VALLEY LAND RESOURCES, INC., GALICANO C. CAPATRIA, JR., AND NOLASCO M. BONDOC, PETITIONERS, VS. VALLEY GOLF CLUB, INC., RESPONDENT.

G.R. No. 126584. November 15, 2001

Ponente: PARDO, J.

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PARDO, J.:

In this case, petitioner seeks to set aside the decision of the Court of Appeals[1] reversing the decision of the trial court, and rendering new judgment, as follows:

> "WHEREFORE, premises considered, the appeal is GRANTED. The appealed decision is hereby REVERSED and SET ASIDE and new judgment is hereby rendered:
>
> "(1) Ordering plaintiff-appellee Valley Land to return to defendant-appellant Valley-Golf the amount of One Million Five Hundred Eighty Five Thousand Nine Hundred Sixty Two Pesos & Ninety Six Centavos (P1,585,962.96) representing the proceeds of a previous grant of right-of-way, with legal interest thereon from March 14, 1990, the time when demand letter for the return of the erroneous payment made was served upon the former, until fully paid.
>
> "(2) There being bad faith on the part of plaintiff Valley Land, knowing fully well that it can no longer fulfill its reciprocal obligation with defendant Valley Golf, yet still proceeded against the latter, and there being evidence that damages to the good name of Valley Golf had been caused, this Court orders Valley Land to pay moral damages in the amount of Five Hundred Thousand (P500,000.00) Pesos to defendant Valley Golf.
>
> "(3) Plaintiff is hereby further ordered to pay attorney's fees in the amount of Two Hundred Thousand (P200,000.00) pesos and the cost of suit.
>
> "SO ORDERED."[2]

The Facts

The facts, as found by the Court of Appeals, are as follows:

> "Victoria Valley Blvd. (the Boulevard" for brevity) is composed of road lots which connects Ortigas Avenue and Sumulong Highway (Exh. "L" [marked with red ink], Main Folder of Exhibits). Half of the Boulevard is made up of road lots owned by defendant-appellant Valley Golf. The other half is supposed to be owned by Hacienda Benito with whom Valley Golf entered into an agreement (Exh. "A") whereby it was agreed that Hacienda Benito and Valley Golf will own jointly Victoria Valley Blvd. Thereafter, a supplementary agreement (Exh. "B") was executed by the parties where one of the provisions provide that the right of way shall be owned and maintained jointly by Hacienda Benito and Valley Golf.
>
> "Thereafter, Hacienda Benito transferred ownership and all its rights and interests over the road lots covering half of the Victoria Valley Blvd. to herein plaintiff-appellee Valley Land by virtue of a Mutual Agreement (Exh. "C"). Said agreement made reference to the road title allegedly covering its half of Victoria Valley Blvd.

> and attached therein as Annex "C" (p.2 of Mutual Agreement; ibid.), but a perusal of the agreement reveals that the aforementioned annex is not attached thereto. At any rate, from then on, Valley Golf treated and recognized Valley Land as its alleged new co-owner over Victoria Valley Blvd., sharing half of all the proceeds of the grant of right of way over the boulevard.
>
> "However, in a subsequent review of the agreement between Valley Golf and Hacienda Benito, Valley Golf discovered that there is actually no existing co-ownership between them over Victoria Valley Blvd. Valley Golf retained exclusive ownership over the road lots forming part of Victoria Valley Blvd. notwithstanding their agreement, and that the other half of the boulevard is no longer under the name of either Hacienda Benito or Valley Land as the same has been disposed of already and is registered in favor of the Active Realty & Dev't. Corp. under TCT No. 187838 and with Filipinas Bank under TCT Nos. 166692 and 166678."
>
> "Based on said discovery, Valley Golf sought to recover the sum of money which it allegedly remitted by mistake to Valley Land which represents the supposed share of the latter in the grant of right of way. Valley Land in turn sought the cancellation of Valley Golf's titles over the road lots forming half of Victoria Valley Blvd. The cases were filed before the Regional Trial Court of Antipolo and consolidated therein. In due time, the assailed decision was rendered and brought to this Court on appeal by Valley Golf.[3]

On September 27, 1996, the Court of Appeals promulgated its decision as set out in the opening paragraph of this decision.

Hence, this appeal.[4]

The Issues

The issues raised are: (a) whether respondent is the sole owner of the subject road lots, or petitioner Valley Land Resources, Inc. (VLR, Inc., for brevity), is a co-owner thereof; (b) if respondent is the sole owner of the road lots, whether individual petitioners should return the sum of P1,585,962.96 and pay damages to respondent; (c) whether the petition is now moot and academic in light of the decision in Civil Case No. 90-1748 of the Regional Trial Court, Antipolo, Branch 73; (d) whether the instant petition is premature in so far as the individual petitioners are concerned.[5]

The Court's Ruling

To begin with, TCT Nos. 81411 & 518347 which are the subject of the road right of way granted to Sta. Lucia Realty & Development, Inc. and all the rest of the other certificates of title covering the road lots are solely in the name of respondent Valley Golf, Inc. Consequently, there can be no question that respondent Valley Golf Club, Inc is the owner of the road lots.

As such owner, respondent has the right to enjoy and dispose of the same without any limitations other than those established by law.[6]

However, respondent made the mistake of sharing the proceeds of the right of way with petitioner VLR, Inc. Considering that when the said amount was given to petitioner VLR, Inc., it did not have the right to receive the amount as respondent delivered it under the mistaken belief that petitioner VLR, Inc., was a co-owner of the lands covered by TCT Nos. 81411 & 518347, then petitioner was under obligation to return the amount of P1,585,962.96.[7]

On May 24, 1990, J. C. Enterprises & Megatop Realty & Development Corp., filed with the Regional Trial Court, Antipolo, Rizal a complaint in interpleader[8] against petitioner and respondent alleging that they were granted a right of way over road lots of what was known as the Victoria Valley Blvd., for and in consideration of P11,820,210.00, half of which had been paid to respondent but said entities did not know whom to pay the other

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half because petitioner VLR, Inc., was claiming for the same as co-owner of the road lots. Hence, the complaint for interpleader was filed to determine which party should be the one paid the other half which was deposited in court.

On October 5, 1992, the trial court rendered a decision declaring respondent as entitled to the other half of the proceeds of the right of way which was P6,006,332.50, and authorized the respondent to withdraw the amount based upon the finding that respondent is the sole owner of the road lots known as the Victoria Valley Blvd.[9] Petitioner VLR, Inc. appealed from the decision to the Court of Appeals.[10] On August 27, 1996, the Court of Appeals dismissed the appeal for failure of petitioner VLR, Inc. to file an appellant's brief. The dismissal has become final and executory. Hence, this petition has become moot and academic. In Avedana v. Court of Appeals,[11] we held that "where a related case had resolved all the varied issues raised between the parties," then the case is deemed moot and academic.

The Fallo

WHEREFORE, the Court hereby DISMISSES the petition, having become moot and academic, without costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ., concur.

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[1] In CA-G. R. CV No. 43811, promulgated on September 27, 1996. De La Rama, J., ponente, Cui, and Montenegro, JJ., concurring. Petition, Annex "A", Rollo, pp. 24-33.

[2] Rollo, pp. 24-33, at p. 32.

[3] Petition, Annex "A", pp. 24-33, at pp. 26-27.

[4] Petition filed on December 13, 1996, Rollo, pp. 8-23. On September 20, 1999, we gave due course to the petition (Rollo, pp. 128-129).

[5] Memorandum for Respondent, Rollo, pp. 136-156, at p. 141.

[6] Article 428, Civil Code.

[7] Article 2154, Civil Code.

[8] Docketed as Civil Case No. 1748.

[9] Cited in private respondent's Comment, dated June 10, 1997 (Rollo, pp. 92-106, at p. 3).

[10] Docketed as CA-G. R. CV No. 45192.

[11] 178 SCRA 380, 386 (1989), citing GSIS v. Court of Appeals, 149 SCRA 379 (1987).

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