

UNITED OVERSEAS BANK OF THE PHILIPPINES (FORMERLY WESTMONT BANK), PETITIONER, VS. ROSEMOOR MINING AND DEVELOPMENT CORPORATION AND DRA. LOURDES S. PASCUAL, RESPONDENTS.*G.R. No. 172651. October 02, 2007*

Ponente: CHICO-NAZARIO, J.

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Before this Court is a Petition for Review on Certiorari under Rule 45, of the Revised Rules of Court, filed by petitioner United Overseas Bank of the Philippines (Overseas Bank), seeking the reversal and the setting aside of the Decision,[1] dated 10 May 2005, and the Resolution,[2] dated 16 May 2006 of the Court of Appeals in CA-G.R. CV No. 78583. The appellate court, in its assailed Decision and Resolution, affirmed the Decision of the Regional Trial Court (RTC) of Malolos, Bulacan, Branch 16, declaring, inter alia, as null and void the Real Estate Mortgage executed by Rosemoor Mining and Development Corporation (Rosemoor Mining) in favor of Overseas Bank, with the modification that the award of moral and exemplary damages and attorney's fees were deleted.

Overseas Bank is a banking institution duly authorized to engage in banking business under Philippine laws.[3]

Rosemoor Mining, on the other hand, is a domestic corporation, likewise duly authorized by Philippine laws to engage in mining operation.[4]

In order to raise the necessary funds for the importation of machineries needed for its operations, Rosemoor Mining, through its President, Lourdes Pascual (Pascual), M.D., obtained a loan from Overseas Bank in the amount of P80,000,000.00. The loan was secured by two Real Estate Mortgage Contracts over six parcels of land situated at San Miguel, Bulacan, and registered under the name of Rosemoor Mining, and another two parcels of land situated at Gapan, Nueva Ecija, registered under Pascual's name.[5]

The arrangement agreed to by the parties was for Overseas Bank to handle, on behalf of Rosemoor Mining, the amount of P50,000,000.00 to be used for the importation of machineries, while the loan balance of P30,000,000.00 will be released by Overseas Bank to Rosemoor Mining as a revolving credit line.[6]

Pursuant to such agreement, Rosemoor Mining executed four irrevocable Letters of Credit in the total amount US\$1,943,508.11 for the importation of machineries. To answer for the 20% advance payment of the total amount of the Letters of Credit, Rosemoor Mining proceeded to draw against its P50,000,000.00 credit facility with the Overseas Bank specifically allocated for the acquisition of machineries and executed promissory notes in favor of the bank in the amount of P49,82,682.50. Rosemoor Mining also partially availed itself of the remaining P30,000,000.00 credit line for which it executed two promissory notes in Overseas Bank's favor in the amounts of P10,000,000.00 and P3,500,000.00

Subsequently, Rosemoor Mining defaulted in the payment of its various drawings of Letters of Credit and promissory notes which prompted Overseas Bank to cause the extrajudicial foreclosure of the mortgaged Nueva

Ecija properties on 22 May 1998, and the similarly mortgaged Bulacan properties on 10 August 1998, and the sale thereof by public auction. The Overseas Bank was the highest bidder on both occasions.[7]

In order to prevent the impending consolidation of ownership of the mortgaged properties in the name of Overseas Bank, Rosemoor Mining instituted two separate complaints against the bank, the procedural incidents of which were litigated all the way up to this Court on four occasions, three of which were already decided with finality, leaving the instant petition for our resolution.

One of the two cases was filed before the RTC of Manila and the other one before the RTC of Bulacan.

Manila Case

Civil Case No. 98-90089

RTC of Manila, Branch 33

On 5 August 1998, Rosemoor Mining instituted an action for damages, accounting, release of the balance of the loan and machinery and annulment of foreclosure sales against Overseas Bank before the RTC of Manila, Branch 33.[8]

In its Complaint docketed as Civil Case No. 98-90089, Rosemoor Mining alleged that it obtained a loan from Overseas Bank in the amount of P80,000,000.00, secured by Real Estate Mortgages over parcels of land located in Bulacan and Nueva Ecija, but the proceeds of the loan did not redound to its benefit because it was allegedly mishandled by Overseas Bank causing serious financial injury to Rosemoor Mining. To further aggravate its injury, Rosemoor Mining claimed that Overseas Bank hastily foreclosed the mortgaged properties without previous notice to Rosemoor Mining.[9]

On 10 August 1998, Overseas Bank filed an Urgent Motion to Dismiss the above complaint on the ground of improper venue since one of the prayers therein included the nullification of the foreclosure of real estate mortgages, a real action which must be lodged before the RTC of the place where the property or one of the properties is situated. Considering that none of the mortgaged properties was located in Manila, the filing of the Complaint before the RTC of Manila was, therefore, invalid. Consequently, Rosemoor Mining amended its Complaint deleting the prayer for nullification of foreclosure sale. Hence, Overseas Bank's Urgent Motion to Dismiss was denied by the RTC of Manila for lack of merit in an Omnibus Resolution dated 24 January 2000.[10]

Subsequently, Overseas Bank filed its Answer with Counterclaim. After the pre-trial was conducted, trial on the merits ensued.

Bulacan Case

Civil Case No. 215-M-202

RTC of Malolos, Bulacan, Branch 16

On 11 March 2002, Rosemoor Mining filed another action denominated as Petition for Injunction with Damages[11] before the RTC of Malolos, Bulacan, docketed as Civil Case No. 215-M-02. The Complaint prayed for the annulment of Real Estate Mortgage foreclosures that Rosemoor Mining executed in favor of Overseas Bank on the ground of fraud.

In order to prevent the threatened consolidation of titles over the mortgaged properties in Overseas Bank's name, Rosemoor Mining moved for the issuance of a Writ of Preliminary Injunction. During the hearing for the issuance of the said writ, the Bulacan RTC found merit in Rosemoor Mining's Motion and thus ordered that the scheduled consolidation of titles be temporarily enjoined pending the determination of the merits of the pending case.[12]

On 26 March 2002, Overseas Bank, instead of filing an Answer, filed a Motion to Dismiss Civil Case No.

215-M-02 on the ground of forum-shopping in view of the pendency of the other case involving the same parties and the same issues before the RTC of Manila.[13]

On 13 May 2002, the Bulacan RTC denied the Motion to Dismiss filed by Overseas Bank on the ground that the arguments raised therein were not applicable in the present case. The court a quo then directed Overseas Bank to file an Answer within five days from the receipt of the Order denying its Motion to Dismiss.[14]

Again, instead of filing an Answer, Overseas Bank filed a Motion for Reconsideration[15] of the Bulacan RTC Order denying its Motion to Dismiss Civil Case No. 215-M-02. On the other hand, Rosemoor Mining filed a Motion to Declare Overseas Bank in Default[16] for failure to timely file an Answer.

Acting on the Motions filed by the parties, the Bulacan RTC, in an Order dated 10 September 2002, denied the Motion for Reconsideration of Overseas Bank and granted the motion of Rosemoor Mining to declare the bank in default.[17]

Aggrieved by the Bulacan RTC Orders, dated 13 May 2002 and 10 September 2002, which respectively denied Overseas Bank's Motion to Dismiss Civil Case No. 215-M-02 and declared it in default, Overseas Bank assailed the same before the Court of Appeals on the ground that they were issued with grave abuse of discretion.[18]

In its Petition for Certiorari docketed as CA-G.R. SP No. 73358, Overseas Bank, in addition to the issues of forum shopping and propriety of the default order, likewise raised the issue of the venue for Civil Case No. 215-M-02 before the RTC of Bulacan. Overseas Bank argued that the venue of the action for nullification of the foreclosure sales of the mortgaged properties which were located in Bulacan and Nueva Ecija, were improperly lodged before the Bulacan RTC.[19]

For lack of merit, the Court of Appeals in its Decision dated 20 June 2004, dismissed the Petition and declared that no forum-shopping existed in the filing of Civil Case No. 98-90089 before the RTC of Manila and Civil Case No. 215-M-02 before the RTC of Bulacan; and upholding the validity of the default order against Overseas Bank and the propriety of venue.

Dissatisfied, Overseas Bank elevated the matter before this Court via a Petition for Review on Certiorari of the 20 June 2004 Decision of the Court of Appeals. The Petition was docketed as G.R. No. 159669.[20]

In the meantime, just as the Overseas Bank moved for the dismissal of Civil Case No. 215-M-02 before the RTC of Bulacan on the ground of forum-shopping, Overseas Bank also filed a Motion to Dismiss Civil Case No. 98-90089 before the RTC of Manila on the same ground.[21]

In an Order dated 23 October 2002, the Manila RTC denied the Motion to Dismiss the case before it for lack or merit. The subsequent Motion for Reconsideration filed by Overseas Bank was also denied by the lower court.[22]

On Certiorari, the Court of Appeals, in its Decision dated 26 February 2004, affirmed the Order dated 23 October 2002 of the Manila RTC, for failure by the Overseas Bank to establish that the court a quo gravely erred in ruling that no forum shopping attended the actions filed by Rosemoor Mining. The Motion for Reconsideration filed by Overseas Bank was also denied by the appellate court in a Resolution dated 30 April 2004.[23]

Undaunted, Overseas Bank again raised the issue before this Court in G.R. No. 163521, advancing that Rosemoor Mining was guilty of forum shopping in instituting both the Bulacan and the Manila Cases.[24]

Both petitions, G.R. No. 163521 and G.R. No. 159669, were consolidated and jointly resolved by the Second Division of this Court, since the issues raised therein were interrelated.[25]

On 12 March 2007, this Court put to rest the issue of forum-shopping by declaring that Rosemoor Mining is not guilty of forum shopping in filing Civil Case No. 275-M-02 before the Bulacan RTC, after it had instituted Civil Case No. 98-90089 before the Manila RTC. This Court ratiocinated that there was no identity of parties involved and the rights asserted in both actions were different from each other.[26]

On the issue of improper venue, this Court ruled that the action to nullify the foreclosure sales of the Nueva Ecija properties, along with the Bulacan properties were properly instituted before the Bulacan RTC, thus:

[T]he venue of real actions affecting properties found in different provinces is determined by the singularity or plurality of the transactions involving said parcels of land. Where said parcels are the object of one and the same transaction, the venue is in the court of any of the provinces wherein a parcel of land is situated.[27]

This Court further upheld the validity of the Order dated 13 May 2002, of the Bulacan RTC declaring Overseas Bank in default in Civil Case No. 215-M-02, ruling in this wise:

The motion for reconsideration could not have tolled the running of the period to answer for two reasons. One, it was filed late, nine days after the due date of the answer. Two, it was a mere rehash of the motion to dismiss; hence, pro forma in nature. Thus, the Malolos RTC did not err in declaring the Bank in default.[28]

In sum, this Court in G.R. No. 163521 and G.R. No. 159669, denied the Petitions for Review on Certiorari filed by Overseas Bank and affirmed the assailed Decisions, dated 26 February 2004 and 20 June 2003 of the Court of Appeals, in CA-G.R. No. 76934 and CA-G.R. No. 73358, respectively.

In the interregnum, the Bulacan RTC, after its declaration that Overseas Bank was in default, proceeded with the ex-parte reception of evidence offered by Rosemoor Mining in Civil Case No. 215-M-02.

On 24 October 2002, the RTC of Bulacan, rendered a Decision[29] in favor of Rosemoor Mining granting its prayers, among which was its declaration that the Real Estate Mortgage executed by Rosemoor Mining in favor of Overseas Bank is null and void. The dispositive portion of the Bulacan RTC Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of petitioners and against respondents, to wit:

- The Writ of Preliminary Injunction issued by this Court on March 25, 2002, is hereby made permanent.
- Declaring as null and void the Real Estate Mortgages executed by [Rosemoor Mining] in favor of [Overseas Bank] (Exhibits “D” and “E”) and the subsequent foreclosures of such mortgages;
- Ordering the [Overseas Bank], to pay unto [Rosemoor Mining] as follows:
 - P2,000,000.00 as moral and exemplary damages unto [Pascual] (P1,000,000.00 as exemplary damages),
 - P13,000,000.00 unto [Rosemoor Mining] as moral and exemplary damages (P3,000,000.00 as moral damages and P10,000,000.00 as exemplary damages), and
 - P100,000.00 unto petitioner as attorney’s fees, plus cost of litigation.[30]

On appeal, the Court of Appeals in a Decision dated 10 May 2005, in CA-G.R. No. 78583 affirmed the Bulacan RTC Decision with the modification, that the award of moral and exemplary damages, as well as the attorney’s fees, was deleted. The Motions for Reconsideration interposed by both Overseas Bank and Rosemoor Mining were denied by the appellate court in its Resolution dated 16 May 2006.

Hence, this instant Petition for Review on Certiorari filed by Overseas Bank raising the following issues:

I.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF BRANCH 16 OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN DECLARING PETITIONER IN DEFAULT AND DEPRIVING IT OF DUE PROCESS.

II.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF THE said BRANCH OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN ASSUMING JURISDICTION OVER REAL PROPERTIES IN NUEVA ECIJA AND ANNULING FORECLOSURE OF REAL ESTATE MORTGAGES OVER THE SAME.

III.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF THE SAID BRANCH OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN MAKING PERMANENT THE INJUNCTION IT ISSUED DESPITE LACK OF EVIDENCE SHOWING COMPLIANCE WITH REQUISITES.

IV.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF THE SAID BRANCH OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN FINDING THAT THE REAL ESTATE MORTGAGES EXECUTED BY RESPONDENTS WERE FRAUDULENTLY SECURED AND WANTING IN CONSIDERATION.

V.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF THE SAID BRANCH OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN REFUSING TO DISMISS THE PETITION OUTRIGHT ON THE GROUND OF FORUM SHOPPING.

VI.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT AFFIRMED THE DECISION OF THE SAID BRANCH OF THE REGIONAL TRIAL COURT OF MALOLOS, BULACAN WHICH, ALTHOUGH A DEFAULT JUDGMENT, EXCEEDED JURISDICTION AS IT GRANTED A RELIEF NOT INCLUDED IN THE COMPLAINT.

VI.

THE COURT OF APPEALS COMMITTED SERIOUS ERROR OF LAW WHEN IT DENIED THE MOTION FOR RECONSIDERATION FILED BY PETITIONER.[31]

The first, second and fifth errors assigned by Overseas Bank, questioning the propriety of the default order and the venue of the action for nullification and assuming that Rosemoor Mining committed forum shopping, were already resolved by the Second Division of this Court in G.R. Nos. 159669 and 163521, promulgated on 12 March 2007.[32] As evidenced by the Entry of Judgment,[33] this consolidated Decision became final and executory on 14 September 2007.

Also, in the same cases, this Court already pronounced that Rosemoor Mining is not guilty of forum shopping by filing both the Bulacan and the Manila cases. In the same Decision, this Court affirmed the validity of the Bulacan RTC Order, dated 10 September 2002, declaring Overseas Bank in default in Civil Case No. 215-M-02. Finally, this Court also ruled that the action for nullification of the foreclosure sales of the mortgaged properties in Bulacan and Nueva Ecija were properly lodged before the Bulacan RTC.[34]

Our jurisprudential pronouncements in G.R. Nos. 159669 and 163521, on the aforementioned issues are conclusive upon this Court in the instant petition and could no longer be overturned without transgressing the elementary principle of the law of the case.

In *Padillo v. Court of Appeals*,^[35] this Court had the occasion to explain this principle thus:

Law of the case has been defined as the opinion delivered on a former appeal. More specifically, it means that whatever is once irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case, whether correct on general principles or not, so long as the facts on which such decision was predicated continue to be the facts of the case before the court. As a general rule, a decision on a prior appeal of the same case is held to be the law of the case whether that question is right or wrong, the remedy of the party deeming himself aggrieved being to seek a rehearing.

The concept of Law of the Case was further elucidated in the 1919 case of *Zarate v. Director of Lands*, thus:

A well-known legal principle is that when an appellate court has once declared the law in a case, such declaration continues to be the law of that case even on a subsequent appeal. The rule made by an appellate court, while it may be reversed in other cases, cannot be departed from in subsequent proceedings in the same case. The “Law of the Case,” as applied to a former decision of an appellate court, merely expresses the practice of the courts in refusing to reopen what has been decided. Such a rule is ‘necessary to enable an appellate court to perform its duties satisfactorily and efficiently, which would be impossible if a question, once considered and decided by it, were to be litigated anew in the same case upon any and every subsequent appeal.’ Again, the rule is necessary as a matter of policy to end litigation. ‘There would be no end to a suit if every obstinate litigant could, by repeated appeals, compel a court to listen to criticisms on their opinions, or speculate of chances from changes in its members.’^[36]

Applying the above-stated rule in the case at bar, Overseas Bank, therefore, is now barred from once again raising before this Court the issues on forum shopping, the default order and venue of Civil Case No. 215-M-02, after the intricacies involved therein were already adjudicated and resolved fully and with finality in G.R. Nos. 159669 and 163521.

Verily, the Overseas Bank cannot feign that it was denied its day in court when it was precluded from presenting its evidence during the hearing by the default order of the Bulacan RTC in Civil Case No. 215-M-02. It bears to stress that Overseas Bank, in several instances, was able to raise before this Court the issue of the validity of the interlocutory orders issued by the courts a quo and, likewise, on various occasions, moved for the dismissal of both the Bulacan and Manila cases, instead of proving the merits of its cases before the lower courts. Overseas Bank, therefore, cannot pound on due process and substantial justice, when it is evident in the records that it had, countless times, used, if not abused, such procedural due process for its end and thereby prolonged the disposition of the cases involved.

In the same breadth, Overseas Bank cannot contend that it was denied its day in court when it was declared in default for such was the legal and logical consequence of its obstinate refusal to file an Answer despite the Bulacan RTC’s directive.

Undeniably, when Overseas Bank deliberately opted to file a Motion for Reconsideration of the Order dated 13 May 2002, of the Bulacan RTC denying its Motion to Dismiss, instead of filing an Answer, it assumed the risk of losing its standing in court and it cannot simply excuse itself from the adverse consequence of its chosen procedural course.

Overseas Bank further argued that Rosemoor Mining is not entitled to Injunction for the evidence it presented before the RTC of Bulacan is insufficient to warrant the issuance of the same. Hence, the Decision of the Bulacan

RTC in Civil Case No. 215-M-02, permanently enjoining it from foreclosing the mortgage properties, is without basis and therefore void.

Again, we do not agree. In controverting the basis relied upon by the Bulacan RTC in issuing the Injunction, Overseas Bank, in effect, wants this Court to calibrate the evidence presented before the lower court all over again, a task which we cannot do in consonance with the well-settled rule that this Court is not a trier of facts.[37]

In *Cagayan de Oro Landless Residents Association, Inc. v. Court of Appeals*,[38] this Court, in explaining the concept of injunction, underscored that the issuance of the writ of injunction is vested in the discretion of the trial court, thus:

As an extraordinary remedy, injunction is calculated to prevent or maintain the status quo of things and is generally availed of to prevent actual or threatened acts, until the merits of the case can be heard. As such, injunction is accepted as the “strong arm of equity or the transcendent remedy” to be used cautiously, as it affects the respective rights of the parties, and only upon the full conviction on the part of the court of its extreme necessity. Its issuance rests entirely within the discretion of the court taking cognizance of the case and is generally not interfered with except in cases of manifest abuse.

Even Justice Moran, in his renowned *Commentaries*,[39] was emphatic in vesting in the court deciding the case the discretion to grant or deny the injunction, opining that:

Except in cases wherein the statute gives an absolute right to an injunction, this remedy, whether temporary or permanent, cannot, as a general rule, be sought as a matter of right, but its granting or refusal rest in the sound discretion of the court under the circumstances and the facts of the particular case.

Upon perusal of the records, it was not shown that the granting of the prayer for Injunction was attended with manifest abuse since the Bulacan RTC found sufficient basis for its issuance based on its intelligible appreciation of the evidence presented by Rosemoor Mining.

The mere reliance of the Bulacan RTC on the testimony of Rosemoor Mining’s lone witness does not amount to grave abuse of discretion. It must be recalled that Overseas Bank was given the opportunity to establish its right over the mortgaged properties during the hearing for the issuance of the writ of preliminary injunction, only that, the court a quo gave more evidentiary weight to Rosemoor Mining’s claim. Giving credence to the evidence offered by one party over that of the other is an exercise of the court’s sound judgment and is not equivalent to grave abuse of discretion.

For the same reason, this Court cannot find merit in the contention of Overseas Bank that the Court of Appeals erred in affirming the Decision of the Bulacan RTC in Civil Case No. 215-M-02 annulling the mortgage contracts as well as the subsequent foreclosures pursuant thereto. Worth noting is that in voiding the mortgage contracts and foreclosure sales, the court a quo stressed the want of consideration for the Real Estate Mortgages and the fraud employed by Overseas Bank in securing the said contracts, to wit:

Thus, on the basis of the foregoing uncontroverted evidence and established facts, this Court finds that the mortgages (Exhibits “D” and “E”) executed by the petitioners are null and void and declares them to be so having been fraudulently secured and for want of consideration and that the subsequent foreclosures thereof were also null and void. Moreover, as established by petitioners, the respondent bank, thru its officers, in apparent negligence and bad faith, bungled and mishandled the loan account and letters of credits transactions covering the machineries to be imported such that Rosemoor did not receive any of such machineries. Such manipulations effectively undermined the petitioner corporation’s credit standing before the financial institution, crippled its operations and blemished its reputation.[40]

The above pronouncement of the Bulacan RTC was affirmed by the Court of Appeals, pursuant to the

well-entrenched principle that the factual findings of the trial courts should be accorded great weight and are generally not disturbed on appeal. We are equally bound by this principle. Moreover, in cases where the factual findings of the trial court are affirmed by the Court of Appeals, as in the case at bar, this rule finds greater application.

In *Professional Academic Plans, Inc. v. Crisostomo*,^[41] this Court declared:

Factual issues are beyond the province of the Supreme Court in a petition for review, for it is not the Court's function to weigh the evidence all over again. While the Court may, in exceptional cases, resolve factual issues, the petitioners herein failed to establish any such exceptional circumstances. Moreover, it is doctrinal that findings of facts of the CA upholding those of the trial court are binding upon the Supreme Court.

Thus, we find no compelling reason to deviate from the factual findings of the trial court as sustained by the appellate court.

Finally, Overseas Bank averred that the Bulacan RTC exceeded its jurisdiction in granting a relief not prayed for by Rosemoor Mining in its complaint. In its prayer, Rosemoor Mining asked for the nullification of the foreclosure sales of the mortgaged properties but the Bulacan RTC declared void, not only the foreclosure sales but the Real Estate Mortgages over the said properties as well.

In order to resolve the final issue posed by Overseas Bank, attention must be called on the pertinent provisions of Rule 9 of the Revised Rules of Court, on the declaration of default which provide:

SEC. 3. Default; declaration of. – If the defending party fails to answer within the time allowed therefor, the court shall, upon motion of the claiming party with notice to the defending party, and proof of such failure, declare the defending party in default. Thereupon, the court shall proceed to render judgment granting the claimant such relief as his pleading may warrant, unless the court in its discretion requires the claimant to submit evidence. Such reception of evidence may be delegated to the clerk of court.

(a) Effect of order of default. – A party in default shall be entitled to notice of subsequent proceedings but not to take part in the trial.

(b) Relief from order of default. – A party declared in default may at any time after notice thereof and before judgment file a motion under oath to set aside the order of default upon proper showing that his failure to answer was due to fraud, accident, mistake or excusable negligence and that he has a meritorious defense. In such case, the order of default may be set aside on such terms and conditions as the judge may impose in the interest of justice.

(c) Effect of partial default. – When a pleading asserting a claim states a common cause of action against several defending parties, some of whom answer and the others fail to do so, the court shall try the case against all upon the answers thus filed and render judgment upon the evidence presented.

(d) Extent of relief to be awarded. – A judgment rendered against a party in default shall not exceed the amount or be different in kind from that prayed for nor award unliquidated damages.

(e) Where no defaults allowed. – If the defending party in an action for annulment or declaration of nullity of marriage or for legal separation fails to answer, the court shall order the prosecuting attorney to investigate whether or not a collusion between the parties exists, and if there is no collusion, to intervene for the State in order to see to it that the evidence submitted is not fabricated. (Emphasis supplied.)

In its Petition, Rosemoor Mining prayed for the following reliefs, to quote:

WHEREFORE, premises considered, it must be respectfully prayed that this Honorable Court –

- Issue ex-parte a temporary restraining order before the matter could be heard on notice to restrain and enjoin

respondent [Overseas Bank] from proceeding with its threatened consolidation of titles over the subject properties of petitioner [Rosemoor Mining] in San Miguel, Bulacan covered by TCT Nos. 42132; 42133; 42134; 42135; 42136 and RT 34569 (T-222448) on March 16, 2002 or at any time thereafter; that the respondent Register of Deeds of the Province of Bulacan be enjoined and restrained from registering any document(s) submitted and/or to be submitted by respondent [Overseas Bank] consolidating its titles over the above-named properties of [Rosemoor Mining] in San Miguel, Bulacan; and likewise, that the Register of Deeds of the Province of Bulacan be restrained and enjoined from cancelling the titles of [Rosemoor Mining] over its properties, namely, TCT Nos. TCT Nos. 42132; 42133; 42134; 42135; 42136 and RT 34569 (T-222448);

- That after due notice, a writ of preliminary injunction be issued upon the posting of a bond in such amount as may be fixed by this Court;

- That after due hearing and trial, judgment be rendered in favor of petitioners and against [Overseas Bank]–

- Permanently enjoining respondent bank from proceeding from the consolidation of its titles of the subject properties of Rosemoor covered by TCT Nos. 42132; 42133; 42134; 42135; 42136 and RT 34569 (T-222448) and permanently restraining respondent Register of Deeds of Bulacan from from registering any document(s) submitted and/or to be submitted by [Overseas Bank] consolidating its titles over the above-named properties of petitioner [Rosemoor Mining] in San Miguel, Bulacan; and likewise, that the Register of Deeds of the Province of Bulacan be restrained and enjoined from cancelling the titles of [Rosemoor Mining] over its properties, namely, TCT Nos. TCT Nos. 42132; 42133; 42134; 42135; 42136 and RT 34569 (T-222448);

- Declaring the foreclosures of real estate mortgages on the properties of petitioners Rosemoor and Dra. Pascual to be null and void;

- Recognizing the ownership of the petitioners in fee simple over their properties above-mentioned;

- Awarding to petitioners the damages prayed for, including attorney's fees and costs and expenses of litigation.

Petitioners pray for such other reliefs and remedies as may be deemed just and equitable in the premises.[42] (Emphases supplied.)

However, upon promulgation of the Decision, the Bulacan RTC, declared as null and void the Real Estate Mortgages, not only the foreclosures of such mortgages. The pertinent portion of the Bulacan RTC Decision thus reads:

Declaring as null and void the Real Estate Mortgages executed by [Rosemoor Mining] in favor of [Overseas Bank] (Exhibits "D" and "E") and the subsequent foreclosures of such mortgages.[43]

Based on the foregoing, Overseas Bank now argues that the RTC of Bulacan exceeded its jurisdiction in granting a relief not prayed for in the Complaint in violation of the clear and categorical mandate of the Revised Rules of Court, proscribing it from awarding reliefs in excess of or different from that prayed for in the complaint.

We are not persuaded.

While it is true that Rosemoor Mining did not specifically ask for the annulment of the Real Estate Mortgages, upon scrutiny of its Complaint however, it is apparent that the allegations propounded by Rosemoor Mining go into the very validity of the mortgage contracts. The allegation that Overseas Bank committed fraudulent acts in the constitution of the Real Estate Mortgages was actually an attack on the mortgage contracts, and not just on the foreclosures of these mortgages. The nullity of the foreclosures, therefore, was merely a necessary consequence of the invalidity of the mortgages.

Thus, to void the foreclosure sales and not the mortgage contracts would only result in absurdity when it is palpable from the body of the Complaint in Civil Case No. 215-M-02 that Rosemoor Mining's challenge of the foreclosure sales was rooted in the defective mortgage contracts. If at all, Rosemoor Mining's failure to particularly pray for the nullification of the Real Estate Mortgages was merely an oversight on its part that is deemed cured when it asked from the court a quo for such other reliefs and remedies as may be deemed just and equitable in the premises.[44]

Moreover, the general prayer of Rosemoor Mining, couched in the phrase, "such other reliefs and remedies as may be deemed just and equitable in the premises," should be interpreted to include the prayer for the nullification of the mortgage contracts since this is already evident from the allegations contained in the body of its Complaint though it was not specifically pleaded in the prayer.

In a cantena of cases,[45] this Court ruled that the general prayer is broad enough "to justify extension of a remedy different from or together with the specific remedy sought." Even without the prayer for a specific remedy, proper relief may be granted by the court if the facts alleged in the complaint and the evidence introduced so warrant.[46] The prayer in the complaint for other reliefs equitable and just in the premises justifies the grant of a relief not otherwise specifically prayed for.

WHEREFORE, premises considered, the instant Petition is DENIED. The Court of Appeals Decision dated 10 May 2005 and its Resolution dated 16 May 2006 in CA-G.R. CV No. 78583 are hereby AFFIRMED. Costs against the petitioner.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Nachura, and Reyes, JJ., concur.

[1] Penned by Associate Justice Roberto A. Barrios with Associate Justices Amelita G. Tolentino and Vicente S.E. Veloso, concurring. Rollo, pp. 64-75.

[2] Id. at 78-80.

[3] Id. at 12.

[4] Id.

[5] Id. at 97-105.

[6] Id.

[7] Id.

[8] Id. at 81-96.

[9] Id.

[10] United Overseas Bank v. Judge Ros, G.R. No. 171532, 7 August 2007.

[11] Rollo, pp. 97-105.

[12] Id. at 145-146.

[13] Rollo of G.R. No. 159669, pp. 248-264.

[14] Rollo, pp. 124-125.

[15] Id. at 126-132.

[16] Id. at 138-140.

[17] Id. at 142-145.

[18] Id. at 69.

[19] Id.

[20] Id. at 270.

[21] Id. at 264.

[22] Id. at 264-265.

[23] Id.

[24] Id. at 265.

[25] Id. at 270.

[26] Id.

[27] Id. at 274.

[28] Id. at 277.

[29] Id. at 145-150.

[30] Id. at 150.

[31] Rollo, pp. 388-389

[32] Id. at 259-282.

[33] Rollo of G.R. Nos. 159669 and 163521.

[34] Id.

[35] Radio Communications of the Philippines, Inc. v. Court of Appeals, G.R. No. 139762, 26 April 2006, 488 SCRA 306.

[36] Id. at 311-312.

[37] New City Builders, Inc. v. National Labor Relations Commission, G.R. No. 149281, 15 June 2005, 460 SCRA 220, 225-229.

[38] 324 Phil. 466, 477 (1996).

[39] Moran, Comments on the Rules of Court, Vol. III, 1980, pp. 66-67, as cited in Annotation, Injunction by Alicia Gonzales-Decano, 446 SCRA 127.

[40] Rollo, p. 150.

[41] G.R. No. 148599, 14 March 2005, 453 SCRA 342, 353-354.

[42] Rollo, pp. 103-104.

[43] Id. at 150.

[44] Arroyo, Jr. v. Taduran, 466 Phil. 173, 180 (2004).

[45] BPI Family Bank v. Buenaventura, G.R. Nos. 148196 & 148259, 30 September 2005, 471 SCRA 431; Morales v. Court of Appeals, G.R. No. 112140, 23 June 2005, 461 SCRA 34.

[46] Eugenio, Sr. v. Velez, G.R. No. 85140, 17 May 1990, 185 SCRA 425, 432-433.

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