

PILIPINAS SHELL FOUNDATION, INC. AND SHELL PHILIPPINES EXPLORATION B.V., PETITIONERS, VS. TOMAS M. FREDELUCES, MARCOS B. CORPUZ, JR., REYNALDO M. SAMONTE, NORMA M. SAMONTE, AMBR...

G.R. No. 174333. April 20, 2016

Ponente: LEONEN, J.

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LEONEN, J.:

When a motion to dismiss is filed, only allegations of ultimate facts are hypothetically admitted. Allegations of evidentiary facts and conclusions of law, as well as allegations whose falsity is subject to judicial notice, those which are legally impossible, inadmissible in evidence, or unfounded, are disregarded.

This resolves a Petition for Review on Certiorari[1] assailing the Court of Appeals Decision[2] and Resolution[3] in CA-G.R. CV No. 74791. Except for respondent Tomas M. Fredeluces, the Court of Appeals reinstated the Complaint[4] for damages filed by respondents Marcos B. Corpuz, Jr., Reynaldo M. Samonte, Norma M. Samonte, Ambrocio Villanueva, Salvacion A. Bon, Ramiro A. Bon, Luzviminda B. Andillo, Ludivico F. Bon, Elmo Areglo, Rose A. San Pedro, Dante U. Santos, Sr., Miguel Santos, Efren U. Santos, Ric U. Santos, Simon Marce, Jr., Joel F. Salinel, Bebiana San Pedro, and Marina Santos against petitioners Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V.[5] The Court of Appeals remanded the case to Branch 72 of the Regional Trial Court of Olongapo City, which had earlier dismissed the Complaint for damages on the grounds of *litis pendentia*, failure to state a cause of action, and lack of cause of action.[6]

With respect to Tomas M. Fredeluces, the Court of Appeals affirmed the dismissal of the Complaint on the ground of lack of cause of action.[7]

Pursuant to Presidential Decree No. 87, otherwise known as the Oil Exploration and Development Act of 1972, the Republic of the Philippines entered into Service Contract No. 38 and engaged the services of Shell Philippines Exploration B.V. "for the exploration, development[,] and production of petroleum resources in an . . . area offshore northwest of . . . Palawan[.]"[8] The service contractors eventually discovered in offshore Malampaya-Camago at least 2.5 trillion cubic feet of natural gas deposits.[9]

Exploration and development of the Malampaya-Camago natural gas reservoir required the construction and operation of a shallow water platform off the coast of Palawan. The water platform further required a concrete gravity structure that would sit on the seabed, and a topside or the platform's deck which would sit on top of the concrete gravity structure.[10]

The topside was constructed in Singapore. As for the concrete gravity structure, Shell Philippines Exploration B.V. searched for possible construction sites here in the Philippines. Subsequently identified as a possible construction site was Subic, Zambales, and Shell Philippines Exploration B.V. met with representatives of the Subic Bay Metropolitan Authority.[11]

The Subic Bay Metropolitan Authority proposed a 40-hectare site in Sitio Agusuhin as a possible construction site for the concrete gravity structure.[12] The site formed part of the military reservation of the former naval base of the United States in Subic, which, under Republic Act No. 7227,[13] became part of the Subic Special Economic Zone.[14]

Results of a socio-economic survey commissioned by Shell Philippines Exploration B.V. showed that there were about 200 households living at or near the proposed construction site. Together with the Subic Bay Metropolitan Authority and Pilipinas Shell Foundation, Inc., Shell Philippines Exploration B.V. established contact with the occupants of Sitio Agusuhin. It was ultimately determined that 80 households would have to be relocated to nearby areas within the Subic Seaport Economic Free Zone to carry out the project.[15]

In May 1998, the Subic Bay Metropolitan Authority and Shell Philippines Exploration B.V. entered into a Lease and Development Agreement for the construction of the concrete gravity structure in Sitio Agusuhin. The Subic Bay Metropolitan Authority undertook to relocate the affected households, while Shell Philippines Exploration B.V. undertook to give financial assistance to them.[16]

The undertakings of Shell Philippines Exploration B.V. were implemented through Pilipinas Shell Foundation, Inc. By the end of May 1998, Pilipinas Shell Foundation, Inc. concluded agreements with some of the affected households. In exchange for financial assistance, some of the claimants voluntarily dismantled their houses and relocated to nearby areas within the Subic Seaport Economic Free Zone. Other claims, however, were denied by Shell Philippines Exploration B.V. for the claimant's failure to show that he or she resided in Sitio Agusuhin prior to the construction project.[17]

With the assistance of the Subic Sangguniang Bayan, a Compensation Community Relations Study Group was organized to re-evaluate the claims that had been previously denied by Shell Philippines Exploration B.V.[18] In the meantime, the construction of the concrete gravity structure was completed, and the shallow water platform was successfully installed in Palawan on June 2, 2000.[19] Shell Philippines Exploration B.V. turned over Sitio Agusuhin to the Subic Bay Metropolitan Authority, cleared, leveled, and elevated, together with improvements "consisting of a finger pier, a fence and gate, a drainage system[,] and a berthing facility for ferry sea crafts or similar vessels along the southern bank of the basin." [20]

On December 1, 2000, a Complaint for damages was filed against Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. before the Regional Trial Court of Olongapo City.[21] Tomas M. Fredeluces, Marcos B. Corpuz, Jr., Reynaldo M. Samonte, Norma M. Samonte, Ambrocio Villanueva, Salvacion A. Bon, Ramiro A. Bon, Luzviminda B. Andillo, Ludivico F. Bon, Elmo Areglo, Rose A. San Pedro, Dante U. Santos, Sr., Miguel Santos, Efren U. Santos, Ric U. Santos, Simon Marce, Jr., Joel F. Salinel, Bebiana San Pedro, and Marina Santos (Fredeluces, et al.) alleged that having resided in the area even prior to 1998, they were lawful residents of Sitio Agusuhin.[22] They allegedly constructed their houses and introduced improvements in Sitio Agusuhin, such as fruit trees and other seasonal plants.[23]

However, "[f]or the direct benefit of the defendants [Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc.],"[24] Fredeluces, et al. were "effectively evicted"[25] from their homes in "total disregard"[26] of their rights. Admitting that some of the claimants were given financial assistance, Fredeluces, et al. alleged that the amounts given were "insufficient to compensate the damages they sustained[.]"[27] Worse, they were allegedly "pressured, coerced or . . . 'sweet talked'"[28] into signing quitclaims and waivers.

"In arbitrarily and unlawfully evicting [Fredeluces, et al.] from their place of abode and livelihood,"[29] Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. allegedly failed to act with justice, "did not give . . . [Fredeluces, et al.] their due[,] and acted in bad faith." [30] The actions of Shell Philippines Exploration B.V.

and Pilipinas Shell Foundation, Inc. were allegedly contrary to law, for which they should pay Fredeluces, et al. the following amounts representing actual damages:

1. Tomas Fredeluces
P27,000,000.00
2. Marcos Corpuz, Jr.
905,000.00
3. Reynaldo Samonte
2,000,000.00
4. Norma Samonte
2,000,000.00
5. Ambrocio Villanueva
1,700,000.00
6. Salvacion Bon
750,000.00
7. Ramiro Bon
1,000,000.00
8. Luzviminda Andillo
500,000.00
9. Ludivico Bon
500,000.00
10. Elmo Areglo
1,000,000.00
11. Rose San Pedro
500,000.00
12. Dante Santos, Sr.,
12,000,000.00
13. Miguel Santos
4,000,000.00
14. Efren Santos
5,000,000.00
15. Ric Santos

1,000,000.00

16. Simon Marce, Jr.

4,000,000.00

17. Joel Salinel

(no amount)

18. Bebiana San Pedro

1,500,000.00

19. Marina Santos

3,000,000.00

TOTAL

P68,255,000.00[31]

In addition to their allegations, Fredeluces, et al. moved that they be allowed to litigate as paupers considering that "[t]he gross income of each of [them] and the members of their [families] do not exceed P3,000.00[.]"[32] and that none of them allegedly owned real property.[33]

Instead of answering the Complaint, Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. moved to dismiss[34] the complaint based on the grounds of *litis pendentia*, failure to state a cause of action, and lack of cause of action.[35]

Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. alleged that five (5) of the plaintiffs—namely, Dante U. Santos, Sr., Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebiana San Pedro—earlier filed against them a Complaint[36] for sum of money.[37] This Complaint, filed on October 9, 2000 also before the Regional Trial Court of Olongapo City, allegedly prayed for payment of disturbance compensation for their eviction from Sitio Agusuhin for the construction of the concrete gravity structure.[38] Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. argued that the Complaint for sum of money and the Complaint for damages had substantially similar causes of action and relief sought, rendering the subsequently filed Complaint for damages dismissible on the ground of *litis pendentia*.[39]

According to Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc., Fredeluces, et al. were praying for payment of damages corresponding to the value of the land they previously occupied, a right that did not belong to them because they never owned the land in Sitio Agusuhin.[40] Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. emphasized that Sitio Agusuhin belonged to the Subic Bay Metropolitan Authority pursuant to Republic Act No. 7227; hence, lands in Sitio Agusuhin are government property not subject to private ownership.[41] In addition, Fredeluces, et al.'s claims for the value of the improvements they introduced in Sitio Agusuhin were allegedly paid as evidenced by the quitclaims they had signed.[42] Consequently, the Complaint for damages failed to state a cause of action.[43]

With respect to Tomas M. Fredeluces and Ludivico F. Bon, Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, inc. alleged that these plaintiffs never resided in Sitio Agusuhin.[44] Tomas M. Fredeluces and Ludivico F. Bon were not entitled to any compensation and, therefore, lacked a cause of action against Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc.[45]

Fredeluces, et al. opposed the Motion to Dismiss and prayed for its denial.[46] In their Opposition,[47]

Fredeluces, et al. argued that Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc., in filing their Motion to Dismiss, hypothetically admitted the factual allegations in their Complaint. Corollarily, the trial court may not inquire into the truth of the allegations and may only resolve the Motion to Dismiss based on the facts as alleged in the Complaint.[48]

Countering the first ground of the Motion to Dismiss, Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro claimed that they were not aware of their inclusion as plaintiffs in the earlier filed Complaint for sum of money. In any case, they had allegedly revoked the Special Power of Attorney that they executed in favor of Atty. Renato H. Collado before the lawyer filed the Complaint for sum of money on their behalf. It follows that the Complaint for sum of money was filed without their authority and should be deemed not to have been filed. *Litis pendentia*, therefore, should not apply.[49]

Fredeluces, et al. expressly admitted that they never owned Sitio Agusuhin.[50] Nevertheless, they contended that they "were peacefully settled in the area and [had] introduced improvements"[51] when Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. "summarily evicted"[52] them. It is for their "unlawful eviction"[53] from, not ownership of, Sitio Agusuhin for which Fredeluces, et al. demand payment of damages.[54]

Although admitting that they executed quitclaims in favor of Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc., Fredeluces, et al. specifically alleged that they were pressured, coerced, or "sweet-talked" into signing them.[55] In effect, Fredeluces, et al. assailed the validity of these quitclaims for lack of consent, an issue requiring the presentation of evidence during trial.[56] Fredeluces, et al. similarly argued that the issue of residence of Tomas M. Fredeluces and Ludivico F. Bon required the presentation of evidence during trial.[57]

On April 20, 2001, the Motion to Dismiss was heard.[58] Subsequently, in the Order[59] dated June 7, 2001, Branch 72 of the Regional Trial Court of Olongapo City granted the Motion to Dismiss and ruled in favor of Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc.[60]

Between the Complaint for sum of money and the Complaint for damages, the trial court found identity of parties, causes of action, and reliefs sought.[61] The trial court said that Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro "cannot feign ignorance that they were not aware that they were included as party plaintiffs in the [Complaint for sum of money]"[62] because "they actively secured copies of . . . Certificates of Occupancy"[63] in Sitio Agusuhin, which were annexed to the earlier filed Complaint.

The trial court likewise held that the Complaint for damages failed to state a cause of action. According to the trial court, Fredeluces, et al. based the amount of actual damages they sought on the fair market values of the parcels of land they occupied and of the improvements introduced on the property. Fredeluces, et al. effectively prayed for payment of just compensation, a relief they cannot avail themselves of because they do not own the land in Sitio Agusuhin.[64]

As for the quitclaims, the trial court held that they were valid since Fredeluces, et al. voluntarily executed them. Fredeluces, et al. even voluntarily vacated Sitio Agusuhin after they received financial assistance from Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc.[65]

In resolving the issue of whether Tomas M. Fredeluces and Ludivico F. Bon were former residents of Sitio Agusuhin, the trial court relied on the Affidavit[66] of a certain Robert Hadji (Hadji), a former resident of Sitio Agusuhin and Pilipinas Shell Foundation, Inc.'s Community Coordinator in the site. Hadji stated in his Affidavit that Tomas M. Fredeluces and Ludivico F. Bon never resided in Sitio Agusuhin.[67] While the resolution of the issue would generally require presentation of evidence during trial, the trial court said that Fredeluces, et al. did

not even bother to attend the hearing of the Motion to Dismiss on April 20, 2001 to present evidence contrary to the allegations of Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc.[68] Failing to present such contrary evidence, Tomas M. Fredeluces and Ludivico F. Bon should be deemed non-residents of Sitio Agusuhin and, therefore, were not entitled to any compensation.[69]

The dispositive portion of the Order dated June 7, 2001 reads:

WHEREFORE, in view of the foregoing, the Motion to Dismiss filed by the defendants dated April 5, 2001 is hereby granted. The case is ordered DISMISSED.

SO ORDERED.[70]

Fredeluces, et al. filed a Notice of Appeal before the Court of Appeals on June 28, 2001.[71] The parties subsequently filed their respective appeal briefs,[72] both reiterating the arguments they had made before the trial court.

In contrast with the trial court, the Court of Appeals appreciated in evidence a Revocation of Special Power of Attorney allegedly executed by Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebiana San Pedro.[73] The Complaint for sum of money was, thus, filed without their authority, and there was no *litis pendentia* so as to bar the filing of the Complaint for damages on December 1, 2000.

Despite Fredeluces, et al.'s admission that they did not own the parcels of land they occupied in Sitio Agusuhin, the Court of Appeals nonetheless held that Fredeluces, et al. may file a complaint for damages for having been "adversely affected by [Shell Philippines Exploration B.V.'s] construction works." [74] Fredeluces, et al. may likewise repudiate the quitclaims they executed.[75]

As to the issue of residence, the Court of Appeals found that Ludivico F. Bon formerly resided in Sitio Agusuhin. The Court of Appeals relied on the Report submitted by the Compensation Community Relations Study Group where Ludivico F. Bon was listed as one of the beneficiaries.[76] As for Tomas M. Fredeluces, he was not listed on the Report; thus, he was not entitled to any financial assistance.[77]

Thus, the Court of Appeals partially granted the appeal in the Decision dated January 25, 2006, the dispositive portion of which reads:

WHEREFORE, except with respect to appellant Tomas Fredeluces, appellants' complaint is ordered REINSTATED and the case is, accordingly, REMANDED to the trial court for further proceedings.

SO

. . . . ORDERED.[78] (Emphasis in the original)

Shell Philippines Exploration B.V. and Pilipinas Shell Foundation, Inc. filed a Motion for Partial Reconsideration and/or Clarification,[79] which the Court of Appeals denied in the Resolution dated August 16, 2006.[80]

Assailing the Court of Appeals' January 25, 2006 Decision and August 16, 2006 Resolution, petitioners Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. filed a Petition for Review on Certiorari before this Court.[81] Respondents Tomas M. Fredeluces, Marcos B. Corpuz, Jr., Reynaldo M. Samonte, Norma M. Samonte, Ambrocio Villanueva, Salvacion A. Bon, Ramiro A. Bon, Luzviminda B. Andillo, Ludivico F. Bon, Elmo Areglo, Rose A. San Pedro, Dante U. Santos, Sr., Miguel Santos, Efren U. Santos, Ric U. Santos, Simon Marce, Jr., Joel F. Salinel, Bebiana San Pedro, and Marina Santos filed their Comment,[82] to which petitioners replied.[83]

Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. maintain that *litis pendentia* barred the

filing of the Complaint for damages. Litis pendentia eventually ripened into res judicata when the Decision on the Complaint for sum of money became final and executory.[84]

Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. allege that the earlier filed Complaint, for sum of money, where Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro were likewise plaintiffs, was dismissed by the trial court[85] on the ground of failure to state a cause of action.[86] This ruling was affirmed by the Court of Appeals in the Decision[87] dated February 27, 2004, and an Entry of Judgment[88] was issued on April 1, 2004.

Considering that the Complaint for sum of money and the Complaint for damages share substantially identical parties, causes of action, and reliefs sought,[89] Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. argue that the February 27, 2004 Court of Appeals Decision became res judicata so as to bar the proceedings before this Court.[90]

Even assuming that Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro signed the Revocation and Cancellation of Special Power of Attorney, Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. argue that the five (5) respondents should be deemed not to have revoked the authority to file the Complaint for sum of money.[91] Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro never informed the trial court that they were included as plaintiffs in the Complaint for sum of money.[92] Further, Bebian San Pedro did not sign the Revocation and Cancellation of Special Power of Attorney.[93] Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebian San Pedro remain guilty of forum shopping.[94]

Apart from the existence of litis pendentia, Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. insist that the Complaint for damages failed to state a cause of action.[95] According to Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V., Fredeluces, et al. failed to allege specific acts from which it may be inferred that Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. violated the law or acted in bad faith.[96] Instead of alleging ultimate facts, Fredeluces, et al. repeatedly made conclusions of law in their Complaint for damages, such as that they were "lawful residents"[97] of Sitio Agusuhin, or that Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. "arbitrarily and unlawfully evict[ed] [Fredeluces, et al.] from their place of abode and livelihood[.]"[98] Fredeluces, et al. failed to specifically allege the acts from which they inferred that they were lawful residents of Sitio Agusuhin or that they were unlawfully evicted.[99] Their Complaint for damages was, therefore, correctly dismissed.[100]

Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. argue that the Court of Appeals erred in limiting itself with the allegations of the Complaint for damages when it ruled that Fredeluces, et al. had the right to demand for compensation from Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. The rule that the allegations of the complaint are hypothetically admitted when a motion to dismiss is filed is subject to exceptions. Annexes to the complaint as well as matters of judicial notice may be considered in dismissing a complaint on the ground of failure to state a cause of action.[101]

One matter of judicial notice is that the Subic Bay Metropolitan Authority, not Fredeluces, et al., own Sitio Agusuhin,[102] pursuant to Republic Act No. 7227. Not being owners, Fredeluces, et al. may not demand compensation based on the value of the properties they formerly occupied.[103] They were possessors in bad faith who, under Article 449[104] of the Civil Code, are not entitled to any indemnity with respect to improvements they have introduced in Sitio Agusuhin.[105] Assuming that Fredeluces, et al. are entitled to compensation for the improvements they introduced in Sitio Agusuhin, their claims have been paid as evidenced by the quitclaims they executed.[106]

With respect to Tomas M. Fredeluces and Ludivico F. Bon, Pilipinas Shell Foundation, Inc. and Shell Philippines Exploration B.V. maintain that they are non-residents of Sitio Agusuhin and, therefore, are not entitled to any financial assistance.[107]

Lastly, the Complaint for damages should be deemed not to have been filed because Fredeluces, et al. failed to pay the required filing fees.[108]

In their five-page Comment, with the last page being the signature page, Fredeluces, et al. quoted heavily from the Court of Appeals Decision to argue that *litis pendentia* does not exist in this case; that their Complaint for damages sufficiently stated a cause of action; and that they have sufficiently proven that they are pauper litigants.[109]

On the issue of *litis pendentia*, Dante U. Santos, Efren U. Santos, Miguel Santos, Ric U. Santos, and Bebiana San Pedro maintain that the Complaint for sum of money was filed without their authority considering that they executed the Revocation and Cancellation of Special Power of Attorney before the Complaint for sum of money was filed.[110]

On the issue of failure to state a cause of action, Fredeluces, et al. insist on the application of the general rule that only matters alleged in the Complaint may be considered in resolving motions to dismiss.[111] They fail to explain why the exceptions to the rule do not apply in this case.

On the issue of failure to pay filing fees, Fredeluces, et al. claim that they are pauper litigants as evidenced by Certifications from the Municipal Assessor of Subic.[112]

The issues for this Court's resolution are:

First, whether respondents Fredeluces, et al.'s Complaint for damages should be dismissed on the ground of *litis pendentia*; and,

Second, whether the Complaint for damages should be dismissed on the ground of failure to state a cause of action.

We grant the Petition. The Complaint for damages should have been dismissed as to respondent Bebiana San Pedro on the ground of *litis pendentia*. As for the rest of respondents, their Complaint failed to state a cause of action.

I

Only one suit may be instituted for a single cause of action.[113] Hence, any suit subsequently filed for the same cause of action becomes unnecessary and vexatious.[114] When there is more than one suit pending between the same parties for the same cause of action, *litis pendentia* exists and a motion to dismiss may be filed on this ground. Rule 16, Section 1(e) of the Rules of Court provides:

SECTION 1. Grounds.—Within the time for but before filing the answer to the complaint or pleading asserting a claim, a motion to dismiss may be made on any of the following grounds:

....

(e) That there is another action pending between the same parties for the same cause[.]

Litis pendentia in Latin means "a pending suit."[115] Occasionally referred to as *lis pendens*[116] or *auter action pendant*,[117] *litis pendentia* has the following elements: first, "[i]dentity of parties, or at least such parties as those representing the same interests in both actions;"[118] second, "[i]dentity of rights asserted and reliefs prayed

for, the reliefs being founded on the same facts;"[119] and third, "[i]dentity with respect to the two preceding particulars in the two cases, such that any judgment that may be rendered in the pending case, regardless of which party is successful, would amount to res judicata in the other case."[120]

The first element of *litis pendentia*—identity of parties—is absent with respect to respondents Dante U. Santos, Efren U. Santos, Miguel Santos, and Ric U. Santos. They executed on September 4, 2000[121] the Revocation and Cancellation of Special Power of Attorney and withdrew the authority they had earlier granted Atty. Renato M. Collado to file a case in their behalf. Moreover, the Court of Appeals found that their signatures do not appear on the Verification and Certification against Forum Shopping appended to the Complaint for sum of money filed on October 9, 2000.

With the Complaint for sum of money having been filed without the authority of respondents Dante U. Santos, Efren U. Santos, Miguel Santos, and Ric U. Santos, they should be deemed non-plaintiffs in the Complaint for sum of money. Consequently, the pendency of the Complaint for sum of money did not bar them from filing the Complaint for damages on December 1, 2000.

The same cannot be said for respondent Bebiana San Pedro. Respondent Bebiana San Pedro was guilty of forum shopping, repetitively filing complaints asserting "the same essential facts and circumstances, and all raising substantially the same issues"[122] against the same defendants.

Respondent Bebiana San Pedro was a party plaintiff both in the Complaint for sum of money and in the Complaint for damages. Unlike respondents Dante U. Santos, Efren U. Santos, Miguel Santos, and Ric U. Santos, respondent Bebiana San Pedro did not sign any document similar to the Revocation and Cancellation of Special Power of Attorney. Thus, she did not revoke the authority of Atty. Renato H. Collado to file the Complaint for sum of money on her behalf. The Complaint for sum of money was filed with her authority and was pending when the Complaint for damages was subsequently filed before the same trial court.

The second element of *litis pendentia* likewise exists with respect to respondent Bebiana San Pedro. There is substantial identity of rights asserted and reliefs sought between the Complaint for sum of money and the Complaint for damages.

"A cause of action is the act or omission by which a party violates a right of another."[123] For a cause of action to exist, there must be "a right existing in favor of the plaintiff;"[124] "a corresponding obligation on the part of the defendant to respect such right;"[125] and, "an act or omission of the defendant which constitutes a violation of the plaintiffs right which defendant had the duty to respect."[126]

The following allegations show that the Complaint for sum of money and the Complaint for damages similarly assert the supposed right of respondents as possessors of parcels of land they previously occupied in Sitio Agusuhin:

Complaint for sum of money filed on October 9, 2000

Complaint for damages filed on December 1, 2000

2. That plaintiffs are the possessor and long-time occupants under claim of ownership of certain parcels of land situated in Sitio Agusuhin, Cawag, Subic Zambales;

. . . .

4. That plaintiffs are in possession of the following areas which were expropriated by the defendants, and their

corresponding values[:]

[Name: Bibiana [sic] San Pedro

Area occupied: 20,000 sq.m.

Amount: 1,500,000.00

Disturbance compensation:

80,000.00).[127]

3. The plaintiffs are lawful residents at Sitio Agusuhin, Bgy. Cawag, Subic, Zambales. They have settled in this place long prior to 1998.

They have put up their residence in this area and constructed their residential structures of various kind. They have put in various improvements, like fruit trees and devoted the area to seasonal plants. The place was a community by itself.[128]

The Complaints similarly allege that petitioners had an obligation to respect the supposed right of respondents when petitioners commenced the construction of the concrete gravity structure:

Complaint for sum of money filed on October 9, 2000

Complaint for damages filed on December 1, 2000

3. That sometime in 1998, the defendant Pilipinas Shell Foundation, Inc. thru its exploration and development arm Shell Philippines Exploration, expropriated some 325,000 square meters of land belonging to the plaintiffs for the construction of the Malampaya Concrete Gravity Structure under the helm of Shell Philippines Exploration's Malampaya deepwater gas power project, the value of the expropriated parcels of land belonging to plaintiffs amounted to TWENTY-FIVE MILLION FOUR HUNDRED NINETY-FIVE THOUSAND PESOS (P25,495,000.00) computed at SEVENTY FIVE PESOS (P75.00) per square meter plus a disturbance fee of EIGHTY THOUSAND PESOS (P80,000) per occupant. This is the amount paid by the defendant Corporation to the other lucky occupants similarly situated as the plaintiffs[.].[129]

4. About 1998, the defendants, upon agreement drawn up with the Subic Bay Metropolitan Authority, used this area as a launching site of its exploration project for Shell CGS Project (Malampaya project). The project site required the use of 400,000 square meters of land.

5. The area in the actual occupation and use by the plaintiffs were inside the 400,000 square meter site used by the plaintiffs.[130]

The Complaints allege a similar violative act: petitioners allegedly failed to sufficiently compensate respondents for their eviction from Sitio Agusuhin:

Complaint for sum of money filed on October 9, 2000

Complaint for damages filed on December 1, 2000

5. That the defendant Corporation thru Mr[.] David Greer, after occupying and actually completing the construction works on the aforesaid parcels of land, reneged on its verbal promise to compensate the plaintiffs for the value of their lands which were expropriated by the former, for which reason the latter requested the assistance of counsel who sent a letter to the defendant dated March 15, 2000; . . .

. . . .

9. That despite several and repeated demands from the plaintiff, and defendants['] repeated assurances of payment thru defendant Mr. Greer, several meetings and submissions of numerous requirements as requested

by the latter, the defendants failed and refused, and continuously fail and refuse to settle the abovementioned valid and legal claims of the plaintiffs, which constrained plaintiffs['] counsel to send another letter dated April 15, 2000; . . .

10. That after the plaintiffs['] counsel received defendants['] reply letter dated May 30, 2000, nothing was heard of from the defendants again[.][131]

6. For the direct benefit of the defendants, the plaintiffs were effectively evicted starting in May 1998. There was a total disregard of the rights of the plaintiffs; although, the defendants tried to work out an acceptable compensation package for the plaintiffs, which, however, failed.

7. Some of the plaintiffs were paid some amount, others were not. For those who accepted some amounts, the payment were insufficient to compensate the damages they sustained, but they have to accept said amount for them to somehow start their life.

. . . .

9. In arbitrarily and unlawfully evicting the plaintiffs from their place of abode and livelihood, the defendants did not [sic] with justice, they did not give to the plaintiffs their due and acted in bad faith. The said action taken on the plaintiffs was contrary to law, in the process, they willfully and negligently caused damage to the plaintiff[s].

. . .

10. The damages suffered by the plaintiffs by their eviction from the area are in the following amounts -

[Name of Plaintiffs: San Pedro, B Actual Damages: P1,500,000.00].[132]

As for the reliefs sought, respondents Dante Santos, Efren Santos, Miguel Santos, Ric Santos, and Bebiana San Pedro, in the Complaint for sum of money, prayed for amounts equivalent to the "value of their lands[.]"[133] while respondents, in their Complaint for damages, prayed for actual damages suffered by them.[134] In both Complaints, respondent Bebiana San Pedro prayed that she be paid P1,500,000.00 in addition to the prayer for payment of moral damages, exemplary damages, and attorney's fees.[135] Respondent Bebiana San Pedro sought substantially identical reliefs in the Complaint for sum of money and the Complaint for damages.

Because of the substantial identity of parties, causes of action, and reliefs sought in the Complaint for sum of money and Complaint for damages, all the elements of *litis pendentia* are present with respect to respondent Bebiana San Pedro. Judgment in any of the Complaints would be *res judicata* in the other, i.e., a final and executory judgment in any of the Complaints would be "conclusive of the rights of the parties or their privies . . . on the points and matters in issue in the first suit." [136]

A final and executory judgment has been rendered on the Complaint for sum of money. In the Order[137] dated October 3, 2001, Branch 72 of the Regional Trial Court,[138] Olongapo City dismissed the Complaint for sum of money on the ground of failure to state a cause of action.[139] The trial court, the same branch that decided the Complaint for damages, held that respondents had no right to demand compensation equivalent to the value of the parcels of land they previously occupied because they never possessed the properties in the concept of an owner.[140] Moreover, despite being possessors in bad faith, respondents received compensation from petitioners.[141] Specifically, respondent Bebiana San Pedro received P100,000.00 as evidenced by the quitclaim she had signed.[142] She may not ask for compensation anew.

The trial court Order dated October 3, 2001 was upheld on appeal in the Decision dated February 27, 2004.[143] The Court of Appeals subsequently issued the Entry of Judgment declaring the Decision dated February 27, 2004 final and executory as of April 1, 2004.[144]

Since the Complaint for sum of money and the Complaint for damages assert substantially identical causes of action and seek similar reliefs, the Decision dated February 27, 2004 binds respondent Bebiana San Pedro. The Decision dated February 27, 2004 is *res judicata* with respect to the right of respondent Bebiana San Pedro to recover compensation for vacating Sitio Agusuhin.[145] That respondent Bebiana San Pedro received P100,000.00 from petitioners as disturbance compensation,[146] and that she voluntarily signed a quitclaim to waive any claims she might have over the parcel of land she occupied in Sitio Agusuhin, are conclusive upon this Court.[147]

In sum, respondents Dante U. Santos, Efren U. Santos, Miguel Santos, and Ric U. Santos revoked the authority to file the Complaint for sum of money on their behalf. As for the four (4) respondents, there was no pending Complaint for sum of money when the Complaint for damages was subsequently filed. The trial court, therefore, erred in dismissing their Complaint for damages on the ground of *litis pendentia*.

As for respondent Bebiana San Pedro, the Complaint for sum of money was filed with her authority. The Complaint for sum of money was pending when the Complaint for damages was filed. With both Complaints having substantially identical parties, causes of action, and reliefs sought, *litis pendentia* was present. As a ground for filing a motion to dismiss, *litis pendentia* ripened to *res judicata* when the Court of Appeals Decision on the Complaint for sum of money became final and executory. The trial court did not err in dismissing the Complaint for damages as to respondent Bebiana San Pedro on the ground of *litis pendentia*.

II

The trial court and the Court of Appeals differed as to whether the Complaint for damages should be dismissed. The Complaint for damages was initially dismissed on the ground of failure to state a cause of action, but the Court of Appeals reversed and remanded the Complaint to the trial court for further proceedings.

The ground of failure to state a cause of action is based on Rule 16, Section 1(g) of the Rules of Court:

SECTION 1. Grounds.— Within the time for but before filing the answer to the complaint or pleading asserting a claim, a motion to dismiss may be made on any of the following grounds:

....

(g) That the pleading asserting the claim states no cause of action[.]

Failure to state a cause of action goes into the sufficiency of the allegation of the cause of action in the complaint. "When the facts alleged in the complaint show that the defendant has committed acts constituting a delict or wrong by which he violates the rights of the plaintiff, causing [the plaintiff] loss or injury, there is sufficient allegation of a cause of action. Otherwise, there is none." [148]

In this respect, a pleading sufficiently states a cause of action if it "contain[s] in a methodical and logical form, a plain, concise[,] and direct statement of the ultimate facts on which the party pleading relies for his [or her] claim[.]" [149] Ultimate facts are the "important and substantial facts which either directly form the basis of the primary right and duty, or which directly make up the wrongful acts or omissions of the defendant." [150] Allegations of evidentiary facts [151] and conclusions of law [152] in a pleading are omitted for they are unnecessary in determining whether the court has jurisdiction to take cognizance of the action.

In filing a motion to dismiss on the ground of failure to state a cause of action, a defendant "hypothetically admits the truth of the facts alleged in the complaint." [153] Since allegations of evidentiary facts and conclusions of law are omitted in pleadings, "[t]he hypothetical admission is . . . limited to the relevant and material facts well pleaded in the complaint and inferences fairly deducible therefrom." [154] However, it is mandatory [155] that

courts "consider other facts within the range of judicial notice, as well as relevant laws and jurisprudence"[156] in resolving motions to dismiss.

There are exceptions to the rule on hypothetical admission. In *Dabuco v. Court of Appeals*:^[157]

There is no hypothetical admission of the veracity of allegations if their falsity is subject to judicial notice, or if such allegations are legally impossible, or if these refer to facts which are inadmissible in evidence, or if by the record or document included in the pleading these allegations appear unfounded. Also, inquiry is not confined to the complaint if there is evidence which has been presented to the court by stipulation of the parties, or in the course of hearings related to the case.^[158] (Citations omitted)

Even assuming the truth of the ultimate facts alleged in the Complaint for damages, the Complaint states no cause of action. Respondents may have resided in Sitio Agusuhin, constructed their houses, and planted fruit trees in the area. However, they failed to allege any circumstance showing that they had occupied Sitio Agusuhin under claim of ownership for the required number of years. In their Opposition to the Motion to Dismiss, respondents admitted that they do not own Sitio Agusuhin.^[159] The property belongs to the Subic Bay Metropolitan Authority, pursuant to Republic Act No. 7227; hence, it is a government property the possession of which, however long, "never confers title [to] the possessor[.]"^[160]

It follows that respondents may not ask compensation equivalent to the value of the parcels of land they previously occupied in Sitio Agusuhin. The right to demand compensation for deprivation of property belongs to the owner.^[161]

Moreover, respondents may not claim damages equivalent to the value of the structures they built and the improvements they introduced in Sitio Agusuhin. Having admitted that they do not own Sitio Agusuhin, they were possessors in bad faith^[162] who lose whatever they built, planted, or sown on the land of another without right to indemnity.^[163]

Specifically with respect to respondents Tomas M. Fredeluces and Ludivico F. Bon, the allegation that they resided in Sitio Agusuhin prior to the construction of the concrete gravity structure may not be hypothetically admitted. Based on the evidence available during the hearing of the Motion to Dismiss on April 20, 2001, respondents Tomas M. Fredeluces and Ludivico F. Bon were indeed non-residents of Sitio Agusuhin prior to the construction of the concrete gravity structure.

Respondents' own evidence—the Report of the Compensation Community Relations Study Group attached to the Opposition to the Motion to Dismiss—declared respondent Tomas M. Fredeluces a non-resident of Sitio Agusuhin.^[164] Moreover, as certified by the Punong Barangay of Barangay Cawag, none of the other residents of Sitio Agusuhin recognized respondent Tomas M. Fredeluces as a fellow resident.^[165]

As for respondent Ludivico F. Bon, the Office of the Punong Barangay of Barangay Matatin, Subic, Zambales certified that he was a resident of Barangay Matatin, not of Sitio Agusuhin.^[166] This was corroborated by Hadji, Pilipinas Shell Foundation, Inc.'s Community Coordinator, in his Affidavit.^[167]

These pieces of evidence were never controverted by respondents Tomas M. Fredeluces and Ludivico F. Bon in their Opposition to or during the hearing of the Motion to Dismiss. Therefore, respondents Tomas M. Fredeluces and Ludivico F. Bon should be deemed to have admitted that they never resided in Sitio Agusuhin prior to the construction of the concrete gravity structure.

Respondents nevertheless argue that they are entitled to damages because of their unlawful and summary eviction from Sitio Agusuhin. Their own allegations, however, belie their claim that they were unlawfully and summarily evicted. As alleged in their Complaint, petitioners "tried to work out an acceptable compensation package for the

[respondents.]"[168] Also alleged in the Complaint[169] and as evidenced by quitclaims and the Final Report on the Compensation Claims, some of the respondents received the following amounts as compensation from petitioners:

Luzviminda B. Andillo

P17,000.00[170]

Salvacion A. Bon

150,000.00[171]

Ramiro A. Bon

100,000.00[172]

Elmo Areglo

270,000.00[173]

Rose A. San Pedro

103,500.00[174]

Dante U. Santos, Sr.

200,000.00[175]

Efren U. Santos

270,000.00[176]

Miguel Santos

150,000.00[177]

Ric U. Santos

35,000.00[178]

Simon Marce, Jr.

100,000.00[179]

Joel F. Salinel

125,000.00[180]

Bebiana San Pedro

140,000.00[181]

Marcos B. Corpuz, Jr.

200,000.00[182]

Reynaldo M. Samonte

100,000.00[183]

Ambrocio Villanueva

150,000.00[184]

In receiving the previously enumerated amounts, respondents declared in their respective quitclaims that they waived, released, and abandoned any claims that they might have had over the parcels of land they occupied in Sitio Agusuhin as well as the improvements they introduced in the property.

Quitclaims are contracts in the nature of a compromise where parties make concessions, a lawful device to avoid litigation.[185] That respondents perceived the amounts they received as "insufficient"[186] does not make the quitclaims invalid.

As for the allegation that respondents were "pressured, coerced[,] or . . . 'sweet-talked'"[187] into receiving compensation, this is a conclusion of law that may not be hypothetically admitted. The circumstances of fraud and mistake must be stated with particularity.[188] Nothing in the Complaint for damages show how respondents were particularly "pressured, coerced[,] or . . . 'sweet-talked'" by petitioners into receiving compensation. As found by the trial court, respondents voluntarily vacated Sitio Agusuhin.[189]

All told, the Motion to Dismiss was correctly granted on the ground of failure to state a cause of action.

WHEREFORE, the Petition for Review on Certiorari is GRANTED. The Decision dated January 25, 2006 and the Resolution dated August 16, 2006 of the Court of Appeals in CA-G.R. CV No. 74791 are REVERSED and SET ASIDE. The Complaint filed before Branch 72 of the Regional Trial Court, Olongapo City, docketed as Civil Case No. 04-0-2001, is hereby ordered DISMISSED.

SO ORDERED.

Carpio, (Chairperson), Brion, Del Castillo, and Mendoza, JJ., concur.

[1] Rollo, pp. 14-75.

[2] Id. at 85-98. The Decision was penned by Associate Justice Rebecca De Guia-Salvador and concurred in by Presiding Justice Ruben T. Reyes (subsequently appointed as Associate Justice of this Court) and Associate Justice Aurora Santiago-Lagman of the First Division.

[3] Id. at 100-101. The Resolution was penned by Associate Justice Rebecca De Guia-Salvador and concurred in by Presiding Justice Ruben T. Reyes (subsequently appointed as Associate Justice of this Court) and Associate Justice Aurora Santiago-Lagman of the Former First Division.

[4] Id. at 202-209. The Complaint was entitled Action for Damages with Motion to Litigate as Paupers.

[5] Id. at 97, Court of Appeals Decision.

[6] Id. at 85-86 and 97.

[7] Id. at 94-95.

[8] Exec. Order No. 473 (2005), whereas clause.

[9] Exec. Order No. 254 (1995), whereas clause.

[10] Rollo, p. 86.

[11] Id.

[12] Id.

[13] Bases Conversion and Development Act of 1992.

[14] Rep. Act No. 7227, sec. 12 provides:

Sec. 12. Subic Special Economic Zone. - Subject to the concurrence by resolution of the Sangguniang Panlungsod of the City of Olongapo and the Sangguniang Bayan of the Municipalities of Subic, Morong and Hermosa, there is hereby created a Special Economic and Free-port Zone consisting of . . . the lands occupied by the Subic Naval Base and its contiguous extensions as embraced, covered, and defme[d] by the 1947 Military Bases Agreement between the Philippines and United States of America as amended[.]

[15] Rollo, pp. 86-87.

[16] Id. at 87.

[17] Id.

[18] Id. at 88.

[19] Id.

[20] Id.

[21] Id. at 202, Complaint for damages.

[22] Id. at 204.

[23] Id. at 205.

[24] Id.

[25] Id.

[26] Id.

[27] Id.

[28] Id. at 205-206.

[29] Id. at 206.

[30] Id.

[31] Id.

[32] Id. at 207.

[33] Id.

[34] Id. at 103-135.

[35] Id. at 103-104.

[36] Id. at 198-201.

[37] Id. at 112-113, Motion to Dismiss.

[38] Id. at 199-201, Complaint for sum of money.

[39] Id. at 112-116, Motion to Dismiss.

- [40] Id. at 124-125.
- [41] Id. at 118-119.
- [42] Id. at 125-132.
- [43] Id.
- [44] Id. at 132-133.
- [45] Id. at 132-134.
- [46] Id. at 224, Opposition.
- [47] Id. at 224-237. The Opposition was entitled Opposition to: Motion to Dismiss.
- [48] Id. at 224-225.
- [49] Id. at 225-228.
- [50] Id. at 234.
- [51] Id.
- [52] Id.
- [53] Id.
- [54] Id.
- [55] Id. at 234-235.
- [56] Id. at 235-236.
- [57] Id. at 236-237.
- [58] Id. at 254, Regional Trial Court Order dated June 7, 2001.
- [59] Id. at 249-254. The Order was issued by Presiding Judge Eliodoro G. Ubiadas.
- [60] Id. at 254.
- [61] Id. at 249-250.
- [62] Id. at 250.
- [63] Id.
- [64] Id. at 251.
- [65] Id.
- [66] Id. at 183-190.
- [67] Id. at 187-188.
- [68] Id. at 254, Regional Trial Court Order dated June 7, 2001.
- [69] Id.
- [70] Id.

[71] Id. at 261, *Fredeluces, et al.'s Appellants' Brief*.

[72] Id. at 255-278, *Fredeluces, et al.'s Appellants' Brief*, and 287-358, *Pilipinas Shell Foundation, Inc., et al.'s Appellees' Brief*.

[73] Id. at 93-94, *Court of Appeals Decision*.

[74] Id. at 96.

[75] Id.

[76] Id. at 95.

[77] Id. at 94-95.

[78] Id. at 97-98.

[79] Id. at 31, *Petition for Review on Certiorari*.

[80] Id. at 101, *Court of Appeals Resolution*.

[81] Id. at 14, *Petition for Review on Certiorari*.

[82] Id. at 430-434.

[83] Id. at 445-456, *Reply*.

[84] Id. at 43-47.

[85] Id. at 366-371, *Regional Trial Court Order dated October 3, 2001*.

[86] Id. at 48-49, *Petition for Review on Certiorari*.

[87] Id. at 373-388. The Decision, dated February 27, 2004 and docketed as CA-G.R. CV No. 74724, was penned by Associate Justice Portia Aliño-Hormachuelos (Chair) and was concurred in by Associate Justices Perlita J. Tria Tirona and Rosalinda Asuncion Vicente of the Tenth Division.

[88] Id. at 389.

[89] Id. at 34-39, *Petition for Review on Certiorari*.

[90] Id. at 43-47.

[91] Id. at 41-43.

[92] Id.

[93] Id. at 41-42.

[94] Id. at 42-43 and 68.

[95] Id. at 47.

[96] Id. at 47-51.

[97] Id. at 50.

[98] Id.

[99] Id.

[100] Id. at 51.

[101] Id. at 51-53.

[102] Id. at 53-55.

[103] Id. at 55.

[104] CIVIL CODE, art. 449 provides:

Article 449. He who builds, plants or sows in bad faith on the land of another, loses what is built, planted or sown without right to indemnity.

[105] Rollo, pp. 56-57.

[106] Id. at 57-63.

[107] Id. at 63-66.

[108] Id. at 69-71.

[109] Id. at 431-433, Fredeluces, et al.'s Compliance and Comment.

[110] Id. at 431-432.

[111] Id. at 432-433.

[112] Id. at 433.

[113] RULES OF COURT, Rule 2, sec. 3 provides:

RULE 2. Cause of Action

....

SEC. 3. One suit for a single cause of action.— A party may not institute more than one suit for a single cause of action.

[114] Victronics Computers, Inc. v. Regional Trial Court, Branch 63, Makati, G.R. No. 104019, January 25, 1993, 217 SCRA 517, 531 [Per J. Davide, Jr., Third Division]; Arceo v. Oliveros, et al., 219 Phil. 279, 287 (1985) [Per J. Cuevas, Second Division].

[115] Feliciano v. Court of Appeals, 350 Phil. 499, 505 (1998) [Per J. Bellosillo, First Division].

[116] Buan v. Lopez, Jr., 229 Phil. 65, 68 (1986) [Per J. Narvasa, First Division].

[117] Id.

[118] Dasmariñas Village Association, Inc. v. Court of Appeals, 359 Phil. 944, 951 (1998) [Per J. Romero, Third Division].

[119] Id. at 952.

[120] Id.

[121] Rollo, p. 238.

[122] Gatmaytan v. Court of Appeals, 335 Phil. 155, 167 (1997) [Per C.J. Narvasa, Third Division].

- [123] RULES OF COURT, Rule 2, sec. 2.
- [124] *The City of Bacolod v. San Miguel Brewery, Inc.*, 140 Phil. 363, 371 (1969) [Per J. Barredo, En Banc].
- [125] *Id.*
- [126] *Id.*
- [127] Rollo, pp. 198-199, Complaint for sum of money.
- [128] *Id.* at 204-205, Complaint for damages.
- [129] *Id.* at 199, Complaint for sum of money.
- [130] *Id.* at 205, Complaint for damages.
- [131] *Id.* at 199-200, Complaint for sum of money.
- [132] *Id.* at 205-206, Complaint for damages.
- [133] *Id.* at 199, Complaint for sum of money.
- [134] *Id.* at 206, Complaint for damages.
- [135] *Id.* at 199, Complaint for sum of money, and 206, Complaint for damages.
- [136] *Philippine National Bank v. Barreto*, 52 Phil. 818, 824 (1929) [Per J. Villamor, En Banc].
- [137] Rollo, pp. 366-371. The Order was penned by Presiding Judge Eliodoro G. Ubiadas.
- [138] *Id.* at 373, Court of Appeals Decision in CA-G.R. CV No. 74724.
- [139] *Id.* at 370-371, Regional Trial Court Order in Civil Case No. 399-0-2000.
- [140] *Id.* at 366-367.
- [141] *Id.* at 368-369.
- [142] *Id.* at 368.
- [143] *Id.* at 388, Court of Appeals Decision in CA-G.R. CV No. 74724.
- [144] *Id.* at 389, Entry of Judgment.
- [145] See *Luzon Development Bank v. Conquilla*, 507 Phil. 509 (2005) [Per J. Panganiban, Third Division].
- [146] Rollo, p. 361, Regional Trial Court Order dated October 3, 2001.
- [147] *Id.* at 387, Court of Appeals Decision in CA-G.R. CV No. 74724.
- [148] *U. Bañez Electric Light Company (UBELCO) v. Abra Electric Cooperative, Inc. (ABRECO), et al.*, 204 Phil. 440, 445 (1982) [Per J. Plana, First Division].
- [149] RULES OF COURT, Rule 8, sec. 1.
- [150] *Remitere, et al. v. Yulo, et al.*, 123 Phil. 57, 62 (1966) [Per J. Zaldivar, En Banc].
- [151] RULES OF COURT, Rule 8, sec. 1.
- [152] *Viola v. The Court of First Instance of Camarines Sur*, 47 Phil. 849, 853 (1925) [Per J. Villa-Real, En

Banc].

[153] U. Bañez Electric Light Company (UBELCO) v. Abra Electric Cooperative, Inc. (ABRECO), et al., 204 Phil. 440, 445 (1982) [Per J. Plana, First Division].

[154] Id.

[155] RULES OF COURT, Rule 129, sec. 1 provides:

SECTION 1. Judicial notice, when mandatory. - A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, the official acts of the legislative, executive and judicial departments of the Philippines, the laws of nature, the measure of time, and the geographical divisions.

[156] U. Bañez Electric Light Company (UBELCO) v. Abra Electric Cooperative, Inc. (ABRECO) et al., 204 Phil. 440, 445 (1982) [Per J. Plana, First Division].

[157] 379 Phil. 939 (2000) [Per J. Kapunan, First Division].

[158] Id. at 950-951.

[159] Rollo, p. 234, Tomas M. Fredeluces, et al.'s Opposition to: Motion to Dismiss.

[160] Director of Lands v. Judge Reyes, 160-A Phil. 832, 851 (1975) [Per J. Antonio, En Banc].

[161] CIVIL CODE, art. 435 provides:

Article 435. No person shall be deprived of his property except by competent authority and for public use and always upon payment of just compensation.

Should this requirement be not first complied with, the courts shall protect and, in a proper case, restore the owner in his possession.

[162] CIVIL CODE, art. 526 provides:

Article 526. He is deemed a possessor in good faith who is not aware that there exists in his title or mode of acquisition any flaw which invalidates it.

He is deemed a possessor in bad faith who possesses in any case contrary to the foregoing. Mistake upon a doubtful or difficult question of law may be the basis of good faith.

[163] CIVIL CODE, art. 449.

[164] Rollo, p. 253, Regional Trial Court Order dated June 7, 2001.

[165] Id. at 196, Certification.

[166] Id. at 195.

[167] Id. at 183-190.

[168] Id. at 205, Complaint for damages.

[169] Id.

[170] Id. at 154, Luzviminda B. Andillo's Agreement (with Release, Waiver and Quitclaim).

- [171] Id. at 150, Salvacion A. Bon's Agreement (with Release, Waiver and Quitclaim).
- [172] Id. at 152, Ramiro A. Bon's Agreement (with Release, Waiver and Quitclaim).
- [173] Id. at 156, Elmo Areglo's Agreement (with Release, Waiver and Quitclaim).
- [174] Id. at 158, Rose A. San Pedro's Agreement (with Release, Waiver and Quitclaim).
- [175] Id. at 160, Dante U. Santos, Sr.'s Agreement (with Release, Waiver and Quitclaim).
- [176] Id. at 164, Efren U. Santos' Agreement (with Release, Waiver and Quitclaim).
- [177] Id. at 162, Miguel Santos' Agreement (with Release, Waiver and Quitclaim).
- [178] Id. at 166, Ric U. Santos' Agreement (with Release, Waiver and Quitclaim).
- [179] Id. at 168, Simon Marce, Jr.'s Agreement (with Release, Waiver and Quitclaim).
- [180] Id. at 170, Joel F. Salinel's Agreement (with Release, Waiver and Quitclaim).
- [181] Id. at 172, Bebiana San Pedro's Agreement (with Release, Waiver and Quitclaim).
- [182] Id. at 146, Marcos B. Corpuz, Jr.'s Agreement (with Release, Waiver and Quitclaim).
- [183] Id. at 147, Reynaldo M. Samonte's Agreement (with Release, Waiver and Quitclaim).
- [184] Id. at 145, Pilipinas Shell Foundation, Inc.'s Final Report on Compensation Claims.
- [185] CIVIL CODE, art. 2028 provides:
- Article 2028. A compromise is a contract whereby the parties, by making reciprocal concessions, avoid a litigation or put an end to one already commenced.
- [186] Rollo, p. 205, Complaint for damages.
- [187] Id. at 205-206.
- [188] RULES OF COURT, Rule 8, sec. 5 provides:
- Rule 8. Manner of Making Allegations in Pleadings
-
- SEC 5. Fraud, mistake, condition of the mind.— In all averments of fraud or mistake, the circumstances constituting fraud or mistake must be stated with particularity. Malice, intent, knowledge or other condition of the mind of a person may be averred generally.
- [189] Rollo, p. 251, Regional Trial Court Order dated June 7, 2001.

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