



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Third Division, issued a Resolution dated August 26, 2020, which reads as follows:

“G.R. No. 200346 (*Manuel P. Calaunan v. La Savoie Development Corporation, Jeanne G. Menguito, and Buenavista Properties, Inc.*). –This is a Petition for Review on *Certiorari* assailing the October 27, 2011 Decision¹ of the Court of Appeals (*CA*) in CA-G.R. SP No. 119011, which affirmed the March 1, 2010 Resolution of the Office of the President (*OP*) excusing respondent Buenavista Properties, Inc. (*BPI*) from any liability towards petitioner, a buyer of a subdivision lot owned by BPI.

Antecedents

On January 15, 1997, petitioner Manuel P. Calaunan (*Calaunan*) and respondent La Savoie Development Corporation (*LSDC*) entered into a Contract to Sell² covering a 60-square meter lot with improvements located in Buenavista Park Subdivision, San Rafael, Bulacan. Despite full payment of the purchase price on January 8, 2002, LSDC refused to sign a deed of absolute sale and deliver the certificate of title to Calaunan prompting the latter to eventually go to the Register of Deeds of Bulacan to have his adverse claim annotated on the title of the property, Transfer Certificate of Title (*TCT*) No. T-77148. It was on this occasion that Calaunan discovered that the said title was registered in the name of respondent Buenavista Properties, Inc., (*BPI*). Consequently, Calaunan filed on March 18, 2005 a Complaint for Delivery of Deed of Absolute Sale and Land Title with Damages³ against LSDC and BPI with the HLURB.⁴

In its Answer,⁵ BPI alleged, among others, that Calaunan had no cause of action against it since BPI was not a party to the Contract to Sell. Moreover, Calaunan was a buyer in bad faith following the principle of *caveat emptor* where he should have first investigated the ownership of the land he was

¹*Rollo*, pp. 41-60; penned by Associate Justice Celia C. Librea-Leagogo, with Associate Justices Andres B. Reyes, Jr. (now a retired Member of this Court) and Michael P. Elbinias (deceased), concurring.

² *Id.* at 102-107.

³ *Id.* at 95-101.

⁴ *Id.* at 42-43.

⁵ *Id.* at 128-135.

buying. Having failed to do so, he had no right to drag BPI into the controversy.⁶ Also, BPI alleged that under its Joint Venture Agreement (*JVA*)⁷ with LSDC, the pricing of the lots shall be determined jointly by the owner, BPI, and developer, LSDC. LSDC disregarded this provision when it sold the lots at prices it unilaterally determined. BPI sent LSDC letters as early as July 22, 1996, demanding it to stop selling the developed property, but LSDC paid no heed. LSDC also misrepresented itself as the “owner in fee simple” of the subject land in the Contract to Sell. On the basis of these facts, BPI claimed that it was justified in refusing to sign the deed of absolute sale and deliver the title to Calaunan.⁸ Finally, BPI pointed out that the Regional Trial Court (*RTC*) of Quezon City, Branch 217 issued a Decision⁹ terminating the *JVA* and ordering LSDC, among others, to deliver possession of the subdivision lots with all improvements to BPI. LSDC, however, continuously collected payments from Calaunan and other lot buyers to the prejudice of BPI.¹⁰

On the other hand, LSDC alleged in its Answer¹¹ that under the *JVA*, it had authority as developer of the property to sell the subdivision lots, although title, ownership and possession thereof remained with BPI. In accordance with the *JVA*, it prepared a Deed of Absolute Sale of the subject lot in favor of Calaunan for signature by BPI, but the latter refused to sign it, to the damage and prejudice of both Calaunan and LSDC. LSDC also claimed that it has remitted to BPI the latter’s share in the sale of the subject lot. For these reasons, it asserted that Calaunan had no cause of action against it; its recourse being solely against BPI.¹²

On July 18, 2006, the HLURB Legal Services Group (*HLURB-LSG*) rendered a Decision¹³ finding LSDC and BPI solidarily liable to deliver the title of the property to Calaunan. It noted that when BPI sent LSDC a notice in July 1996 for the latter to desist from selling lots in the subdivision project until they have agreed on the prices, there was only a misunderstanding between agent and principal, the *JVA* being a contract of agency. When LSDC accepted payments from Calaunan on January 15, 1997, there was yet no legal impediment for LSDC to sell the property. As a matter of fact, the complaint for rescission of the *JVA* was not filed by BPI until February 28, 1998, the Writ of Preliminary Injunction issued by the RTC on August 11, 1998 was directed only against the selling of unsold lots, and the RTC Decision rescinding the *JVA* was rendered only on June 12, 2003. Calaunan had paid for the lot in full on January 8, 2002.¹⁴

⁶ Id. at 129-130.

⁷ Id. at 214; The HLURB Legal Services Group explained that it was the spouses Frisco and Amelia Santos San Juan and spouses Felipe and Blesilda Buencamino who entered into the *JVA* with LSDC for the development of three parcels of land. Later, the spouses San Juan and spouses Buencamino sold their properties to Josephine Conde, who in turn assigned all her rights and interests in the properties to BPI.

⁸ Id. at 130-131.

⁹ Id. at 557-563. In Civil Case No. Q-98-33682, entitled “*Buenavista Properties, Inc. v. La Savoie Development Corporation.*”

¹⁰ Id. at 131-132.

¹¹ Id. at 137-143.

¹² Id. at 139-140.

¹³ Id. at 214-219.

¹⁴ Id. at 217.

The HLURB-LSG also held that Section 25¹⁵ of Presidential Decree No. 957 (*P.D. No. 957*), otherwise known as “The Subdivision and Condominium Buyers’ Protective Decree” provides that after the buyer has made a full payment of the purchase price of the property, the owner or developer shall deliver the title of the lot to him. LSDC and BPI are solidarily liable to deliver the title to Calaunan under this provision. The fact that the Certificate of Registration and License to Sell pertaining to the subdivision project is in the names of LSDC and BPI also strengthen their solidary liability. Furthermore, BPI, as registered owner of the subject property, is an indispensable party. The JVA provides that all certificates of title shall be in the name and possession of the landowner until they are sold.¹⁶ Hence, it cannot escape liability to Calaunan. The dispositive portion of the Decision, which also held Calaunan entitled to damages, provides:

WHEREFORE, premises considered, judgment is hereby rendered:

- 1) Declaring respondents LA SAVOIE and its president MENGUITO, and respondent BPI and its president Conde, solidarily liable to deliver the title of the contracted lot to the complainant under the latter’s name free from all liens and encumbrances within 30 days from finality hereof;
- 2) Ordering respondents LA SAVOIE and Menguito to pay the amount of [P]30,000[.00] as moral damages[,] [P]50,000[.00] and [P]30,000[.00] as exemplary damages; and
- 3) Ordering respondents BPI and CONDE to pay the amount of [P]30,000[.00] as moral damages[, P]50,000[.00] and P30,000[.00] as exemplary damages.

IT IS SO ORDERED.¹⁷

Calaunan and BPI respectively appealed the Decision to the HLURB Board of Commissioners. Calaunan anchored his Appeal¹⁸ on the alleged error of the HLURB-LSG in not awarding him damages amounting to P2,000,000.00. BPI, on the other hand, essentially argued in its Appeal Memorandum¹⁹ that LSDC exceeded its authority under the JVA and that Calaunan was a buyer in bad faith for failing to verify the owner of the subject

¹⁵ “Sec. 25. *Issuance of Title*. The owner or developer shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit x xx.”

¹⁶ *Rollo*, p.119; Item 4.2 of the JVA provides:

4.2 All Certificates of Title on lots shall be in the name and possession of the LANDOWNER until they are sold, subject to the annotation of this agreement. (*Rollo*, p. 118)

¹⁷ *Id.* at 218-219.

¹⁸ *Id.* at 220-228.

¹⁹ *Id.* at 248-260.

property. Further insisting that it was not a party to the contract to sell, BPI prayed for the dismissal of the complaint against it and an award of damages.

On May 30, 2007 the HLURB Board of Commissioners rendered a Decision²⁰ finding no merit in Calaunan's claim for an award of additional damages. However, it declared the finding of liability for damages against BPI unwarranted, since its refusal to release the title was borne of LSDC's failure to remit BPI's share in Calaunan's payment. Hence, it amended the HLURB-LSG Decision as follows:

WHEREFORE, premises considered, the decision of the Legal Services Group is MODIFIED as follows:

1. Ordering respondents jointly and severally, to execute a Deed of Absolute Sale and deliver the title of the contracted lot to the complainant under the latter's name free from all liens and encumbrances within 30 days from finality hereof;
2. Ordering respondents La Savoie and/or Menguito to pay complainant the amount of [P]30,000.00 as moral damages and [P]30,000[.00] as exemplary damages;
3. Ordering respondents La Savoie and/or Menguito to remit to respondent Buenavista all the payments made by complainant for the subject lot.
4. Ordering respondents, jointly and severally, to pay a fine of [P]10,000.00 to this Board for violation of Section 25 of PD957.
5. Ordering complainant to pay to this Board the proper filing fees to be assessed in accordance with the reliefs awarded in his favor upon execution of the judgment.

SO ORDERED.²¹

Still dissatisfied, Calaunan and BPI lodged their respective appeals before the Office of the President (*OP*). Finding that the arguments in the appeals merely reiterated what had been sufficiently passed upon by the HLURB, and there was no grave error or abuse of discretion committed by the latter that would warrant the reversal of the assailed Decision,²² the *OP* rendered a Decision²³ on May 29, 2008, the dispositive portion of which states:

WHEREFORE, premises considered, the separate appeals filed by complainant Calaunan and respondent Buenavista Properties, Inc. are hereby **DISMISSED** for lack of merit, and the Decision of Housing and Land Use Regulatory Board dated 30 May 2007 **AFFIRMED**.

²⁰ Id. at 268-271.

²¹ Id. at 270-271.

²² Id. at 322.

²³ Id. at 319-323.

SO ORDERED.²⁴

Calaunan filed a Motion for Partial Reconsideration dated June 17, 2008,²⁵ but it was denied by the OP in its September 30, 2008 Resolution²⁶ which disposed of the motion thus:

WHEREFORE, premises considered, the instant Motion for Reconsideration is hereby **DENIED** with finality. Accordingly, let the records of the case be remanded to the Housing and Land Use Regulatory Board for its appropriate disposition.

SO ORDERED.

Calaunan subsequently resorted to judicial remedies, but to no avail as his petitions before the CA²⁷ and this Court²⁸ were both denied.

In the meantime, BPI also filed a Motion for Reconsideration²⁹ dated July 9, 2008, followed by a Supplemental Motion for Reconsideration³⁰ dated August 12, 2009 and Second Supplemental Motion for Reconsideration³¹ dated August 26, 2009, all challenging the May 29, 2008 OP Decision. On March 1, 2010, the OP issued a Resolution³² absolving BPI from any liability in relation to the Contract to Sell on the following rationale:

After a meticulous examination of the records, we find that the attendant facts and surrounding circumstances warrant a modification of our earlier Decision under review. The Contract to Sell entered into by and between respondent LSDC and complainant Calaunan is unenforceable against BPI. BPI is not obliged to comply with the obligations which respondent LSDC may have contracted. Complainant Calaunan cannot hold BPI liable for the acts performed by respondent LSDC. Only respondent LSDC should be held liable for any obligation arising from the Contract to Sell.

As a factual backdrop, it will be recalled that respondent LSDC entered into a Contract to Sell under its name with complainant Calaunan involving the subject property which belongs to BPI. In the Contract to Sell, respondent LSDC, thru its president Jeanne Menguito, claimed that it is the owner of the subject property despite the fact that it has no title over it.x xx.

X XXX

²⁴ Id. at 323.

²⁵ Id. at 324-334.

²⁶ Id. at 368-369.

²⁷ Id. at 389-392.

²⁸ Id. at 426-427.

²⁹ Id. at 343-357.

³⁰ Id. at 444-471.

³¹ Id. at 483-487.

³² Id. at 90-93.

Basic is the principle in law that only the owner can dispose of his property. Unless he is duly authorized, one who is not the owner cannot validly sell the property nor convey any right of dominion to any other party. The person who acquires property from one who is not the owner and has no right to dispose of the same obtains the property without right or title, and the owner may recover the same from him. Respondent LSDC's act of signing the Contract to Sell in its name alone, without indicating that it was signing for and [on] behalf of BPI, the property owner, bound itself alone in its personal capacity and not as a representative or attorney-in-fact of BPI.

Respondent LSDC was not expressly authorized by BPI to dispose and transfer ownership of the subject property under the Joint Venture Agreement (JVA) entered into between respondent LSDC and BPI. Per [S]ection III, paragraph 3.1 of the JVA, which complainant himself quoted in his Consolidated Reply and Position Paper submitted to the HLURB, BPI appointed respondent LSDC as its attorney-in-fact, x xx.

x x x x

The above-quoted paragraph of the JVA shows the extent of authority given by BPI to respondent LSDC. BPI merely clothed LSDC with the special power to develop and subdivide BPI's property and to engage the services of brokers, but it did not speak of the power to absolutely sell, assign, convey, alienate or transfer ownership of BPI's lots. BPI is therefore correct in saying that LSDC had no power to act in behalf of BPI insofar as transferring the ownership of its lots are concerned. The power given to it to market and sell is as limited as the powers given to brokers. Brokers are generally given the authority to market and sell, but such does not include the power to transfer ownership, unless a special power of attorney is granted for the purpose.

x x x x

To successfully bind a principal in a contract of sale of real property, an agent must possess a special power of attorney for that specific purpose. In this case, respondent LSDC had no such power, and the only authority it had was to market and sell lots, which did not include the power to convey ownership to the lot buyers.

Granting that this limited authority to market and sell lots may serve as basis to bind BPI, such authority was revoked on 22 July 1996 or before the Contract to Sell between respondent LSDC and complainant Calaunan was signed and executed. BPI revoked said authority because respondent LSDC was unilaterally selling lots in violation of a provision in the JVA that pricing of the lots would be determined jointly by the landowner and developer. The act of revocation was judicially upheld by the Regional Trial Court of Quezon City, Branch 217, which was affirmed by the Court of Appeals on 10 August 2006 and by the Supreme Court on 19 February 2007. Hence, whatever authority respondent LSDC had in marketing and selling BPI's lots was, for all intents and purposes, legally withdrawn by virtue of BPI's act of revocation.

The OP thus disposed of BPI's Motion for Reconsideration as follows:

WHEREFORE, premises considered, the instant Motion for Reconsideration is hereby given due course. The Decision of this Office dated 29 May 2008, is hereby modified as follows:

1. Respondents La Savoie and Menguito, jointly and severally are ordered to refund all payments made by complainant Manuel Calaunan;
2. Respondents La Savoie and Menguito, jointly and severally are ordered to pay complainant Calaunan the amount of [P]30,000.00 as moral damages and [P]30,000.00 as exemplary damages;
3. Respondents La Savoie and Menguito, jointly and severally are ordered to pay a fine of [P]10,000.00 to the HLURB for violation of Section 25 of PD957;
4. Complainant Calaunan is ordered to pay the HLURB the proper filing fees to be assessed in accordance with the reliefs awarded in his favor upon execution of judgment.

SO ORDERED.³³

Calaunan sought a reconsideration of the foregoing Resolution, but the OP denied it in another Resolution dated March 15, 2011.³⁴ Hence, Calaunan filed a Petition for Review on *Certiorari*³⁵ with the CA, which raised the lone issue of "Whether respondent Buenavista Properties, Inc. is bound by the Contract to Sell entered into between respondent La Savoie Development Corporation and the petitioner."³⁶

On October 27, 2011, the CA promulgated the assailed Decision dismissing the appeal. It held that Calaunan's appeal from the May 29, 2008 OP Decision has already been resolved with finality by the courts. Consequently, he has no more personality to seek the nullification of the March 1, 2010 OP Resolution which referred solely to BPI's Motion for Reconsideration.³⁷ In any event, there is no compelling reason to disturb the findings of the OP. Factual findings of administrative agencies are afforded great weight and respect by the courts. The OP made a thorough evaluation of the facts and its findings are supported by substantial evidence.³⁸

Calaunan's Motion for Reconsideration having been denied by the CA

³³ Id.

³⁴ Id. at 94.

³⁵ The case, entitled "*Manuel P. Calaunan v. La Savoie Development Corporation (LSDC) and Jeanne G. Menguito, and Buenavista Properties, Inc. (BPI)*", was docketed as CA-G.R. SP No.119011.

³⁶ *Rollo*, p.51.

³⁷ Id. at 54-56.

³⁸ Id. at 57.

in the assailed January 24, 2012 Resolution,³⁹ he filed the present petition.⁴⁰

Petitioner argues that he could not have sought the reconsideration of the entire May 29, 2008 OP Decision because it was favorable to him. He only asked for a reconsideration of the damages awarded to him. Consequently, it was only this issue on damages that had been resolved with finality by the courts. When the OP modified its May 29, 2008 Decision and granted BPI's Motion for Reconsideration, Calaunan became an aggrieved party who was entitled to seek recourse through a Rule 43 petition.⁴¹

Moreover, Calaunan insists that BPI is bound by the Contract to Sell entered into by him with LSDC. The JVA granted LSDC Authority to Sell⁴² and provided that title to the subject property is reserved to the seller pending full payment of the purchase price. Hence, after Calaunan had paid the purchase price in full, it is incumbent upon LSDC and BPI to execute the deed of absolute sale and deliver the corresponding title to the property.⁴³ If LSDC exceeded its authority in selling the subject property, that should not be taken against petitioner.⁴⁴ Calaunan also averred that he had been occupying the subject property for eight (8) years, and on some dates had been approached by persons who identified themselves as agents of BPI intending to conduct ocular inspections. However, nothing was heard from BPI regarding his possession of the subject property.⁴⁵ Finally, even if the JVA was subsequently revoked by the courts, LSDC's authority to sell was still subsisting at the time of the execution of the Contract to Sell on January 15, 1997 and when Calaunan fully paid the purchase price of the subject property on January 8, 2002. Petitioner prays for a decision setting aside the assailed Decision and Resolution of the CA and reinstating the May 29, 2008 OP Decision, which in turn affirmed May 30, 2007 HLURB Decision.⁴⁶

On November 15, 2012, Calaunan filed a Verified Motion for the Issuance of Writ of Preliminary Injunction and/or Temporary Restraining Order,⁴⁷ alleging that on December 5, 2007 he had been forcibly evicted from the subject property and his house subsequently demolished. In September 2012, he learned that housing units will be constructed in Buenavista Park Subdivision. Believing that this will cause irreparable injury to him and will prejudice his right to recover physical possession of the subject property, he asks for the issuance of a Writ of Preliminary Injunction or Temporary Restraining Order (*TRO*) to enjoin the construction.

³⁹ Id. at 62-63.

⁴⁰ Id. at 10-36.

⁴¹ Id. at 25-26.

⁴² Id. at 27-29.

⁴³ Id. at 29-30.

⁴⁴ Id. at 31.

⁴⁵ Id. at 32.

⁴⁶ Id. at 34.

⁴⁷ Id. at 923-927.

In its Compliance and Comment,⁴⁸ BPI essentially alleges that the petition seeks the review of matters which have already been thoroughly considered by the OP and the CA,⁴⁹ and there are no special and important reasons for the reconsideration of the CA ruling.⁵⁰ Hence, the petition must be denied.⁵¹ In a subsequent Comment⁵² to petitioner's Motion for the Issuance of Writ of Preliminary Injunction or TRO, BPI denied that there was ongoing construction in the subdivision during the time period alluded to by Calaunan, and similarly prayed for the motion to be denied.

LSDC also filed a Comment⁵³ to the petition. It argued that it has fulfilled its functions under the JVA, and what is left to be done is for BPI to execute the deed of absolute sale and deliver the title to petitioner under the JVA's terms and conditions. It prayed that judgment be rendered against BPI and the case against it be dismissed.⁵⁴

The Court's Ruling

The Court **GRANTS** the petition.

First, the Court is unable to subscribe to the CA's stance that Calaunan can no longer appeal the March 1, 2010 OP Resolution because he had previously filed his own appeal against the May 29, 2008 OP Decision. It must be noted that the May 29, 2008 OP Decision was modified by the March 1, 2010 OP Resolution. Thus, the March 1, 2010 OP Resolution, in effect, is an amended decision which is an entirely new decision that supercedes the original May 29, 2008 OP Decision.⁵⁵ Due process allows Calaunan to seek reconsideration of the March 1, 2010 OP Resolution that modified respondents' liabilities in the case.

Further, the records bear that the subject of Calaunan's previous Appeal dealt with the issue of damages. The appeal from the March 1, 2010 OP Resolution, on the other hand, does not involve damages but concerns Calaunan's right to recover the subject property after the OP absolved BPI from the obligation to execute a deed of absolute sale and deliver the corresponding title of the subject property to him. Calaunan is not barred from appealing the March 1, 2010 OP Resolution which was not yet existent at the time he first appealed to the CA on the issue of damages,⁵⁶ and which modified the earlier OP Decision that was favorable to him.

⁴⁸ Id. at 937-949.

⁴⁹ Id. at 941.

⁵⁰ Id. at 942-944.

⁵¹ Id. at 945.

⁵² Id. at 972-983.

⁵³ Id. at 1003-1010.

⁵⁴ Id. at 1004-1006.

⁵⁵ See *Esquivel v. Judge Alegre*, 254 Phil. 316, 325-326 (1989).

⁵⁶ *Rollo*, pp.370-388; Calaunan's petition for review with the CA, docketed as CA-G.R. SP No. 106618, was filed on December 16, 2008.

Second, as regards the substantive aspect, the issue raised by petitioner is not novel. In fact, the Court had an opportunity to rule on the liability of BPI regarding a Contract to Sell between LSDC and its buyers. In *Buenavista Properties, Inc. v. Mariño (Buenavista)*,⁵⁷ the Court ruled that BPI had the obligation to deliver a clean title to the buyer of its subdivision lot. That case involves facts identical to those obtaining in this case, save for the parcel of land subject of the dispute and the buyer. Following the doctrine of *stare decisis*, a similar conclusion is warranted.

In *Buenavista*, Ramon G. Mariño entered into a Contract to Sell with LSDC on July 18, 1997 involving a parcel of land in Buenavista Park Subdivision. The contract provides that upon full payment of the purchase price, LSDC shall execute a final Deed of Sale in Mariño's favor. Mariño completed the payment for the subdivision lot on September 19, 2001 and LSDC subsequently transmitted the deed of absolute sale to BPI for execution. However, despite repeated demands, the latter refused to sign it on the basis that LSDC acted in excess of authority and sold the subdivision lots in prices it unilaterally determined without BPI's approval. Mariño filed an action for specific performance against BPI with the HLURB-LSG which, on June 5, 2006, ordered BPI and Conde to deliver the title to Mariño and pay him damages. This Decision was affirmed by the HLURB Board of Commissioners, and subsequently by the OP and the CA, respectively.

In dismissing BPI's petition, the Court ordered BPI and/or Josephine Conde to: (1) deliver the title covering the purchased subdivision lot to Mariño under the latter's name free from all liens and encumbrances within 30 days from finality of the judgment; and (2) pay the amount of ₱20,000.00 as exemplary damages, ₱30,000.00 as attorney's fees, and ₱20,000.00 as cost of suit. The Court discussed BPI's liability as follows:

We point out that the issues BPI raised in its petition and MRs can be summed up into two: (1) whether La Savoie had the authority to sell the subdivision lots pursuant to the JVA and its Addendum; and (2) assuming *arguendo* that La Savoie had the authority to sell under the JVA, whether such authority had already been rescinded prior to the execution of the Contract to Sell with Mariño.

We find it clear from the pertinent provisions of the JVA, footnoted below, that contrary to BPI's claim, La Savoie was empowered to sell the Buenavista Park Subdivision lots, including the subject lot it sold to Mariño.

This conclusion proceeds from the examination of clauses 2.2, 3.1, and 6.2 of the JVA which states that La Savoie had the power to, among others: (1) provide and **exercise general management** over the project including its marketing and sales; (2) to **act as BPI's attorney-in-fact** with full power and authority to take full possession of the realty, **including engaging the services of brokers**; and (3) **sell the lots, within the specified period**. Additionally, La Savoie had the authority **to receive and give**

⁵⁷ 797 Phil. 56 (2016).

receipts under its name, payments from buyers of the subdivision lots,
per clause 7.1 of the JVA.

Likewise and contrary to BPI's assertion, the Contract to Sell between La Savoie and Mariño was executed *before BPI categorically withdrew La Savoie's authority to sell under the JVA*. Note that per clause 8.1 of the JVA, in case La Savoie fails or refuses to perform its obligations under the JVA or violates any provisions of the JVA, BPI could either sue the former for specific performance or cancel the contract *via* written communication to this effect.

In this case, BPI's option to cancel the JVA, instead of suing for specific performance, became categorically clear only on February 28, 1998 when it filed the JVA rescission case against La Savoie. La Savoie and Mariño entered into the Contract to Sell on July 18, 1997 or seven (7) months prior to the filing of the JVA rescission case; undoubtedly, La Savoie then still retained the full authority under the JVA to enter into the Contract to Sell with Mariño.

While BPI wrote La Savoie several letters prior to the filing of the JVA rescission case, *i.e.*, on July 22, 1996, August 15, 1996, September 30, 1996, and August 15, 1997, requesting and/or asking the latter to suspend or stop selling the subdivision lots until they have agreed on the selling price, BPI never categorically terminated the JVA nor withdrew La Savoie's authority to sell through these letters.

Notably, and again contrary to BPI's claim, these letters show that it did not cancel the JVA prior to the filing of the JVA rescission case because, as of its August 15, 1997 letter, it was still about to invoke the termination clause of the JVA.⁵⁸ (citation omitted)

Here, just like Mariño, Calaunan entered into a Contract to Sell with LSDC over a subdivision lot in Buenavista Park Subdivision. In both instances, the buyers have fully paid the purchase price of their respective lots, but LSDC failed to deliver the deeds of absolute sale on account of BPI's refusal to execute the deeds. In both cases, BPI refused to honor the Contracts to Sell on the basis of its dispute with LSDC concerning the provisions of the JVA. The dispute between LSDC and BPI, in turn, impelled the lot buyers to file cases with the HLURB to protect their interests. The facts, causes of action, issues, legal rights and relations of the parties are identical in both cases, such that it would be unfair to require BPI to deliver title to Mariño, but not to Calaunan. Under the rule of *stare decisis*, the ruling in *Mariño* is a bar to any attempt by BPI to evade liability towards Calaunan.

The principle of *stare decisis et non quieta movere* enjoins adherence to judicial precedents. It requires our courts to follow a rule already established in a final decision of the Supreme Court. The doctrine is based on the principle that once a question of law has been examined and decided, it should be deemed settled and closed to further argument.⁵⁹ It is a policy

⁵⁸ *Id.* at 70-73.

⁵⁹ *De Mesa v. Pepsi Cola Products Phils., Inc.*, 504 Phil. 685, 691 (2005).

grounded on the necessity for securing certainty and stability of judicial decisions. In the words of Justice Cardozo in his book *The Nature of the Judicial Process*:⁶⁰

x x x It will not do to decide the same question one way between one set of litigants and the opposite way between another. "If a group of cases involves the same point, the parties expect the same decision. It would be a gross injustice to decide alternate cases on opposite principles. x x x." x x x Adherence to precedent must then be the rule rather than the exception if litigants are to have faith in the even-handed administration of justice in the courts. (emphasis omitted)

While the rule on *stare decisis* is not cast in stone and the Court has the authority to deviate from precedent and in fact has done that in certain circumstances, this is not an instance where precedent is to be abandoned. As US Supreme Court Justice Elena Kagan in *Kimble v. Marvel Entertainment, LLC*⁶¹ counseled:

What we can decide, we can undecide. But *stare decisis* teaches that we should exercise that authority sparingly.

WHEREFORE, the Court **GRANTS** the petition; **REVERSES** and **SETS ASIDE** the October 27, 2011 Decision and January 24, 2012 Resolution of the Court of Appeals in CA-G.R. SP No. 119011; and **UPHOLDS** the May 29, 2008 Decision of the Office of the President which affirmed the May 30, 2007 Decision of the HLURB Board of Commissioners.

Consequently, the Court **DENIES** petitioner's Motion for the Issuance of Writ of Preliminary Injunction and/or Temporary Restraining Order for being moot and academic.

SO ORDERED."

By authority of the Court:

MisDCCBatt
MISAELO DOMINGO C. BATTUNG III
Division Clerk of Court
5/12/21

⁶⁰ Cited in *Tala Realty Services, Corp., Inc., v. Banco Filipino Savings & Mortgage Bank*, 788 Phil. 19, 27 (2016).

⁶¹ 576US 18 (2015).

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