PROGRAMME INCORPORATED, PETITIONER, VS. PROVINCE OF BATAAN, RESPONDENT.

G.R. NO. 144635. June 26, 2006

Ponente: CORONA, J.

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CORONA, J.:

In this petition filed under Rule 45 of the Rules of Court, petitioner Programme Incorporated contests the Court of Appeals (CA) decision[2] and resolution[3] upholding respondent Province of Bataan's ownership of Piazza Hotel and the land on which it stands. The assailed decision in CA-G.R. CV No. 49135 affirmed the decision of the Regional Trial Court (RTC), Branch 4, Balanga, Bataan in a suit for preliminary injunction and sum of money filed by petitioner against Bataan Shipyard and Engineering Co., Inc. (BASECO). The case was docketed as Civil Case No. 129-ML. The dispositive portion of the trial court decision read:

> WHEREFORE, in view of all the foregoing considerations, judgment is hereby rendered dismissing the complaint, without pronouncement as to costs.
>
> Similarly, [BASECO's] counterclaim is dismissed.
>
> On the complaint in intervention, judgment is hereby rendered ordering [petitioner] to pay [respondent] the rentals for the leased premises in question, namely, the Piazza Hotel and the Mariveles Lodge, situated at the Bataan Export Processing Zone (BEPZ) Compound in Mariveles, Bataan, at the rate of six thousand five hundred pesos (P6,500.00) per month for both establishments, starting in August 1989 with legal interest at 6% per annum, up to and until the legal arrearages shall have been fully paid, and to pay the succeeding rentals therefor at the same rate.
>
> SO ORDERED.[4]

The controversy arose from the following facts.

BASECO was the owner of Piazza Hotel and Mariveles Lodge, both located in Mariveles, Bataan.

On May 14, 1986, BASECO granted petitioner a contract of lease over Piazza Hotel at a monthly rental of P6,500 for three years, i.e., from January 1, 1986 to January 1, 1989, subject to renewal by mutual agreement of the parties. After the expiration of the three-year lease period, petitioner was allowed to continue operating the hotel on monthly extensions of the lease.

In April 1989, however, the Presidential Commission on Good Government (PCGG) issued a sequestration order against BASECO pursuant to Executive Order No. 1 of former President Corazon C. Aquino.[5] Among the properties provisionally seized and taken over was the lot on which Piazza Hotel stood.

On July 19, 1989, however, Piazza Hotel was sold at a public auction for non-payment of taxes to respondent Province of Bataan. The title of the property was transferred to respondent. BASECO's Transfer Certificate of Title (TCT) No. T-59631 was cancelled and a new one, TCT No. T-128456, was issued to the Province of Bataan.

On July 21, 1989, petitioner filed a complaint for preliminary injunction and collection of sum of money against BASECO (Civil Case No. 129-ML).[6] Respondent, as the new owner of the property, filed a motion for leave to intervene on November 22, 1990. After its motion was granted, respondent filed a complaint-in-intervention praying, inter alia, that petitioner be ordered to vacate Piazza Hotel and Mariveles Lodge for lack of legal interest.

During the pre-trial of the complaint-in-intervention, the parties agreed that the case[7] be tried on the sole issue of whether respondent province, as complainant-intervenor, was the legitimate owner of the Piazza Hotel and Mariveles Lodge.

On February 3, 1995, after trial on the merits, the trial court rendered judgment in favor of respondent.

On appeal, the CA addressed the issue of ownership of Piazza Hotel and Mariveles Lodge as follows:

> [W]e affirm the trial court's ruling that [respondent] Province of Bataan has established by preponderance of evidence its claim of ownership of Piazza Hotel and Mariveles Lodge. In fact, [petitioner] has not presented evidence proving its ownership of the said buildings[, whereas respondent presented] a tax declaration and certificate of title over the same properties, over which it now exercises full control and dominion. The fact that the subject properties were placed under sequestration is of no moment for the PCGG is not an owner but a conservator who can exercise only powers of administration over property sequestered, frozen or provisionally taken over. As the owner of said properties, [respondent-intervenor] is entitled to the payment of the monthly rental in the sum of P6,500.00 as ruled by the trial court.[8] (emphasis ours)

We agree with the appellate court.

Time and again, we have ruled that factual matters are best evaluated by trial courts which can scrutinize evidence and hear testimony presented and offered by the parties (in this case, on the issue of ownership of the subject property). All the more does this principle ring true in this petition since such factual determination by the RTC was upheld by the CA.[9] Only questions of law are the proper subject of a petition for review on certiorari in this Court, unless any of the known exceptions is extant in this case.[10] There is none.

The evidence clearly established respondent's ownership of Piazza Hotel.[11] First, the title of the land on which Piazza Hotel stands was in the name of respondent.[12] Second, Tax Declaration No. 12782 was in the name of respondent as owner of Piazza Hotel.[13] A note at the back of the tax declaration read:

> Transferred by virtue of a final bill of sale executed by the Provincial [Treasurer] of Bataan in favor of the Provincial Government on Feb. 13, 1989[, a] year after the expiration of the redemption period from date of auction sale held on Feb. 12, 1988 of all real property declared in the name of [BASECO].[14] (emphasis ours)

Third, petitioner was doubtlessly just a lessee. In the lease contract annexed to the complaint, petitioner in fact admitted BASECO's (respondent's predecessor-in-interest) ownership then of the subject property. A stipulation in the contract read:

> WHEREAS, the lessor (BASECO) is the owner of the building PIAZZA HOTEL and its outlet MARIVELES LODGE located at BASECO, Mariveles, Bataan xxx[15] (emphasis ours)

The Rules of Court states that "[a]n admission, verbal or written, made by a party in the course of the proceedings in the same case, does not require proof. The admission may be contradicted only by showing that it was made through palpable mistake or that no such admission was made."[16]

> [Such admissions] may be made in (a) the pleadings filed by the parties, (b) in the course of the trial either by verbal or written manifestations or stipulations, or (c) in other stages of the judicial proceeding, as in the pre-trial of the case. Admissions obtained through depositions, written interrogatories or requests for admission are also considered judicial admissions.[17] (emphasis ours)

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"To be considered as a judicial admission, the same must be made in the same case in which it is offered."[18]

In its own complaint[19] for preliminary injunction and sum of money, petitioner acknowledged that it was not the owner of the property when it stated that "[BASECO] lease[d] to [petitioner] the building Piazza Hotel and its outlet Mariveles Lodge xxx for monthly rentals of P6,500.00."[20] Petitioner could not possibly be the owner of a building merely leased to it.[21]

Furthermore, petitioner's reference to Article 448[22] of the Civil Code to justify its supposed rights as "possessor in good faith" was erroneous.

> The benefits granted to a possessor in good faith cannot be maintained by the lessee against the lessor because, such benefits are intended to apply only to a case where one builds or sows or plants on land which he believes himself to have a claim of title and not to lands wherein one's only interest is that of a tenant under a rental contract, otherwise, it would always be in the power of a tenant to improve his landlord out of his property. Besides, as between lessor and lessee, the Code applies specific provisions designed to cover their rights.
>
> Hence, the lessee cannot claim reimbursement, as a matter of right, for useful improvements he has made on the property, nor can he assert a right of retention until reimbursed. His only remedy is to remove the improvement if the lessor does not choose to pay its value; but the court cannot give him the right to buy the land.[23]

Petitioner's assertion that Piazza Hotel was constructed "at (its) expense" found no support in the records. Neither did any document or testimony prove this claim. At best, what was confirmed was that petitioner managed and operated the hotel. There was no evidence that petitioner was the one which spent for the construction or renovation of the property. And since petitioner's alleged expenditures were never proven, it could not even seek reimbursement of one-half of the value of the improvements upon termination of the lease under Article 1678[24] of the Civil Code.

Finally, both the trial and appellate courts declared that the land as well as the improvement thereon (Piazza Hotel) belonged to respondent. We find no reason to overturn this factual conclusion.

Since this petition for review on certiorari was clearly without legal and factual basis, petitioner's counsel should not have even filed this appeal. It is obvious that the intention was merely to delay the disposition of the case.

WHEREFORE, the petition is hereby DENIED. The decision and resolution of the Court of Appeals in CA-G.R. CV No. 49135 are AFFIRMED.

Costs against petitioner. Same costs against Atty. Benito R. Cuesta I, petitioner's counsel, for filing this flimsy appeal, payable within ten (10) days from finality of this decision.

SO ORDERED.

Puno, (Chairperson), Sandoval-Gutierrez, Azcuna, and Garcia, JJ., concur.

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[1] Petitioner impleaded the Court of Appeals in this petition. Under Rule 45 of the Rules of Court, however, the CA is not a proper party in a petition for review on certiorari.

[2] Penned by Associate Justice Martin S. Villarama, Jr. and concurred in by Associate Justices Salome A. Montoya and Romeo J. Callejo, Sr. (now Associate Justice of this Court) of the First Division of the Court of Appeals. Annex "A"; rollo, pp. 18-24.

[3] Annex "B"; rollo, p. 27.

[4] Penned by Judge Pedro B. Villafuerte, Jr. Annex "A"; rollo, pp. 18-19.

[5] See BASECO v. PCGG, G.R. No. L-75885, 27 May 1987, 150 SCRA 181.

[6] The complaint was filed with RTC Branch 4, Balanga, Bataan.

[7] The case was heard by Judge Pedro B. Villafuerte, Jr. of RTC Branch 4, Balanga, Bataan.

[8] Annex "A"; rollo, p. 24.

[9] Pilipinas Shell Petroleum Corporation v. John Bordman Ltd. of Iloilo, Inc., G.R. No. 159831, 14 October 2005; Ilao-Quianay, et al. v. Mapile, G.R. No. 154087, 25 October 2005.

[10] Id. The exceptions to the rule are: (1) when the findings of a trial court are grounded entirely on speculation, surmises or conjectures; (2) when a lower court's inference from its factual findings is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the findings of the appellate court go beyond the issues of the case, run contrary to the admissions of the parties to the case, or fail to notice certain relevant facts which, if properly considered, will justify a different conclusion; (5) when there is a misappreciation of facts; (6) when the findings of fact are conclusions without mention of specific evidence on which they are based, are premised on the absence of evidence, or are contradicted by evidence on record.

[11] See Ocampo v. Ocampo, G.R. No. 150707, 14 April 2004, 427 SCRA 545, 559-560. In this case, petitioners' claim of ownership over the subject property, even as allegedly supported by the testimony of their witnesses, was debunked by the array of documents presented by respondent. The Court held that it was not unmindful of the ruling that mere issuance of a certificate of title does not foreclose the possibility of real property being under a co-ownership with persons not named therein. But under the circumstances (in addition to a TCT, respondent presented a tax declaration indicating that respondent, as owner, had been paying real estate taxes on the property to the exclusion of petitioners), petitioners' claim of co-ownership had no leg to stand on. They could not show any title, tax receipt or document to prove ownership.

[12] Annexes "D" and "E"; rollo, pp. 39-40.

[13] Annex "4"; rollo, p. 66.

[14] Id.

[15] Rollo, pp. 50-51.

[16] RULES OF COURT, Rule 129, Sec. 4.

[17] Regalado, REMEDIAL LAW COMPENDIUM 2 (2001) (National Book Store, Inc., Metro Manila, Philippines), p. 686.

[18] Id.

[19] Civil Case No. 129-ML before Judge Pedro B. Villafuerte, Jr. of RTC Branch 4, Balanga, Bataan.

[20] Rollo, p. 55.

[21] See also RULES OF COURT, Rule 131, Sec. 2 (b).

[22] The code provision reads:

> Art. 448. The owner of the land on which anything has been built, sown or planted in good faith, shall have the

> right to appropriate as his own the works, sowing or planting, after payment of the indemnity provided for in articles 546 and 548, or to oblige the one who built or planted to pay the price of the land, and the one who sowed, the proper rent. However, the builder or planter cannot be obliged to buy the land if its value is considerably more than that of the building or trees. In such case, he shall pay reasonable rent, if the owner of the land does not choose to appropriate the building or trees after proper indemnity. The parties shall agree upon the terms of the lease and in case of disagreement, the court shall fix the terms thereof.

[23] Tolentino, COMMENTARIES AND JURISPRUDENCE ON THE CIVIL CODE OF THE PHILIPPINES Vol. V (1992) (Central Lawbook Publishing, Inc., Quezon City, Philippines), p. 255. Citations omitted.

[24] The Civil Code provides:

> Art. 1678. If the lessee makes, in good faith, useful improvements which are suitable to the use for which the lease is intended, without altering the form or substance of the property leased, the lessor upon the termination of the lease shall pay the lessee one-half of the value of the improvements at that time. Should the lessor refuse to reimburse said amount, the lessee may remove the improvements, even though the principal thing may suffer damage thereby. He shall not, however, cause any more impairment upon the property leased than is necessary.
>
> With regard to ornamental expenses, the lessee shall not be entitled to any reimbursement, but he may remove the ornamental objects, provided no damage is caused to the principal thing, and the lessor does not choose to retain them by paying their value at the time the lease is extinguished.

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