

Title: Manaloto et al. vs. Veloso III

Facts:

The case originated from an unlawful detainer suit filed by Ermelinda C. Manaloto and others (petitioners) against Ismael Veloso III (respondent) due to alleged non-payment of rentals for a property in Quezon City. The Metropolitan Trial Court (MeTC) ruled in favor of the petitioners, ordering Veloso to vacate the premises and pay the outstanding rentals and attorney's fees. Veloso appealed to the Regional Trial Court (RTC), which reversed the MeTC decision and recognized Veloso's payment for repairs but modified the value of improvements and obligations stemming from this. After a series of appeals involving the unlawful detainer case, the decision of the RTC reversing the MeTC decision became final and executory.

While Veloso's appeal in the unlawful detainer case was pending, he filed a Complaint for Breach of Contract and Damages against the petitioners in another branch of the RTC (RTC-Branch 227), alleging damages due to the petitioners' actions of distributing copies of the MeTC decision to homeowners in the same village, and for breach of contract on the grounds of the petitioners' failure to maintain the property. The petitioners filed an Omnibus Motion to dismiss this new complaint for various grounds including violation of the rule against splitting of cause of action. Subsequently, the RTC-Branch 227 dismissed Veloso's complaint, a decision which was appealed by Veloso to the Court of Appeals (CA).

The CA dismissed the breach of contract action but reversed the RTC's decision with regard to the damages claim, finding the petitioners liable and awarding moral and exemplary damages to Veloso. The petitioners then elevated the case to the Supreme Court through a Petition for Review on Certiorari.

Issues:

1. Was Veloso's appeal of the RTC-Branch 227's Resolution dismissing his complaint timely filed?
2. Is Veloso entitled to the award of moral and exemplary damages?

Court's Decision:

The Supreme Court held that Veloso timely filed his appeal based on the "fresh period rule," thereby rendering the CA's consideration of his appeal appropriate. On the second issue, the court found that while Veloso's complaint sufficiently stated a cause of action for damages based on the allegations of humiliation and embarrassment due to the distribution

of the MeTC decision, the CA prematurely awarded moral and exemplary damages without the benefit of a full trial. The Court emphasized the need for a full presentation of evidence by both parties to determine the merits of Veloso's claims. Therefore, the Supreme Court partially granted the petition, affirming with modifications the CA's decision by deleting the awards for damages and reinstating Veloso's complaint for damages for further proceedings in the RTC.

#### Doctrine:

The case reiterates the "fresh period rule" which allows a party to appeal a decision within 15 days from receipt of the order denying a motion for new trial or motion for reconsideration. It also highlights that a cause of action for damages can be sufficiently stated if it contains allegations that, if hypothetically admitted, show that the plaintiff's right has been violated by the defendant's act or omission, entitling the plaintiff to a remedy.

#### Class Notes:

- "Fresh period rule": An ordinary appeal must be filed within 15 days from receipt of the judgment or from the order denying a motion for reconsideration or new trial.
- Elements of a Cause of Action for Damages: (1) Right in favor of the plaintiff, (2) Obligation on the defendant to respect/not violate such right, (3) Act or omission by the defendant violative of the plaintiff's right.
- Good faith is presumed, and the burden of proving bad faith or malice lies with the party alleging it.
- Moral and exemplary damages require a full determination of facts and evidence, not merely the hypothetical admission of allegations in the complaint.

#### Historical Background:

The case underscores the judicial process in property disputes and the legal boundaries of exercising rights within the context of Philippine civil litigation. It illustrates the extended legal battle that can ensue from an initial simple dispute, such as an unlawful detainer case, evolving into a more complex legal battle involving claims for damages due to alleged malicious actions extending beyond the original case.