Sesonando E. Villon, with Associate Justices Florito S. Macalino and Melchor C. Sadang, concurring; *rollo*, pp. 32-41.

² *Id.* at 43.

³ *Polytechnic University of the Philippines v. Hon. Andres Bartolome and Hon. Georgina D. Hidalgo, and National Development Company.*

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National Development Company vs. Golden Horizon Realty Corporation,⁴ decided on March 15, 2010 where this Court affirmed Golden Horizon Realty Corporation's (GHRC) right of first refusal under the latter's lease contract with National Development Company (NDC). In the same decision, the Court likewise ordered PUP to reconvey the subject portion of the property in favor of GHRC. The crux of the instant controversy arose in the implementation of the November 25, 2004 decision of the RTC which this Court affirmed in the same case.

To recapitulate, the antecedent facts of the case are as follows:

In the early sixties, NDC had in its disposal a ten (10)-hectare property located along Pureza St., Sta. Mesa, Manila. The estate was popularly known as the NDC Compound and covered by Transfer Certificate of Title Nos. 92885, 110301 and 145470.

On September 7, 1977, NDC entered into a contract of lease with GHRC over a portion of the property. Later, a second contract of lease covering additional portions of the property was executed between NDC and GHRC where the latter was also given the option to purchase the leased area on the property.

On August 12, 1988, before the expiration of the ten-year period under the second contract of lease, GHRC informed NDC of its desire to renew the contract and thereafter exercise the option to purchase the leased areas. NDC, however, gave no reply thereon. Later, GHRC discovered that NDC was trying to dispose of the property in favor of a third party. Thus, on October 21, 1988, GHRC filed with the trial court, a complaint for specific performance and damages against NDC, docketed as Civil Case No. 88-2238.

Meanwhile, on January 6, 1989, then President Corazon C. Aquino issued Memorandum Order No. 214, ordering the transfer of the whole NDC Compound to the National Government, which in turn would convey the said property in favor of PUP at acquisition cost. The order of conveyance of the 10.31-hectare property would automatically result in the cancellation of NDC's total obligation in favor of the National Government.

On November 25, 2004, the RTC rendered a Decision sustaining GHRC's right to purchase the leased areas on the subject lot, disposing as follows:

⁴ G.R. Nos. 183612 and 184260, March 15, 2010.



WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff and against the defendants ordering the plaintiff to cause immediate ground survey of the premises subject of the leased contract under Lease Contract No. C-33-77 and C-12-78 measuring 2,407 and 3,222.8 square meters, respectively, by a duly licensed and registered surveyor at the expense of the plaintiff within two months from receipt of this Decision and thereafter, the plaintiff shall have six (6) months from receipt of the approved survey within which to exercise its right to purchase the leased property at ₱554.74 per square meter. And finally, **the defendant PUP, in whose name the property is titled, is hereby ordered to reconvey the aforesaid property to the plaintiff** in the exercise of its right of its option to buy or first refusal upon payment of the purchase prices thereof.

The defendant NDC is hereby further ordered to pay the plaintiff attorney's fees in the amount of ₱100,000.00.

The case against defendant Executive Secretary is dismissed and this decision shall bind defendant Metropolitan Trial Court, Branch 20 of Manila.

With costs against defendant NDC and PUP.

SO ORDERED. (Underscoring ours)⁵

NDC and PUP interposed their respective appeals before the appellate court. On June 25, 2008, the appellate court in CA-G.R. CV No. 84399, rendered judgment affirming *in toto* the decision of the RTC.

The case was then elevated to this Court where it was docketed as G.R. Nos. 183612 and 184260.⁶ On March 15, 2010,⁷ the Court resolved the issues raised by the parties in the following manner:

WHEREFORE, the petitions are DENIED. The Decision dated November 25, 2004 of the Regional Trial Court of Makati City, Branch 144 in Civil Case No. 88-2238, as affirmed by the Court of Appeals in its Decision dated June 25, 2008 in CA-G.R. CV No. 84399, is hereby **AFFIRMED** with **MODIFICATION** in that the price to be paid by respondent Golden Horizon Realty Corporation for the leased portion of the NDC compound under Lease Contract Nos. C-33-77 and C-12-78 is hereby increased to ₱1,500.00 per square meter.

No pronouncement as to costs.

SO ORDERED.⁸

⁵ CA rollo, pp. 14-15.

⁶ *Polytechnic University of the Philippines v. Golden Horizon Realty Corporation; National Development Company v. Golden Horizon Realty Corporation*, decided on March 1, 2010.

⁷ *Supra* note 4.

⁸ CA rollo, p. 16. (Emphasis in the original)

On July 23, 2010, the decision of this Court in the above-mentioned G.R. Nos. 183612 and 184260 became final and executory. Accordingly, GHRC filed before the RTC a motion for execution which was granted in an Order⁹ dated January 11, 2011. Pursuant to the writ of execution, GHRC deposited with the Clerk of Court a cashier's check dated March 30, 2011 for the amount of ₱8,479,875.00 representing the purchase price of the leased areas of the subject lot. GHRC then sought for the delivery of the said parcel of land.

On May 23, 2011, PUP filed a Manifestation claiming that instead of NDC, it was entitled to the purchase price of the leased premises.

Subsequently, the RTC issued its assailed September 5, 2011 Order¹⁰ as follows:

In view of the foregoing, there is reasonable ground to grant the prayer of the plaintiff. Wherefore, the defendants are directed to simultaneously withdraw the purchase price deposited with the Office of the Clerk of Court, execute a Deed of Conveyance to plaintiff and deliver the Owner's Duplicate Copies of TCT Nos. 197748 and 197798 covering the litigated property and its tax declarations.

SO ORDERED.

On September 20, 2011, NDC sought a clarification/reconsideration of the above Order. PUP also filed its own motion for reconsideration on September 22, 2011.

On February 2, 2012, the RTC rendered its assailed Resolution¹¹ modifying its September 5, 2011 Order.¹² The dispositive portion of which reads as follows:

WHEREFORE, with our discussions above, the assailed Order is modified as regards the provision on NDC and PUP simultaneously withdrawing the amount deposited with the Clerk of Court, execute the deed of conveyance and delivery of TCT Nos. 197748 and 197798. And, in order to settle the controversy between the parties and ultimately for the decision of this Court which was affirmed by the Supreme Court with finality to be fully implemented, the Court, in resolving the two Motions for Reconsideration, hereby:

1. GRANTS the Motion for Reconsideration of the National Development Company only in so far as to its

⁹ *Rollo*, pp. 52-54.

¹⁰ *Id.* at 163-164.

¹¹ *Id.* at 92-102.

¹² *Supra* note 8.



prayer that it be allowed to withdraw the purchase price deposited by Golden Harvest Realty Corporation.

2. DIRECTS National Development Company to deliver TCT Nos. 197748 and 197798 to Polytechnic University of the Philippines and cause the annotation of this Resolution on the said titles.

3. Directs the Office of the Register of Deeds of Manila to cancel Transfer Certificates of Title Nos. 197748 and 197798 in the name of NDC and in substitution, issue another Certificate/s of Title, covering the subject property in the name of PUP [representing the National Government for purposes of transfer to GHRC only].

4. ORDERS Polytechnic University of the Philippines [representing the National Government] to execute a Deed of Conveyance in favor of Golden Horizon Realty Corporation.

5. ORDERS the Clerk of Court, Regional Trial Court, City of Makati to release the purchase price of the subject property, deposited by the Golden Horizon Realty Corporation, to the National Development Corporation - after the property is transferred to the name of Golden Horizon Realty Corporation.

SO ORDERED.

In the said Order, the RTC asserted that its modification was in accordance to this Court's ruling in G.R. Nos. 183612 and 184260. It explained that upon verification with the Memorandum of Agreement (MOA) entered by the NDC and the Republic of the Philippines, it appeared that there are indeed properties of NDC which were not transferred to the National Government, among which are the subject properties covered by TCT Nos. 197748 and 197798 because at the time of the execution of the MOA, said properties were subject of a pending court litigation. The pertinent portion of the MOA reads as follows:

x x x x

WHEREAS, there are at present **pending court actions affecting certain areas of the NDC estate, more particularly those covered by TCT No. 145470 (Annex "A"), TCT. No. 197798 (Annex "A-2"), and TCT No. 197748 (Annex "A-3")**, as follows:

x x x x

WHEREAS, the parties hereto have agreed, under the terms and conditions hereinafter set forth, on the transfer of the NDC Estate to the



National Government **excluding those areas subject of pending court litigations.**

NOW, THEREFORE, the parties have agreed as they hereby agree as follows:

1. NDC hereby transfers to the National Government and the National Government, thru the BTR, hereby accepts the NDC Estate, together with the improvements thereon, save and **except those areas thereof presently involved in litigation as aforesaid.** For this purpose, the parties agree that the total area of the NDC Estate hereunder transferred consists of FIFTY-THREE THOUSAND, TWO HUNDRED SIXTY-ONE SQUARE METERS AND FIFTY-NINE SQUARE DECIMETERS (53,261.59 sq. m.), hereinafter referred to as the "Net NDC Estate" arrived at **by subtracting the total area under litigation from the total area of the NDC Estate.**

x x x x

4. It is understood and agreed that **the transfer to the National Government of the balance of the NDC Estate now subject of litigation be made upon final and executory resolution in favor of NDC of the pending case aforementioned** and at the prevailing price of the remaining estate to be determined by the Commission on Audit at the date of transfer.

x x x.¹³

Moreover, the RTC also pointed out that while Presidential Memorandum No. 214 enumerated the properties of NDC which were transferred to the National Government, it, however, did not mention the subject property which is covered by TCT Nos. 197748 and 197798. Thus, given the above-mentioned circumstances, PUP, indeed, cannot reconvey the property to GHRC because the property in issue is still registered in the name of NDC.

Aggrieved, before the appellate court, PUP filed a petition for *certiorari* and prohibition under Rule 65 of the Rules on Civil Procedure invoking grave abuse of discretion resulting in lack or in excess of jurisdiction on the part of the RTC for issuing the Order dated September 5, 2011 and the Resolution dated February 2, 2012.

On February 19, 2014, the appellate court dismissed the petition, the dispositive portion of which reads:

¹³ Rollo, pp. 88-90. (Emphasis ours)

WHEREFORE, in light of all the foregoing, the petition is hereby **DISMISSED** for lack of merit. The assailed issuances of Branch 144, Regional Trial Court of Makati City in Civil Case No. 88-2238 are hereby **AFFIRMED**.

SO ORDERED.¹⁴

PUP moved for reconsideration but was denied in a Resolution¹⁵ dated June 16, 2014.

Thus, the instant petition for review on *certiorari* under Rule 45 of the Rules of Court raising the following issues:

I

WHETHER THE APPELLATE COURT ERRED ON A QUESTION OF LAW WHEN IT DISMISSED THE PETITION IN CA-G.R. SP NO. 124575 FOR THE IMPUTED FAILURE OF PUP TO FILE A MOTION FOR RECONSIDERATION OF THE TRIAL COURT'S RESOLUTION DATED FEBRUARY 2, 2012 IN CIVIL CASE NO. 88-2238

II

WHETHER THE APPELLATE COURT ERRED ON A QUESTION OF LAW WHEN IT UPHELD THE TRIAL COURT'S ORDER DATED SEPTEMBER 5, 2011 AND RESOLUTION DATED FEBRUARY 2, 2012 IN CIVIL CASE NO. 88-2238

At the onset, it must be clarified that what petitioners seek for us to review is the resolution of the appellate court in the petition for *certiorari* under Rule 65 of the Rules of Court which PUP filed before the appellate court. Thus, We are constrained to touch only those issues relevant in determining whether the CA correctly ruled on the issue of whether or not the trial court committed grave abuse of discretion in the process of deducing its conclusions. Suffice it to say that a petition for *certiorari* under Rule 65 is a special civil action confined solely to questions of jurisdiction because a tribunal, board or officer exercising judicial or quasi-judicial functions has acted without jurisdiction or in excess of jurisdiction or with grave abuse of discretion amounting to lack of jurisdiction. Consequently, the present petition's issue is: *Whether the CA was correct in its finding that the RTC committed no grave abuse of discretion in issuing the assailed Order dated September 5, 2011 and the Resolution dated February 2, 2012.*¹⁶

We rule in the affirmative.

¹⁴ Rollo, p.40. (Emphasis in the original)

¹⁵ *Id.* at 43.

¹⁶ *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 708 (2009); *Century Iron Works v. Banas*, 711 Phil. 576, 587 (2013).

In the instant petition, nowhere does it show that the issuance of the disputed Decision dated February 19, 2014 of the appellate court was patently erroneous and gross that would warrant striking it down. Records reveal that PUP failed to substantiate its imputation of grave abuse of discretion on the part of the RTC. No argument was advanced to show that the RTC, in their issuance of the assailed Order dated September 5, 2011 and the Resolution dated February 2, 2012, exercised judgment capriciously, whimsically, arbitrarily or despotically by reason of passion and hostility. PUP did not even discuss how or why the conclusions of the RTC were made with grave abuse of discretion.

In its assailed Decision, the appellate court pointed out that when the RTC rendered the questioned February 2, 2012 resolution, it laid out the premises for modifying the September 5, 2011 order. It merely sought to give resolution on the seemingly impossibility of complying with the Court's order of reconveyance considering that the subject property was not under PUP's name. It explained why it was only NDC that should be allowed to withdraw the amount deposited by GHRC with the Clerk of Court. It merely reiterated how impossible it was for PUP to convey the subject properties to GHRC when the same were never part of the lands conveyed by NDC to the National Government.

The appellate court's decision affirmed the RTC's finding that because the leased subject properties were under litigation at the time of the implementation of Memorandum Order No. 214, the ownership thereof was never transferred to the National Government, thus, it necessarily follows that the same were never conveyed to PUP.

We, thus, conclude that the appellate court correctly found that no grave abuse of discretion attended the RTC's issuance of the February 2, 2012 resolution as the same merely clarified what was seemingly confusing in the November 25, 2004 decision of the RTC.

Even assuming that the appellate court made erroneous judgment on the issue of whether the trial court committed grave abuse of discretion in its issuance of the February 2, 2012 Order, We must stress that *certiorari* is an extraordinary prerogative writ that is never demandable as a matter of right.¹⁷ It is meant to correct only errors of jurisdiction and *not* errors of judgment committed in the exercise of the discretion of a tribunal or an officer. To warrant the issuance thereof, the abuse of discretion must have been so gross or grave, as when there was such capricious and whimsical exercise of judgment equivalent to lack of jurisdiction; or the exercise of power was done in an arbitrary or despotic manner by reason of passion,

¹⁷ *Nuque v. Aquino*, 763 Phil. 362, 370 (2015).



prejudice, or personal hostility.¹⁸ The abuse must have been committed in a manner so patent and so gross as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined or to act at all in contemplation of law.¹⁹

PUP failed in its duty to demonstrate with definiteness the grave abuse of discretion that would justify the proper availment of a petition for certiorari under Rule 65 of the Rules of Court. We, thus, find that the appellate court correctly found that the RTC committed no grave abuse of discretion in issuing the February 2, 2012 Order as the same lacks the arbitrariness that characterizes excess of jurisdiction.

WHEREFORE, premises considered, the petition is hereby **DENIED** for lack of merit.

SO ORDERED.



DIOSDADO M. PERALTA
Associate Justice

¹⁸ *Yu v. Judge Reyes-Carpio*, 667 Phil. 474, 482 (2011).

¹⁹ *Id.*

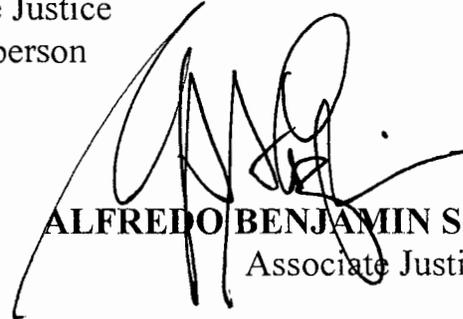
WE CONCUR:



ANTONIO T. CARPIO
Associate Justice
Chairperson

On leave

ESTELA M. PERLAS-BERNABE
Associate Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


ANDRES B. REYES, JR.
Associate Justice

ATTESTATION

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



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.



MARIA LOURDES P. A. SERENO
Chief Justice