

Title: Globe Asiatique Realty Holdings Corporation vs. Union Bank of the Philippines (G.R. No. 220963)

Facts:

- Memorandum of Agreement (MOA):** On May 19, 2006, Globe Asiatique Realty Holdings Corporation (GA) and Union Bank of the Philippines entered into an MOA where Union Bank agreed to purchase installment accounts receivables corresponding to units sold by GA.
- Deeds of Assignment (DAs) and Special Powers of Attorney (SPAs):** From October 30, 2006, to May 30, 2007, GA executed 10 Deeds of Assignments (DAs) and 11 copies of Special Powers of Attorney (SPAs) in favor of Union Bank, covering condominium units at GA Tower 1 in Mandaluyong City.
- Content of DAs and SPAs:** The DAs transferred all rights on the parcels of land and any improvements thereon to Union Bank. The SPAs authorized Union Bank to manage contracts including delivering notices of cancellation, executing deeds of absolute sale, and restructuring or converting the contracts to a real estate mortgage.
- Request for Reformation:** On November 17, 2011, GA requested that the DAs and SPAs be reformed, alleging that certain provisions did not reflect the true agreement, specifically that they intended to assign receivables, not the land itself. This request went unanswered.
- Complaint Filed:** On September 27, 2012, GA filed a complaint for reformation of the DAs and SPAs, claiming mutual mistake, and sought P300,000 in attorney's fees and litigation expenses.
- Union Bank's Response:** Union Bank admitted to the MOA but denied mutual mistake. It asserted that the supplementary agreements (DAs, SPAs, and NAIP) were intentional and known to both parties.
- Motion for Summary Judgment:** On June 4, 2014, GA filed a motion for summary judgment. After pre-trial, on September 2, 2014, the RTC denied the motion, finding genuine issues necessitating a trial. GA's motion for reconsideration was also denied on April 30, 2015.
- Appeal to CA:** GA filed for certiorari in the CA, which dismissed the petition on July 13, 2016, affirming the RTC's orders for similar reasons.

Issues:

- Whether the appellate court erred in ruling that the RTC did not commit grave abuse of discretion when it denied GA's motion for summary judgment.

Court's Decision:

1. **Assessing Presence of Grave Abuse of Discretion:** The Supreme Court examined whether CA's determination was correct that RTC's orders were free of grave abuse of discretion.
2. **Standards for Summary Judgment:** Noted that summary judgment is inappropriate where genuine issues of material fact requiring a trial are present. The party moving for summary judgment bears the burden to demonstrate the clear absence of such issues.
3. **Factual Disputes:** It was confirmed that the parties had conflicting positions regarding the true intent behind the DAs and SPAs and whether there was mutual mistake, which are genuine material issues requiring a trial to resolve.
4. **Requirement for Trial:** The Supreme Court found that the RTC acted within its discretion by identifying the necessity of a trial due to disputed facts, which precluded the possibility of summary judgment.
5. **Conclusion:** The Supreme Court held that there was no grave abuse of discretion in the RTC's ruling, thus affirming the CA's decision to dismiss GA's petition.

Doctrine:

1. **Grave Abuse of Discretion Standard:** A tribunal or court acts with grave abuse of discretion when its actions are capricious or whimsical, equivalent to lack or excess of jurisdiction.
2. **Summary Judgment:** Summary judgment is not appropriate if there are genuine issues of material fact that warrant a trial. The movant bears the burden of demonstrating an unequivocal absence of such issues.
3. **Reformation of Instruments:** Article 1361 of the Civil Code prescribes that reformation is warranted if a mutual mistake between parties leads to a failure of an instrument to express their true agreement.

Class Notes:

1. **Grave Abuse of Discretion:** Must demonstrate capricious and whimsical exercise of judgment akin to lack or excess of jurisdiction.
2. **Genuine Issues in Summary Judgment:** Defined as issues of fact requiring evidence, contrasting with fictitious or contrived issues.
3. **Reformation under Civil Code Article 1361:** Available when mutual mistake prevents an instrument from reflecting the true intent of parties.

Historical Background:

This case emerged during a period of heightened scrutiny on property dealings and financial

transactions in the Philippines, often intersecting with complex banking and real estate relationships. The decision is rooted in the protection of formal procedural requirements and ensuring fair trial processes as definitive over case evaluations involving disputed material facts.