REPUBLIC OF THE PHILIPPINES REPRESENTED BY THE MANILA INTERNATIONAL AIRPORT AUTHORITY (MIAA), PETITIONER, VS. HON. FRANCISCO G. MENDIOLA, PRESIDING JUDGE, RTC-PASAY CITY, BRANCH...

G.R. NO. 175551. July 14, 2009

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-175551/

The only issue raised in the present petition for review on certiorari is whether the Notice of Appeal of herein petitioner Republic of the Philippines, represented by the Manila International Airport Authority (MIAA), was filed on time.

A factual background of the case is in order.

On May 21, 2001, MIAA entered into a Contract of Lease and Concessions with herein respondent Little Vin-Vin's Food Corporation (LVV).[1] The contract authorized LVV to operate retail and catering outlets at the Ninoy Aquino International Airport (NAIA) Centennial Airport Terminal II and granted it six months to complete all the required works in the area.

Upon the expiration of the six-month period, LVV requested a three-month extension because the existing power supply was insufficient for the actual requirements of the concession outlets. The request was granted upon finding that the electrical set-up of the terminal needed to be revised. LVV completed the works within the extended period, but finding the need for re-wiring, asked for another two-month extension. MIAA did not respond, drawing LVV to file on May 16, 2002 a complaint[2] against MIAA for specific performance before the Regional Trial Court (RTC) of Pasay City, which prayed for judgment

> - declaring defendant liable, under its implied warranty for hidden defects, for the rectification of the electrical defects at the Concession Areas at its cost;
>
> - ordering defendant to grant plaintiff an extension of the construction period until such time that the electrical defects shall have been rectified by the defendant;
>
> - directing defendant to deliver the Concession Areas with the electrical power output installation rectified so as to render the said Concession Areas fully operational;
>
> - directing the offsetting of the expenses incurred by plaintiff on the electrical installations against the rentals already paid to defendant and/or yet to be paid to defendant;
>
> - absolving plaintiff from the charges stated in the Contract of Lease and Concessions until such time that the electrical defects shall have been rectified; and
>
> - ordering defendant to pay plaintiff damages and attorney's fees as may be proved, plus the costs of suit,[3]

and for other just and equitable reliefs.

By Order of August 19, 2003, Branch 115 of the Pasay City RTC rendered a partial summary judgment in favor of LVV, the dispositive portion of which reads:

> WHEREFORE, a partial summary judgment is hereby rendered directing defendant Manila International Airport Authority:
>
> - To deliver to the plaintiff the leased concession areas with its electrical power facilities completely rectified;
>
> - To grant plaintiff an extension of the construction period until such time the electrical defects shall have been corrected. In the meanwhile, the plaintiff is absolved from the payment of rentals, charges or fees.
>
> The issue on damages will be heard on September 16, 2003 at 8:30 A. M.
>
> SO ORDERED.[4]

LVV subsequently filed on September 4, 2003 a Supplemental Complaint[5] alleging as follows: MIAA failed to meet the passenger forecasts two years after the execution of the contract of lease; refused to deliver an area occupied by the retail establishment Tinder Box which MIAA was contractually obliged to deliver to LVV as part of the latter's exclusive right to conduct retail and catering operations at NAIA Terminal 2; and barricaded numerous areas at NAIA Terminal 2, thereby blocking access of "well-wishers" to numerous retail and catering outlets and causing it (LVV) to suffer damages. LVV thus prayed for judgment

> (1) Under the First Cause of Action, declaring that Plaintiff is entitled to a suspension of rentals under Section 3.04 of the Contract of Lease until realization of Defendant's passenger forecasts and Plaintiff's full operations of the Leased Premises;
>
> (2) Under the Second Cause of Action, ordering Defendant to deliver to Plaintiff the area where the catering outlet named "Tinder Box" has been and is operating, in order that Plaintiff realize full operations of the Leased Premises by exercising its right, under the Contract of Lease, to exclusively operate and manage the retail and catering outlets within the Airport, extending to its immediate curbside and outermost canopy, "without competition whatsoever," and until such time, suspending payment of rentals under Section 3.04 of the Contract of Lease;
>
> (3) Under the Third Cause of Action, as the barricades erected by Defendant prevent Plaintiff from engaging in full operations, declaring that Plaintiff is entitled to a suspension of rental payments, consistent with Section 3. 04 of the Contract of Lease; or, in the alternative, ordering a reduction of rent to be paid by Plaintiff, in proportion to the area of the Leased/Concession Premises that have been decreased by the barricades erected by Defendant;
>
> (4) Under the First Cause of Action, ordering Defendant to pay Plaintiff temperate or moderate damages, in an amount adjudged proper by this Honorable Court;
>
> (5) Under the Second Cause of Action, ordering Defendant to pay Plaintiff actual damages, as may be proved, in terms of lost earnings from the unwarranted competition (in breach of Plaintiffs contractual right to exclusively develop, manage, and operate all catering outlets at the Airport), arising from the operation of the retail outlet named "Tinder Box;"
>
> (6) Under the Second Cause of Action, in the alternative, ordering Defendant to pay Plaintiff nominal damages in the amount of Five Hundred Thousand (P500,000.00) Pesos;
>
> (7) Under the Third Cause of Action, ordering Defendant to pay Plaintiff damages, in terms of lost earnings, either in the form of actual damages, as may be proved; or, in the alternative, temperate or moderate damages, both owing to Defendant's barricades preventing "well-wishers" from accessing and/or patronizing outlets within the Concession Area; and
>
> (8) Ordering Defendant to pay Plaintiff attorney's fees of at least Five Hundred Thousand (P500,000.00) Pesos and costs of suit,

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

and for other just and equitable reliefs.

The trial court, by Order of April 26, 2004, rendered another partial summary judgment, the dispositive portion of which reads:

> Wherefore, considering that there is an undeniable breach of contract on the part of the defendant, this Court rules that, as prayed for by the plaintiff, in the interests of justice and fair play, the plaintiff is entitled to a corresponding reduction of the rental payments. Meanwhile, the payment of rentals is suspended until the proportionate reduction of rent shall have been determined.
>
> As the plaintiff's pecuniary loss was not proven, no actual damages is awarded except, pursuant to the plaintiff's prayer on its second cause of action, nominal damages in the amount of Five Hundred Thousand Pesos (P500,000.00).
>
> The hearing as to the amount of reduction is set on May 26, 2004 at 10:00 A.M.
>
> SO ORDERED.[6] (Underscoring supplied)

On July 12, 2004, MIAA filed a Manifestation[7] that it intended to appeal the Order of April 26, 2004 at the proper time, and that assuming for the sake of argument that LVV was entitled to a reduction of rent, the rates under Administrative Order No. 1 should prevail pending full operation by LVV.

By Order[8] of July 14, 2004, the trial court noted and directed as follows:

> Record shows that this Court, On August 19, 2003, issued an Order which granted a partial summary judgment in favor of the plaintiff's original complaint but set the issue on the amount of damages for further hearing. Shortly thereafter, the plaintiff submitted its estimate and documents to establish the value of the installation of the appropriate power load documents for the plaintiff's concession at NAIA Terminal II.
>
> Record further shows that based on the Answer to the interrogatories to parties executed by the General Manager and Manager of the Electrical Division of the defendant, the defendant's estimate does not vary much from that of the plaintiff.
>
> There being no objections or counter valuation from the plaintiff to the defendant's estimate, this Court accepts the valuation of the defendant.
>
> WHEREFORE, as prayed for in the original complaint, the defendant is directed to offset the expenses incurred by the plaintiff in the electrical installation, as per the amount estimated by the defendant, against the rentals already paid or yet to be paid to the defendant by the plaintiff.
>
> SO ORDERED.[9] (Underscoring supplied)

The trial court subsequently issued an Order[10] of July 15, 2004 the dispositive portion of which reads:

> WHEREFORE, the plaintiff and the defendant in this case are allowed to adhere to the rates prescribed in the Administrative Order No. 1, series of 2000 as their bases in determining the "proportionate reduction of rent" which was mandated by this Court in its Order dated April 26, 2004.
>
> SO ORDERED.[11] (Underscoring supplied)

LVV later filed on August 4, 2004 a Manifestation and Motion for Resolution manifesting that the Orders dated August 19, 2003 and July 14, 2004 substantially granted the reliefs enumerated in the prayer of the original complaint, while the Orders dated April 26, 2004 and July 15, 2004 substantially granted the reliefs enumerated in the prayer of the Supplemental Complaint, hence, it no longer intended to present evidence as regards any residual issues such as lost earnings or attorney's fees.[12] It, however, moved that the trial court resolve its Motion to

Admit its Supplemental Pleading or, in the alternative, that MIAA stipulate as to the authenticity and due execution of the annexes to the said Motion to Admit.[13]

The trial court entered on August 10, 2004 its July 15, 2004 Order in the Book of Entries of Judgment.[14] It merely noted, by Order of November 23, 2004, above-said LVV's Manifestation and Motion as being moot and academic.

MIAA, having received a copy of the November 23, 2004 Order on November 30, 2004, filed on December 15, 2004 a Manifestation with Notice of Appeal[15] of the Orders dated August 19, 2003, April 26, 2004, July 14, 2004, and July 15, 2004. The trial court denied the Notice of Appeal for having been filed out of time.[16] MIAA's Motion for Reconsideration[17] having been denied,[18] it filed a petition for certiorari[19] before the Court of Appeals which it dismissed, by Decision[20] of October 17, 2006, hence, the present petition for review on certiorari of the Republic, represented by MIAA (hereafter petitioner), arguing that

> PETITIONER'S NOTICE OF APPEAL WAS PERFECTED WITHIN THE FIFTEEN DAY REGLEMENTARY PERIOD, HENCE, APPROVAL THEREOF IS A PLAINLY MINISTERIAL DUTY OF THE TRIAL COURT.[21]

The petition is impressed with merit. The trial court's Order of July 15, 2004 was not a final judgment; consequently, its entry in the Book of Entries of Judgment on August 10, 2004 was premature and, therefore, void.[22]

De la Cruz v. Paras[23] enlightens:

> x x x The test to determine whether an order or judgment is interlocutory or final is this: "Does it leave something to be done in the trial court with respect to the merits of the case? If it does, it is interlocutory; if it does not, it is final." A court order is final in character if it puts an end to the particular matter resolved or settles the matter therein disposed of, such that no further questions can come before the court except the execution of the order. The term "final" judgment or order signifies a judgment or an order which disposes of the cause as to all the parties, reserving no further questions or directions for further determination. The order or judgment may validly refer to the entire controversy or to some definite and separate branch thereof. "In the absence of a statutory definition, a final judgment, order or decree has been held to be *** one that finally disposes of, adjudicates, or determines the rights, or some right or rights of the parties, either on the entire controversy or on some definite and separate branch thereof and which concludes them until it is reversed or set aside". The central point to consider is, therefore, the effects of the order on the rights of the parties. A court order, on the other hand, is merely interlocutory in character if it is provisional and leaves substantial proceeding to be had in connection with the subject. The word "interlocutory" refers to "something intervening between the commencement and the end of a suit which decides some point or matter but not a final decision of the whole controversy."[24] (Emphasis and underscoring supplied)

In the case at bar, the July 15, 2004 Order did not dispose of all the issues in the case, as the issues of LVV's unearned earnings and attorney's fees remained unresolved. It was only on November 23, 2004 when the trial court noted LVV's voluntary desistance from presenting evidence on these issues that they were disposed of.

LVV, however, argues:

> In its [Manifestation and Motion for Resolution], LVV already stated that it would no longer "present evidence as regards any residual issues, e.g. lost earnings or attorney's fees."
>
> But for the sake of precision, it was on 07 May 2004 when LVV, through undersigned counsel, received the trial court's Order dated 26 April 2004. Hence, when LVV did not file a motion for reconsideration nor seek appellate redress therefrom, the trial court's resolution as to the amount and the type of damages became final

> and thus bound LVV.
>
> Simply put, from a legal perspective, since LVV did not file a motion for reconsideration nor seek appellate redress as to the trial court's Order dated April 26, 2004, then by the time LVV filed its "Manifestation and Motion for Resolution" on 04 August 2004, LVV had already lost the right to present evidence as regards any residual issues, e.g., lost earnings or attorney's fees.[25] (Underscoring and emphasis in the original)

This Court is not impressed. LVV could not yet have appealed the April 26, 2004 Order as the same was interlocutory, it not having disposed all the issues in the case. Its failure to appeal said Order did not thus preclude it from presenting evidence on residual issues such as lost earnings or attorney's fees.

In fine, petitioner's filing of Notice of Appeal was filed on time.

WHEREFORE, the petition is GRANTED. The recording of the July 15, 2004 Order in the Book of Entries of Judgment of Branch 115 of the Regional Trial Court of Pasay City is declared NULL AND VOID. The assailed October 17, 2006 Decision of the Court of Appeals is REVERSED and SET ASIDE. The case is REMANDED to the Court of Appeals for resolution of petitioner's appeal.

SO ORDERED.

Quisumbing, (Chairperson), Chico-Nazario[*], Leonardo-De Castro[**], and Brion, JJ., concur.

---

[*] Additional member per Special Order No. 658.

[**] Additional member per Special Order No. 635.

[1] Records, pp. 88-105.

[2] Id. at 2-12.

[3] Id. at 11.

[4] Id. at 341.

[5] Id. at 347-366.

[6] Id. at 659-660.

[7] Id. at 694-696.

[8] Id. at 706.

[9] Ibid.

[10] Id. at 707-708.

[11] Id. at 708.

[12] Id. at 711-713.

[13] Id. at 712.

[14] Id. at 716.

[15] Id. at 717-720.

[16] Id. at 721.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

[17] Id. at 723-727.

[18] Id. at 742-743.

[19] CA rollo, pp. 2-24.

[20] Penned by Court of Appeals Associate Justice Mario L. Guariña III, with the concurrence of Associate Justices Roberto A. Barrios and Lucenito N. Tagle. Id. at 218-225.

[21] Rollo, p. 62.

[22] Vide Office of the Court Administrator v. Garong, A.M. No. P-99-1311, August 15, 2001, 363 SCRA 18, 22.

[23] G.R. No. L-41053, February 27, 1976, 69 SCRA 556.

[24] Id. at 720-722 (citations omitted).

[25] Rollo, p. 169.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.