

CONCHITA TAN, DOING BUSINESS UNDER THE NAME MARMAN TRADING, PETITIONER, VS. PLANTERS PRODUCTS, INC., RESPONDENT.

G.R. No. 172239. March 28, 2008

Ponente: REYES, R.T., J.

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REYES, R.T., J.:

STRICT application of technical rules of procedure should be shunned when they hinder rather than promote substantial justice. Clear stipulation in a lease contract should be interpreted literally in accordance with the intent of the parties.

These principles are relevant in this petition for review on certiorari of the Decision[1] of the Court of Appeals (CA) which affirmed with modification the Order[2] of the Regional Trial Court (RTC) in Makati City in a complaint for specific performance filed by petitioner Conchita Tan doing business under the name Marman Trading (Marman) against respondent Planters Products, Inc. (PPI).

The Facts

On April 27, 1992 and June 10, 1992, respondent PPI, as lessor, and petitioner Marman, as lessee, entered into two contracts of lease[3] of sulfuric acid tanks and ammonium tanks in Limay, Bataan for a period of ten years. The two contracts have identical stipulations on renewal of the lease at the expiration of the ten-year term, to wit:

The LESSEE has the option to renew his leasehold interest in the leased premises for an additional ten (10) years at the expiration of the term of his lease under such terms and conditions as may be agreed upon by the parties provided that the LESSEE shall give the LESSOR, prior to the expiration of the term of this Lease, 180 days notice, in writing, of his desire to procure such new Lease.[4]

On December 4, 2001, Marman manifested to PPI its intention to renew the lease contracts.[5] Two months later, Marman communicated to PPI its proposed terms for the renewal of the lease.[6] PPI replied with a counter offer which included, among others, lessening the period of the lease and increase in the variable fee, escalation rate and minimum required volume per year.[7]

On April 16, 2002, Marman wrote a letter urging PPI to adhere to the ten year renewal period under the original lease contracts. Marman also manifested its willingness to discuss the other points raised by PPI in the counter offer.[8]

PPI stood firm on its counter offer and informed Marman of additional items that it wanted clarified and completed prior to renewal,[9] namely:

- Proposed repair plan, estimated cost and timetable of completion of the middle dock,
- Proposed relocation plan of sulfuric acid pipelines and timetable of completion duly approved by PPI, and

- Payment of past due accounts.

On October 21, 2002, a meeting was held between PPI and Marman wherein the counter offer terms of PPI were discussed. Marman acknowledged the terms of the counter offer and manifested that new lease contracts will be executed only upon reaching mutual agreement on all its terms and conditions.[10] In the meeting, Marman agreed to the commercial terms of the counter offer (rents, variable fee and minimum escalation volume). No agreement, however, was reached on the non-commercial terms of the contract (relocation of ammonia tanks and pipelines and the immediate repair of the middle dock facilities).

On January 15, 2003, PPI wrote a letter[11] to Marman expressing its inclination not to renew the lease contracts because of alleged violations of the original contracts of lease, specifically Marman's failure to conduct due maintenance of the pier facilities and overextension of its pipeline from the middle dock to the causeway area. Nonetheless, PPI manifested in its letter that it was giving utmost consideration to a possible renewal but it stands firm on all its proposed counter offer terms. At that time, the original lease contract had expired.

On February 28, 2003, Marman filed a complaint for specific performance[12] against PPI with the RTC in Makati. Marman prayed, among others, that PPI execute new lease contracts for ten years pursuant to its option under Section 1 of the original contracts of lease.

PPI filed its Answer[13] alleging, as affirmative defenses, lack of jurisdiction and failure to state a cause of action. It also raised as counterclaim the payment of unpaid rent, cost of repair of the middle dock facility and damages.

On April 13, 2004, Marman filed a motion for summary judgment.[14] PPI countered by filing a motion for preliminary hearing of its affirmative defenses,[15] which was treated as a motion to dismiss. Both motions were jointly heard and after due proceedings the RTC required the parties to submit their respective memoranda.

RTC Disposition

On June 11, 2004, the RTC issued an Order[16] granting Marman's motion for summary judgment and denying PPI's motion to dismiss, disposing as follows:

WHEREFORE, defendant's motion to dismiss the case on the grounds cited as affirmative defenses in its Answer is denied for lack of merit. Summary judgment is hereby rendered in favor of plaintiff Marman Trading and against defendant Planters Products, Inc. as follows:

- Ordering defendant to honor and recognize that the lease contracts had been renewed for another ten (10) years from their original expiration, and ordering defendant to execute the written contract of renewal of the lease contracts for another ten (10) years from their expiration, the rental rate to be determined by applying the agreed escalation rate of 7.75% to the rental rate last paid by plaintiff;
- Ordering defendant to pay plaintiff exemplary damages in the amount of P200,000.00;
- Ordering defendant to pay plaintiff attorney's fees and cost of litigation in the amount of P200,000.00.

All counterclaims are hereby DISMISSED for lack of merit.

SO ORDERED.[17]

In granting specific performance, the RTC ratiocinated:

While defendant correctly pointed out that a renewal provision, even if construed for the benefit of one party, cannot be unilateral in the sense that there still has to be a mutual agreement between the parties. Yet, it is equally true that the contract cannot be renewed on the mere whim of the plaintiff since there has to be a

mutual agreement as to the terms and conditions of the renewal. However, it should be noted that the provision had already specified a period of time for the renewal, particularly ten years. To follow defendant's line of thinking would be to disregard completely a contractual agreement between the parties. Clearly, the term of the renewal had already been pre-agreed upon, and can no longer be the subject of further negotiation. Moreover, this Court finds that the cases of *Heirs of Dalisay v. Court of Appeals* (201 SCRA 751) and *Fernandez v. Court of Appeals* (166 SCRA 577) cited by defendant are not directly applicable to the instant case since the antecedent facts therein are much different from the facts in this case.

x x x x

Moreover, this Court has the legal duty to uphold and enforce to the letter the contractual obligations of the parties, absent any showing that such obligations are contrary to laws, morals, good customs and public policy. More so where the terms being insisted on by defendant would make it impossible for plaintiff to recover its investments. Plaintiff correctly pointed out that "the imposition of unreasonable terms and exorbitant terms is equivalent to an outright rejection of plaintiff's right to seek the renewal of the lease contracts. This is tantamount to negotiating in bad faith." The case of *Tuason v. Del Asis* (107 Phil. 131) establishes the power of this Court to determine whether the terms demanded by a lessor are exorbitant and to determine what is a reasonable rent given the circumstances.

Using such discretion, this Court finds that plaintiff is entitled to the renewal of the lease contracts under the commercial terms mutually agreed upon for an additional period of ten years, counted from the time of the expiration of the original contracts. First of all, the length of the term is already stated in the lease contracts, thus can no longer be altered by one party without the consent of the other. The terms of the renewal provisions cannot be disregarded - ten years is ten years no matter how you look at it. Thus, the intent of the parties when the contracts were perfected should stand. Furthermore, this Court finds that the shortening of the term despite the increased rental rates and minimum volume constitutes unreasonable and exorbitant terms that would leave one party unable to recoup its investments while leaving the other party unjustly enriched at the expense of plaintiff. This Court cannot permit such an injustice to take place.[18]

In denying PPI's counterclaims for non-payment of docket fees, the RTC stated:

As regards the affirmative defenses raised by the defendants as grounds for a motion to dismiss, after much consideration this Court finds the same bereft of merit. While it is true that the failure to pay the docket fees would be reasonable cause to have the complaint expunged from the records, this court finds no defect in the amount of docket fees paid by plaintiff. The *Manchester* case cited by defendant clearly states that all complaints should "specify the amount of damages being prayed for not only in the body of the pleading but also in the prayer." However, despite reading plaintiff's third alternative cause of action several times over, this Court finds no indication that plaintiff ever directly sought or prayed for the market value of the improvements from defendant. The fact that plaintiff stated in its complaint the alleged market value of the improvements does not necessarily mean that it is praying for the compensation of such amount, more so when it is clearly stated that what is sought is merely a declaration of ownership. Besides, the claim is only an alternative cause of action and does not have any bearing on the resolution of the main complaint.

Anent the contention that the complaint fails to state a cause of action since there is no showing that plaintiff is entitled to the renewal of the lease contracts, suffice it to say that this Court has already found, through summary judgment, plaintiff to be entitled to the renewal of the lease contracts. This Court has already given its reasons for finding that plaintiff had a valid cause of action for specific performance against defendant. Thus, the ground raised by defendant is evidently bereft of any legal basis at this point.[19]

Marman moved for partial reconsideration[20] but its motion was denied.[21] PPI appealed to the CA.

CA Disposition

On November 23, 2005, the CA issued a Decision[22] affirming with modification the RTC decision, with a fallo reading:

WHEREFORE, the appeal is PARTIALLY GRANTED. The Order dated June 11, 2004 of the Regional Trial Court of Makati City, Branch 150 is hereby AFFIRMED with the MODIFICATION that the complaint filed by Conchita Tan, doing business under the name Marman Trading is hereby DISMISSED.

SO ORDERED.[23]

The CA reversed the RTC order compelling PPI to execute written contracts of renewal of lease. The appellate court reasoned that mere acceptance by Marman of the commercial terms of the counter offer of PPI (i.e., rents, variable fee and minimum escalation volume) did not result in the perfection of new lease contracts absent agreement on other terms of the counter offer, thus:

As We see it, as far the provisions granting an option to renew are concerned, the only term on which there has been a clear agreement is the period of the renewed contract, i.e., ten (10) years. The provisions are silent as to the other terms and conditions as these were still subject to agreement by both PPI and Marman.

Under Article 1318 of the Civil Code, there is no contract unless there is consent of the contracting parties. Article 1319 of the same Code further states that "consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract." Thus, as a general rule, if the parties come to an agreement on the essential points of a contract, that is, on the object and the cause, there is already perfection even if there are other points that have yet to be agreed upon or have been reserved for future agreement.

This being the case, should the acceptance by Marman of the economic conditions proposed by PPI, a renewed contract of lease had already been perfected as the other terms and conditions that have yet to be agreed upon were "irrelevant to the instant case." We disagree.

In *A. Magsaysay, Inc. vs. Cebu Portland Cement Co.*, the Supreme Court laid down an exception to the general rule that an agreement on the essential points of a contract already amounts to perfection. Thus:

While Article 1319 of the New Civil Code prescribes that 'consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract,' this rule does not apply to a situation like the one before us, wherein one or both parties consider that other matters or details, in addition to the subject matter and consideration, should be stipulated and agreed upon. In that case, the area of agreement must extend to all points that the parties deem material or there is no contract.

Civil law commentator Arturo M. Tolentino has a similar opinion.

If the intention of one or both parties is that there be concurrence on all points, the contract is not perfected if there is a point of disagreement, even if there is already agreement on the essential elements of the contract. x x x.

If there is no declaration that agreement on an accessory or subordinate matter is necessary, the contract will be perfected as soon as there is concurrence on the object and the cause. The regulation of the accessory points will then be determined by future agreement, and, if there is no agreement thereon, by the general rules established by law for the particular case in the absence of agreement, such as the place of performance, expenses for the delivery of the thing, etc.

In the present case, the intention of both PPI and Marman is clearly to have an agreement on all the points being discussed before there can be a renewal. This is evident from Marman's letter to PPI dated November 8, 2002 wherein it was explicitly stated that both parties had agreed that there must be a concurrence on all the points being discussed in the negotiations, including the points that the trial court found irrelevant, before there can be a

renewal, x x x.[24] (Citations omitted)

The CA however affirmed the RTC dismissal of PPI's counterclaim for non payment of docket fee, thus:

A counterclaim is either compulsory or permissive in nature.

A compulsory counterclaim is one which, being cognizable by the regular courts of justice, arises out of or is connected with the transaction or occurrence constituting the subject matter of the opposing party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction.

As to permissive counterclaims, in Valencia vs. Court of Appeals, the Supreme Court stated certain criteria or tests by which the compulsory or permissive nature of specific counterclaims can be determined, summarized as follows:

- Are the issues of fact and law raised by the claim and counterclaim largely the same?
- Would res judicata bar a subsequent suit on defendant's claim absent the compulsory counterclaim rule?
- Will substantially the same evidence support or refute plaintiff's claim as well as defendant's counterclaim?
- Is there any logical relation between the claim and the counterclaim?

Tested against these standards, We agree with the trial court that PPI's counterclaim is clearly permissive. The issues of fact and law alone between Marman's complaint and PPI's counterclaim are completely different. This being the case, the trial court was correct in dismissing PPI's counterclaim for PPI's failure to pay the prescribed docket fees. It is settled that it is not only the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fees, that vests the court with jurisdiction over the subject matter of the action. The same rule applies to permissive counterclaims.

Nonetheless, PPI claims that its counterclaim cannot be dismissed in the absence of a motion to dismiss being filed by Marman. We disagree. As the trial court never acquired jurisdiction over the permissive counterclaim filed by PPI, under Section 1, Rule 9 of the Rules of Civil Procedure, the same may be dismissed *motu proprio* or even without a motion to dismiss having been filed by Marman.

Respecting the issues concerning whether the complaint filed by Marman stated a cause of action and whether Marman paid the prescribed filing fees, We find that these issues had been rendered moot and academic in the light of the foregoing disquisition.[25] (Citations omitted)

Marman sought partial reconsideration[26] of the CA decision but it was denied.[27] Hence, this petition before Us.

Issues

Petitioner Marman raises triple issues[28] for Our consideration, viz.:

I.

THE COURT OF APPEALS COMMITTED SERIOUS REVERSIBLE ERROR OF LAW WHEN IT FAILED TO DISMISS THE APPEAL OUTRIGHT FOR NOT BEING FILED IN ACCORDANCE WITH THE RULES OF COURT.

II.

THE COURT OF APPEALS COMMITTED GRIEVOUS (SIC) REVERSIBLE ERROR OF LAW WHEN IT RULED THAT THE PARTIES HAD NOT YET AGREED ON THE SUBSTANTIAL PORTIONS OF THE RENEWAL OF THE LEASE CONTRACTS.

III.

THE COURT OF APPEALS COMMITTED GRIEVOUS REVERSIBLE ERROR OF LAW WHEN IT DISMISSED THE COMPLAINT FILED BY MARMAN WITH THE RTC.

Our Ruling

The petition is without merit.

The petition essentially raises only two issues for Our consideration because the second and third assignments of errors are interrelated. The first involves the procedural issue of whether or not the CA erred in not dismissing the appeal of respondent PPI for failure to cite the page reference of the original records in its appellate brief. The second is the substantive issue of whether or not the CA erred in reversing the RTC decision compelling PPI to execute new lease contracts.

We shall first deal with the procedural issue.

Lack of page reference in the appellant's brief is a mere formal defect which does not warrant dismissal of the appeal; liberal application of rules of procedure should be applied.

Marman argues that the CA should have dismissed the appeal of petitioner outright because PPI's appellate brief did not make any page reference to the records or rollo of the case as required under Section 13, Rule 44 of the 1997 Rules of Civil Procedure.[29] Marman claims that the absence of the required page reference rendered the appellate brief "nothing more than a pleading filled with unsupported allegations and contentions." [30] Marman insists on strict compliance with the rules of procedure in accordance with the legal principle that an appeal is a mere statutory privilege, which must be exercised only in accordance with law or appropriate procedures.

Admitting the defect, PPI counters that the absence of page reference in its appellant's brief is a mere minor procedural lapse which cannot result in the dismissal of its appeal. PPI asserts that dismissal based purely on procedural technicalities is frowned upon and that rules of procedure should not be applied in a very rigid and technical sense when it overrides substantial justice. PPI prays for a liberal construction of the rules of procedure.[31]

It is true that appeals are mere statutory privileges which should be exercised only in the manner required by law. To be sure, strict compliance with rules of procedure is essential to the administration of justice. Nonetheless, technical rules of procedures are mere tools designed to facilitate the attainment of justice. Their strict and rigid application should be relaxed when they hinder rather than promote substantial justice. Cases should, as much as possible, be resolved on the merits, not on mere technicalities. In *Barnes v. Padilla*, [32] this Court held:

Let it be emphasized that the rules of procedure should be viewed as mere tools designed to facilitate the attainment of justice. Their strict and rigid application, which would result in technicalities that tend to frustrate rather than promote substantial justice, must always be eschewed. Even the Rules of Court reflect this principle. The power to suspend or even disregard rules can be so pervasive and compelling as to alter even that which this Court itself has already declared to be final x x x.

The emerging trend in the rulings of this Court is to afford every party litigant the amplest opportunity for the proper and just determination of his cause, free from the constraints of technicalities. Time and again, this Court has consistently held that rules must not be applied rigidly so as not to override substantial justice.[33]

In this case, We find that the procedural lapse committed is only minor and even negligible. It involves a mere formal defect of failure to cite the page reference of the original records of the case in PPI's appellant brief. The defect is not even jurisdictional, such as failure to pay docket fee or failure to appeal within the reglementary

period. Marman did not suffer any damage from the procedural lapse. The CA correctly exercised its sound discretion in proceeding to rule on the merits of the appeal rather than dismissing it on a mere formal defect.

We shall now resolve the meat of the petition.

The CA did not err in ruling that PPI cannot be compelled to execute a new contract of lease in favor of Marman.

Marman argues that the CA erred in reversing the RTC Order compelling PPI to execute new lease contracts. It argues that the new contracts were already perfected when it agreed on their commercial terms (rent, variable fee and minimum escalation volume), although the parties did not reach any agreement on the non-commercial terms of the contract (relocation of ammonia tanks and pipelines and the immediate repair of the middle dock facilities). Marman submits that these non-commercial terms, while necessary to the continued operation of the lease, are not integral to its option to renew.^[34] Hence, the failure of the parties to agree on them did not affect the perfection of the new contracts.

PPI counters that there was no perfected new lease contract because the parties failed to agree on all its terms and conditions. It argues that a plain and simple reading of the original contract reveals that the parties intended a renewal to depend upon the parties' agreement on all its terms and conditions, not merely those pertaining to its commercial terms.^[35] Since the parties failed to agree on all terms and conditions of the new lease, PPI cannot be compelled to execute new lease contracts in favor of Marman.

We agree with PPI. The crux of the petition lies in determining whether the contracts of lease between PPI and Marman were, indeed, renewed. The resolution of the issue hinges on the interpretation of the pertinent renewal provision of the lease contracts. Section 1 of the lease contracts provide:

The LESSEE has the option to renew his leasehold interest in the leased premises for an additional ten (10) years at the expiration of the term of his lease under such terms and conditions as may be agreed upon by the parties provided that the LESSEE shall give the LESSOR, prior to the expiration of the term of the term of this Lease, 180 days notice, in writing, of his desire to procure such new Lease.

The renewal of the original lease is subject to "terms and conditions as may be agreed upon by the parties." The stipulation is couched in general and mutual terms. It is clear that the renewal of the lease is not automatic. The parties will still negotiate and bargain on the terms and conditions of the new contract. These terms and conditions are not specified. Thus, they may include commercial terms, such as rent and escalation clause, as well as non-commercial terms such as covenants to fix and repair the leased premises. The only term that cannot be negotiated or bargained under the new contract is the period of renewal of the lease which is fixed in the original lease at ten years. All other terms and conditions are subject to negotiation.

While the original lease contracts speak of "renewal," what the parties actually intended was a new contract of lease. This is evident from the words of the Section 1 which speaks of a contract "under such terms and conditions as may be agreed upon by the parties." The contract is "renewed" only in the sense that it is for the same period of ten years as that of the original lease contract.

The clause "provided that the lessee shall give the lessor, prior to the expiration of the term of this lease, 180 days notice, in writing, of his desire to procure such new lease," on the other hand, pertains to a condition for the exercise of the option to renew. Simply put, it is a requirement for the renewal of the lease. If no written notice is given, PPI may assume that Marman has no more intention to renew the lease and that the original contract will automatically terminate upon its expiration.

But mere notice by Marman to PPI does not automatically result in a new lease contract. As stated, the parties will still negotiate and agree on all terms and conditions of the new contract, except for the period of the new lease

which is fixed at ten years. In other words, the notice only triggers the parties to negotiate on the terms and conditions of the renewal. If the parties fail to agree on all terms and conditions of the new contract, there is no perfected new contract as between them.

The evident intention of PPI and Marman is for the new lease contract to be perfected only upon mutual agreement on all terms and conditions of the new lease. This means that there must be an agreement on both the commercial and non-commercial terms of the new lease contracts. This is clear from the general language of the renewal clause. If the parties intended differently, they could have simply deleted the phrase "under such terms and conditions as may be agreed upon by the parties," which would automatically renew the original contract for another period of ten years upon mere notice to PPI. Alternatively, they could have included a stipulation in the original lease contract which would limit the terms and conditions that the parties may validly negotiate in order for the contract to be renewed.

Here, records disclose that PPI and Marman did not agree on all terms of the new lease contracts. PPI only accepted the counter offer of PPI with respect to the commercial terms of the new lease. It did not accept the other non-commercial terms and conditions of the new contract, specifically the repair of the middle dock facility and the relocation of the sulfuric acid pipelines. The new lease contract was not perfected because the parties did not agree on all terms of the lease. The CA correctly ruled that PPI cannot be compelled to execute a new lease contract in favor of Marman.

Agreement on non-commercial terms of the lease is essential to the perfection of the lease contracts; Marman is estopped from claiming otherwise.

Marman is also estopped from claiming that the non-commercial terms of the lease contract are not essential to the perfection of the new lease contracts. Marman manifested to PPI in its letter of November 8, 2002 that new lease contracts will be executed only when the parties agree on all terms of the contract. The pertinent portion of the letter of Marman to PPI reads:

Planters Products, Inc.
Planters Products Building
109 Esteban Street
Legaspi Village, Makati

Attention: Mr. Llewellyn F. Fortuna

VP Finance and Treasurer

Re: Matters discussed in the meeting on October 21, 2002

Dear Mr. Fortuna:

In connection with subject matter, we would like to confirm the outstanding items which we discussed in our meeting last October 21, 2002, to wit:

1) With regard to the relocation of ammonia bullet tank and Marman Trading's office which are both located near the proposed area to be leased out to PPI's new locator, we prefer that both the tank and office not be relocated since it will totally disrupt our operations. More specifically, it is quite difficult to cut the tank into several pieces for relocation. Thus, if possible, both tank and office should be left in their present locations. If this is not possible, the new lessee should be made to shoulder any relocation costs.

x x x x

6) The proposed relocation of both sulfuric acid and ammonia pipelines will be done only after the renewal of the lease contracts.

7) We are going to address the issue of the repair and rehabilitation of the middle-dock facilities. We have already referred to you two (2) independent underwater surveyors/contractors who are willing to undertake the repairs.

8) We are already amenable to your proposed escalation rates and minimum volumes.

9) Upon reaching mutual agreement on all the foregoing terms and conditions, you agree to renew the Lease Contracts for an additional period of ten (10) years as mentioned and provided under our existing Lease Contracts.[36] (Emphasis supplied)

The letter of Marman to PPI is clear. The new contract of lease is perfected only upon agreement of all terms and conditions of the new contract, including the relocation of the sulfuric and ammonia pipelines and the repair of the middle dock facilities. The parties failed to reach any agreement on all terms and conditions of the new lease contract. Hence, no new lease was perfected as between them.

In *A. Magsaysay, Inc. v. Cebu Portland Cement Co.*,^[37] this Court stated:

x x x While Article 1319 of the new Civil Code prescribes that "consent is manifested by the meeting of the offer and the acceptance upon the thing and the cause which are to constitute the contract," this rule does not apply to a situation where one or both parties consider that the matters or details, in addition to the subject matter and the consideration, should be stipulated and agreed upon. The area of agreement must extend to all points that the parties deem material or there is no contract. x x x^[38]

In the recent case of *Leonardo v. Court of Appeals*,^[39] this Court reiterated:

The essence of consent is the agreement of the parties on the terms of the contract, the acceptance by one of the offer made by the other. It is the concurrence of the minds of the parties on the object and the cause which constitutes the contract. The area of agreement must extend to all points that the parties deem material or there is no consent at all.^[40] (Emphasis supplied)

WHEREFORE, the appealed Decision is AFFIRMED IN FULL.

SO ORDERED.

Austria-Martinez[*] , (Acting Chairperson), Tinga[**], Chico-Nazario, and Nachura, JJ., concur.

[*] Vice Associate Justice Consuelo Ynares-Santiago, Chairperson, who is on official leave per Special Order No. 497 dated March 14, 2008.

[**] Designated as additional member per Special Order No. 497 dated March 14, 2008.

[1] Rollo, pp. 39-59. Penned by Associate Justice Portia Aliño-Hormachuelos, with Associate Justices Mariano C. del Castillo and Magdangal M. de Leon, concurring.

[2] Id. at 201-207.

[3] Id. at 62-80.

[4] Id. at 63 & 71.

[5] Id. at 14 & 81.

[6] Id. at 14.

[7] Id. at 83-84.

- [8] Id. at 85-86.
- [9] Id. at 44.
- [10] Id. at 405-406.
- [11] Id. at 87-88.
- [12] Id. at 95-112.
- [13] Id. at 113-140.
- [14] Id. at 141-164.
- [15] Id. at 165-167.
- [16] Id. at 201-207.
- [17] Id. at 207.
- [18] Id. at 205-206.
- [19] Id. at 206.
- [20] Id. at 208-210.
- [21] Id. at 212.
- [22] Id. at 39-59.
- [23] Id. at 58-59.
- [24] Id. at 51-53.
- [25] Id. at 57-58.
- [26] Id. at 293-303.
- [27] Id. at 60-61.
- [28] Id. at 20-21.
- [29] Id. at 22.
- [30] Id.
- [31] Id. at 425-428.
- [32] G.R. No. 160753, June 28, 2005, 461 SCRA 533.
- [33] *Barnes v. Padilla*, id. at 541.
- [34] *Rollo*, pp. 25-26.
- [35] Id. at 431-436.
- [36] Id. at 405-406.
- [37] 100 Phil. 351 (1956).
- [38] *A. Magsaysay, Inc. v. Cebu Portland Cement Co.*, id. at 354.

[39] G.R. No. 125485, September 13, 2004, 438 SCRA 201.

[40] Leonardo v. Court of Appeals, *id.* at 205.

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