

**CITY OF CEBU, PETITIONER, VS. THE COURT OF APPEALS
(SIXTEENTH DIVISION), HON. JUDGE RODOLFO BELLAFLOR AND
MERLITA CARDENO, RESPONDENTS.**

G.R. No. 109173. July 05, 1996

Ponente: FRANCISCO, J.

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FRANCISCO, J.:

One of the basic tenets of procedural law is a liberal interpretation of the Rules of Court in order to promote their object and to assist the parties in obtaining just, speedy, and inexpensive determination of every action and proceeding.[1] Time and again, this Court has stressed that the primordial concern of rules of procedure is to secure substantial justice. Otherwise stated, they are but a means to an end. Hence, a rigid and technical enforcement of these rules which overrides the ends of justice shall not be countenanced. Substance cannot be subordinated to procedure when to do so would deprive a party of his day in court on the basis solely of a technicality.[2] The case before us illustrates how a stringent application of procedural rules, when uncalled for, can result in a contravention of the foregoing principle and the consequent subversion of justice.

The antecedent facts are undisputed. Private respondent Merlita Cardeno is the owner of a parcel of land with an area of 2,019 square meters located at Sitio Sto. Nino, Alaska-Mambaling and covered by Transfer Certificate of Title No. 116692. On February 25, 1992, the petitioner, City of Cebu, filed a complaint for eminent domain against private respondent with Branch II of the Regional Trial Court (RTC) of Cebu City seeking to expropriate the said parcel of land. The complaint was initiated pursuant to Resolution No. 404 and Ordinance No. 1418, dated February 17, 1992, of the Sangguniang Panlungsod of Cebu City authorizing the City Mayor to expropriate the said parcel of land for the purpose of providing a socialized housing project for the landless and low-income city residents.[3]

Private respondent filed a motion to dismiss the said complaint on the ground of lack of cause of action. She asseverated that the allegations contained in paragraph VII of the complaint, to wit:

"That repeated negotiations had been made with the defendant to have the aforementioned property purchased by the plaintiff through negotiated sale without resorting to expropriation, but said negotiations failed." [4]

do not show compliance with one of the conditions precedent to the exercise of the power of eminent domain by a local government unit as enunciated in Section 19 of R.A. 7160 [5] which provides in part that:

"A local government unit may, through its chief executive and acting pursuant to an ordinance, exercise the power of eminent domain x x x; Provided, however, That the power of eminent domain may not be exercised unless a valid and definite offer has been previously made to the owner, and such offer was not accepted x x x ." [Italics supplied.]

Petitioner sought to establish compliance with the abovesited requirement by alleging in its "Comment and Opposition" to private respondent's Motion to Dismiss, the following facts:

"7. To further pursue its desire to acquire the property concerned, the plaintiff made on October 28, 1991, another offer to Mrs. Cardeno, through her lawyer, Atty. Omar Redula, for the purchase of her property in the amount of Four Hundred Seventy Eight Thousand (P478,000.00) Pesos. x x x;

"8. The said offer was again refused, thus the resort by the plaintiff to expropriation." [6]

The RTC nevertheless dismissed the complaint and ruled as follows:

"The allegations in the complaint which is (sic) relevant to the seemingly or apparent compliance of (sic) that condition precedent is found in paragraph VII thereto (sic) which reads:

‘That repeated negotiations had been made with the defendant to have the aforementioned property purchased by the plaintiff through negotiated sale without resorting to expropriation, but said negotiations failed.’

"The import or meaning of the said allegation in paragraph VII of the complaint aforequoted to the mind of the Court does not convey or connote the same meaning or import or even approximate, the condition precedent required,

‘Unless a valid and definite offer has been previously made to the owner and such offer was not accepted.’

"The Court is of the opinion that the City of Cebu has not complied with the condition precedent, hence, the complaint does not state a cause of action." [7]

Furthermore, in disregarding petitioner’s allegations in its "Comment and Opposition," the RTC invoked the oft-cited rule that where the ground for dismissal is that the complaint states no cause of action, its sufficiency can only be determined from the facts alleged in the complaint and no other. [8]

Aggrieved, petitioner filed a special civil action for certiorari before the Court of Appeals which, however, affirmed the above ruling of the RTC. According to the Court of Appeals, an allegation of repeated negotiations made with the private respondent for the purchase of her property by the petitioner, "cannot by any stretch of imagination, be equated or likened to the clear and specific requirement that the petitioner should have previously made a valid and definite offer to purchase." [9] It further added that the term "negotiation" which necessarily implies uncertainty, it consisting of acts the purpose of which is to arrive at a conclusion, may not be perceived to mean the valid and definite offer contemplated by law. [10]

Petitioner’s contention that it could have presented evidence in the course of the trial to prove full compliance with Section 19 of R.A. No. 7160 had the RTC not dismissed the case outrightly, fell on deaf ears. [11] The Court of Appeals declared it procedurally unacceptable to ascertain the existence of a cause of action from any source other than the allegations in petitioner’s complaint.

An offshoot of the foregoing is the instant petition for review on certiorari which has essentially become a battle of semantics being waged before this Court. While petitioner reiterates that paragraph VII of the complaint sufficiently states compliance with the requirement of "a valid and definite offer," private respondent insists that the term "negotiations" is too broad to be equated with the said requirement. [12] Elaborating, private respondent posited that by definition, "negotiations run the whole range of acts preparatory to concluding an agreement, from the preliminary correspondence; the fixing of the terms of the agreement; the price; the mode of payment; obligations of (sic) the parties may conceive as necessary to their agreement." [13] Thus, "negotiations" by itself may pertain to any of the foregoing and does not automatically mean the making of "a valid and definite offer."

At the outset, it must be said that without necessarily delving into the parties’ semantical arguments, this Court finds that the complaint does in fact state a cause of action. What may perhaps be conceded is only the relative ambiguity of the allegations in paragraph VII of the complaint. However, as We have previously held, a complaint

should not be dismissed upon a mere ambiguity, indefiniteness or uncertainty of the cause of action stated therein for these are not grounds for a motion to dismiss but rather for a bill of particulars.[14] And,

"x x x though the allegations in the complaint are ambiguous, indefinite or uncertain but, nevertheless, a cause of action can, in any manner, be made out therefrom, and the plaintiff would be entitled to recover in any aspect of the facts or any combination of the facts alleged, if they were to be proved, then the motion to dismiss should be denied." [15]

In other words, a complaint should not be dismissed for insufficiency unless it appears clearly from the face of the complaint that the plaintiff is not entitled to any relief under any state of facts which could be proved within the facts alleged therein.[16]

The error of both the RTC and respondent Court of Appeals in holding that the complaint failed to state a cause of action stems from their inflexible application of the rule that: when the motion to dismiss is based on the ground that the complaint states no cause of action, no evidence may be allowed and the issue should only be determined in the light of the allegations of the complaint.[17] However, this rule is not without exceptions. In the case of *Tan v. Director of Forestry*, [18] this Court departed from the aforementioned rule and held that, "x x x although the evidence of the parties were on the question of granting or denying the petitioner-appellant's application for a writ of preliminary injunction, the trial court correctly applied said evidence in the resolution of the motion to dismiss." [19] Likewise, in *Marcopper Mining Corporation v. Garcia*, [20] we sanctioned the act of the trial court in considering, in addition to the complaint, other pleadings submitted by the parties in deciding whether or not the complaint should be dismissed for lack of cause of action. This Court deemed such course of action but logical where the trial court had the opportunity to examine the merits of the complaint, the answer with counterclaim, the petitioner's answer to the counterclaim and its answer to the request for admission.[21] The same liberality should be applied in the instant case where an examination of petitioner's "Comment and Opposition" to private respondent's Motion to Dismiss leaves no room for doubt that petitioner had indeed made "a valid and definite offer" to private respondent as required by law.

Furthermore, a closer scrutiny reveals that even on the face of the complaint alone, there is extant a cause of action. Petitioner avers in paragraph I thereof that,

"x x x. Under R.A. 7160, Sec. 9 thereof, the City of Cebu is legally vested with the power of eminent domain and pursuant thereto is filing this petition/complaint as authorized by Ordinance No.1418 passed by the Sangguniang Panlungsod on February 17,1992, a photocopy of which is herein attached as Annex "A", and made an integral part of this complaint. x x x" [22] [Italics supplied.]

All documents attached to a complaint, the due execution and genuineness of which are not denied under oath by the defendant, must be considered as part of the complaint without need of introducing evidence thereon.[23] Additionally, the general rule is that a motion to dismiss hypothetically admits the truth of the facts alleged in the complaint.[24] Thus, Ordinance No.1418, with all its provisions, is not only incorporated into the complaint for eminent domain filed by petitioner, but is also deemed admitted by private respondent. A perusal of the copy of said ordinance which has been annexed to the complaint shows that the fact of petitioner's having made a previous valid and definite offer to private respondent is categorically stated therein. Thus, the second whereas clause of the said ordinance provides as follows:

"WHEREAS, the city government has made a valid and definite offer to purchase subject lot(s) for the public use aforementioned but the registered owner Mrs. Merlita Cardeno has rejected such offer." [25]

The foregoing should now put to rest the long drawn argument over the alleged failure of the complaint to state a cause of action. There is no longer any room for doubt that as alleged in the complaint, and as admitted by private

respondent, the petitioner had in fact complied with the condition precedent of "a valid and definite offer" set forth in Sec. 19 of R.A. 7160.

And as a fitting finale to this controversy, the principle enunciated in both the Tan and Marcopper cases is here reiterated:

"The rules of procedure are not to be applied in a very rigid, technical sense; rules of procedure are used only to help secure substantial justice. If a technical and rigid enforcement of the rules is made their aim would be defeated. Where the rules are merely secondary in importance are made to override the ends of justice; the technical rules had been misapplied to the prejudice of the substantial right of a party, said rigid application cannot be countenanced." [26]

The aforequoted doctrine finds compelling application in the case at bench. For as correctly averred by petitioner, nothing else was accomplished by the dismissal of the complaint for eminent domain but a considerable delay in the proceedings. The dismissal of the complaint did not bar petitioner from filing another eminent domain case and from correcting its alleged error by the mere expedient of changing paragraph VII thereof. Indeed, precious time has been wasted while the salutary objectives of Ordinance No. 1418 of the City of Cebu have been put on hold by a quarrel over technical matters.

WHEREFORE, the petition is hereby GRANTED and the decision appealed from is REVERSED and SET ASIDE. The case is ordered remanded to the RTC which shall proceed to the hearing and final determination thereof.

SO ORDERED.

Narvasa, C.J., (Chairman), Davide, Jr., Melo, and Panganiban, JJ., concur.

[1] Section 2, Rule 1 of the Rules of Court.

[2] *Alonso vs. Villamor*, 16 Phil 315; *Manila Railroad Company vs. Attorney General*, 20 Phil 523; *Javier vs. Court of Appeals*, 183 SCRA 171; *Lim vs. Court of Appeals*, 188 SCRA 23.

[3] Excerpt from the Minutes of the Regular Session Held by the Sangguniang Panlungsod of the City of Cebu in its Session Hall on February 17, 1992. Rollo, p.37.

[4] Complaint dated February 25, 1992, p.3; Rollo, p. 41.

[5] Section 19. Eminent Domain.-A local government unit may, through its chief executive and acting pursuant to an ordinance, exercise the power of eminent domain for public use, or purpose, or welfare for the benefit of the poor and the landless, upon payment of just compensation, pursuant to the provisions of the Constitution and pertinent laws; Provided, however, That the power of eminent domain may not be exercised unless a valid and definite offer has been previously made to the owner, and such offer was not accepted; Provided, further, That the local government unit may immediately take possession of the property upon the filing of the expropriation proceedings and upon making a deposit with the proper court of at least fifteen percent (15%) of the fair market value of the property to be expropriated: Provided, finally, That the amount to be paid for the expropriated property shall be determined by the proper court, based on the fair market value at the time of the taking of the property.

[6] Comment and Opposition to Defendant's Addendum to its Motion to Dismiss dated, July 8, 1992, p.2; Rollo, p. 55.

[7] Resolution dated July 20, 1992. pp. 1-2; Rollo, pp. 56-57.

[8] Id. at p.1; Rollo, p. 56.

[9] Decision of the Court of Appeals dated, February 24,1993, p.7; Rollo, p. 26.

[10] Id.

[11] Petition dated September 3, 1992, p.8; Rollo, p.75.

[12] Comment dated May 10, 1993, p. 4; Rollo, p. 85.

[13] Private Respondent's Memorandum dated February 28, 1994, p.4; Rollo, p.109.

[14] Virata vs. Sandiganbayan, 202 SCRA 680, 694; Tantuico, Jr. vs. Republic of the Philippines, et. al., 204 SCRA 428.

[15] Sumulong, et al. vs. Court of Appeals, et al., 232 SCRA 372, 378.

[16] Id.

[17] Marcopper Mining Corporation vs. Garcia, 143 SCRA 178, 186; Rava Development Corporation vs. Court of Appeals, 197 SCRA 663; Paredes vs. Intermediate Appellate Court, 185 SCRA 134; D.C. Crystals, Inc. vs. Laya, 170 SCRA 734.

[18] 125 SCRA 302.

[19] Id., at p. 317.

[20] Supra, note 13.

[21] Id., at pp. 188-189.

[22] Supra note 4, p.1; Rollo, p. 39.

[23] Asia Banking Corporation vs. Walter E. Olsen and Co., 48 Phil 529, 532.

[24] Sumalinog vs. Doronio, 184 SCRA 187; Development Bank of the Philippines et al. vs. Pundogar, et al., 218 SCRA 118.

[25] Supra note 3, p.1; Rollo, p.37.

[26] Supra note 17, pp. 188-189.

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