

NATIONAL HOUSING AUTHORITY, PETITIONER, VS. REYNALDO MAGAT, RESPONDENT.

G.R. No. 164244. July 30, 2009

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

Before the Court is a petition for review[1] of the 27 February 2004 Decision[2] and 1 June 2004 Resolution[3] of the Court of Appeals in CA-G.R. SP No. 78306. The Court of Appeals set aside the Resolutions of the Office of the President dated 26 November 2002[4] and 29 May 2003, as well as the Memorandum[5] of petitioner National Housing Authority (NHA)[6] dated 26 June 1998.

The Antecedents

On 26 June 1998, the NHA issued a Memorandum resolving the conflict of claims over the subject property between Armando De Guzman (De Guzman) and Reynaldo Magat (Magat). The NHA recommended that Lot 53, Block 1, Peñafrancia ZIP Project be awarded solely to De Guzman.[7]

Magat appealed the Memorandum of the NHA to the Office of the President, which sustained the same in a Resolution dated 26 November 2002, thus:

WHEREFORE, premises considered, the instant appeal is hereby DISMISSED and the questioned NHA Letter-Resolution dated 26 June 1998 AFFIRMED in toto.

Parties are required to INFORM this Office, within five (5) days from notice, of the dates of their receipt of this Resolution.

SO ORDERED.[8]

Magat moved for reconsideration, which was denied by the Office of the President in an Order dated 29 May 2003.

The Ruling of the Court of Appeals

Magat filed an appeal with the Court of Appeals which set aside the 26 November 2002 and 29 May 2003 Resolutions of the Office of the President, including the 26 June 1998 Memorandum of the NHA, to wit:

We find the NHA ruling to be contrary to evidence on record. Consider:

- (a) Magat is admittedly also a censused renter in the Peñafrancia ZIP Project;
- (b) He is occupying, under a contract of lease, a structure owned by Clarita Punzalan standing on Lot 53, Block 1 in the same project at Paco, Manila, and paid rentals thereon as shown by receipts attached as Annexes "G", "G-1", "G-2" and "G-3" of Memorandum of Appeal.

(c) The structure that Armando De Guzman purchased is separate and distinct from that being leased by the petitioner, the same being owned by Bonifacio Punzalan. This will explain the fact that Bonifacio could not sell the structure being occupied by the petitioner;

(d) The two (2) structures in one lot covered by a single Tag No. 254 will readily explain, and common logic dictates, that even after the purchase of De Guzman, another lease contract was executed by Clarita Punzalan in favor of petitioner Magat over the other structure.

Obviously, the above established facts were misappreciated, overlooked or were not given the proper evidentiary interpretation in the NHA Resolution. Summing them up, the facts stated above will show that there exists two (2) structures in the lot sold to De Guzman. Said established facts readily entitles petitioner as a censused renter and had the right to own the portion being occupied by the house he was renting from Clarita Punzalan. To exclude him therefrom would be violative of the very purpose for which the ZIP Project was established which is to upgrade the environmental, legal, social and economic condition of the slum residents within Metro Manila, and contravene the ZIP Project aim to distribute land to the landless in the spirit of constitutional provision guaranteeing housing and decent quality of life for every Filipino.

All told, the NHA committed a serious palpable error and grave abuse of discretion in not giving petitioner Magat his rightful priority to own that portion over which his rented structure is standing.

IN VIEW OF ALL THE FOREGOING, the instant petition is hereby GRANTED, and the challenged Resolutions RECALLED and SET ASIDE, together with the NHA Resolution dated June 26, 1998 awarding the whole Lot 53, Block 1, Penafrancia ZIP Project solely to respondent Armando De Guzman, and a new one entered GIVING petitioner the right to purchase the portion being occupied by the structure he is presently occupying. No cost.

SO ORDERED.[9]

The NHA and De Guzman filed their respective motions for reconsideration,[10] which were both denied by the Court of Appeals in a Resolution dated 1 June 2004.

Hence, this petition.

Meanwhile, on 13 August 2004, De Guzman filed with this Court a petition for review, docketed as G.R. No. 164162, assailing the decision and resolution in CA-G.R. SP No. 78306, the same decision and resolution subject of the instant petition for review.

In a Resolution dated 22 November 2004,[11] the Court resolved to deny the petition in G.R. No. 164162 for failure of De Guzman to sufficiently show that the Court of Appeals committed any reversible error in the challenged decision and resolution as to warrant the exercise by the Court of its discretionary appellate jurisdiction.

No motion for reconsideration was filed by De Guzman rendering the Resolution in G.R. No. 164162 final and executory on 14 January 2005.

The Ruling of this Court

We deny the petition.

As stated above, the Court has already declared in G.R. No. 164162 that the Court of Appeals committed no reversible error in its decision and resolution in CA-G.R. SP No. 78306, involving the same decision and resolution subject of this petition for review. This Resolution in G.R. No. 164162 has become final and executory on 14 January 2005. The finality of the Resolution in G.R. No. 164162 disposing of the same decision and

resolution of the Court of Appeals being challenged in this case clearly renders the present petition moot.

The fact that the petitioner here (NHA) is different from the petitioner in G.R. No. 164162 (De Guzman) is immaterial. The NHA is not a real party in interest in this case since it is the administrative agency from where this case originated and which initially determined who has a better right between De Guzman and Magat over the subject property.

Under Section 2, Rule 3 of the 1997 Rules of Civil Procedure, "every action must be prosecuted or defended in the name of the real party in interest." To qualify a person to be a real party in interest in whose name an action must be prosecuted, he must appear to be the present real owner of the right sought to be enforced.[12] A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to remedies under the suit. [13]

Interest within the meaning of the Rules refers to material interest or an interest in issue to be affected by the decree or judgment of the case.[14] One having no material interest to protect cannot invoke the jurisdiction of the court as the plaintiff (or petitioner) in an action.[15]

Indisputably, being the administrative agency which resolved the conflicting claims of De Guzman and Magat over the subject property, the NHA does not stand to be benefited or injured by the judgment in this case. It does not have any material interest over the subject property to protect or defend. In other words, the NHA does not have a cause of action against Magat precisely because the real parties in interest in the present case are De Guzman and Magat, who are both claiming the subject property.

Considering the foregoing, the Court sees no reason to discuss the issues raised by the NHA.

WHEREFORE, we DENY the petition.

SO ORDERED.

Puno, C.J., (Chairperson), Corona, Leonardo-De Castro, and Bersamin, JJ., concur.

[1] Under Rule 45 of the Rules of Court.

[2] Rollo, pp. 7-13. Penned by Associate Justice Conrado M. Vasquez, Jr. with Associate Justices Bienvenido L. Reyes and Arsenio J. Magpale, concurring.

[3] Id. at 14.

[4] Id. at 47-48. Signed by Deputy Executive Secretary Arthur P. Autea, by authority of the President.

[5] Id. at 44-46. The Court of Appeals termed this as a Resolution.

[6] Signed by Mario P. Escobar, Manager of NHA's Legal Department.

[7] Rollo, p. 46.

[8] Id. at 48.

[9] Id. at 11-13.

[10] CA rollo, pp. 201-210 and 212-218.

[11] Id. at 231.

[12] *Shipside, Inc. v. Court of Appeals*, 404 Phil. 981, 998 (2001), citing *Pioneer Insurance & Surety Corporation v. Court of Appeals*, G.R. No. 84197, 28 July 1989, 175 SCRA 668.

[13] *Travel Wide Associated Sales (Phils.), Inc. v. Court of Appeals*, G.R. No. 77356, 15 July 1991, 199 SCRA 205, 209.

[14] *Oco v. Limbaring*, G.R. No. 161298, 31 January 2006, 481 SCRA 348, 358, citing *Abella, Jr. v. Civil Service Commission*, G.R. No. 152574, 17 November 2004, 442 SCRA 507, 521; *Mathay, Jr. v. Court of Appeals*, 378 Phil. 466, 482 (1999); *Rebollido v. Court of Appeals*, 252 Phil. 831, 838 (1989).

[15] *Id.*, citing *Abella, Jr. v. Civil Service Commission*, G.R. No. 152574, 17 November 2004, 442 SCRA 507, 521; *Borlongan v. Madrideo*, 380 Phil. 215, 224 (2000); *Ralla v. Ralla*, G.R. No. 78646, 23 July 1991, 199 SCRA 495, 499.

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