MARIANO NOCOM, PETITIONER, VS. OSCAR CAMERINO, EFREN CAMERINO, CORNELIO MANTILE AND MILDRED DEL ROSARIO, IN HER CAPACITY AS LEGAL HEIR AND REPRESENTATIVE OF NOLASCO DEL ROSARIO,...

G.R. No. 182984. February 10, 2009

Ponente: AZCUNA, J.

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AZCUNA, J.:

This is a petition for review on certiorari seeking to reverse and set aside the Decision dated February 14, 2008 of the Court of Appeals (CA) which affirmed the Joint Order dated June 9, 2005 and Summary Judgment dated June 15, 2006 of the Regional Trial Court (RTC) of Muntinlupa City, Branch 203 and dismissed petitioner's appeal under Rule 41 of the Rules of Court for lack of jurisdiction and its Resolution dated May 23, 2008 which denied petitioner's motion for reconsideration.

The present case is an offshoot of the prior case, G.R. No. 161029, entitled "Springsun Management Systems Corporation v. Oscar Camerino, Efren Camerino, Cornelio Mantile, Nolasco Del Rosario, and Domingo Enriquez," which was promulgated on January 19, 2005 (449 SCRA 65) and became final and executory on May 4, 2005 as recorded in the Book of Entries of Judgment.

The factual antecedents are as follows:

G.R. No. 161029:

Respondent Oscar Camerino and respondents-intervenors Efren Camerino, Cornelio Mantile, the deceased Nolasco Del Rosario, represented by Mildred Del Rosario, and Domingo Enriquez were the tenants who were tilling on the parcels of land planted to rice and corn previously owned by Victoria Homes, Inc. covered by Transfer Certificate of Title (TCT) Nos. 289237, now S-6135 (109,451 square meters); S-72244 (73,849 square meters); and 289236, now S-35855 (109,452 square meters). On February 9, 1983, without notifying the respondents, Victoria Homes, Inc. sold the said lots to Springsun Management Systems Corporation (SMSC) for P9,790,612. The three deeds of sale were duly registered with the Registry of Deeds of Rizal and new titles were issued in the name of SMSC.

Subsequently, SMSC mortgaged to Banco Filipino (BF) the said lots as collaterals for its loans amounting to P11,545,000. As SMSC failed to pay the loans due, BF extrajudicially foreclosed the mortgage and, later, was adjudged the highest bidder. On May 10, 2000, SMSC redeemed the lots from BF. Earlier, on March 7, 1995, respondents filed a complaint against SMSC and BF for "Prohibition/Certiorari, Reconveyance/Redemption, Damages, Injunction with Preliminary Injunction and Temporary Restraining Order," docketed as Civil Case No. 95-020, with the RTC of Muntinlupa City, Branch 256.

On January 25, 2002, the RTC of Muntinlupa City, Branch 256, found respondents to be tenants who have been tilling on the subject land planted to rice and corn since 1967 and, thus, authorized them to redeem the subject

lots. The dispositive portion of the decision states:

> WHEREFORE, judgment is hereby as follows:
>
> - Declaring that plaintiffs are entitled (sic) to redeem, and ordering the defendant Springsun Management Systems Corporation (now petitioner) to allow plaintiffs to redeem the landholdings in question within 180 days from finality of this decision at the total price of P9,790,612.00; upon full payment of the redemption price, the defendant Springsun Management Systems Corporation is ordered to deliver plaintiffs the titles and the corresponding Deed of Redemption so that the titles to the properties in litigation can be transferred in the name of the plaintiffs;
>
> - Declaring plaintiffs entitled to possession, and ordering the defendant Springsun Management Systems Corporation and all persons claiming under it to vacate the lands in question and to surrender the same to the plaintiffs;
>
> - Dismissing the case against Banco Filipino Savings and Mortgage Bank;
>
> - Ordering the defendant Springsun Management Systems Corporation to pay plaintiffs the sum of P200,000.00 as attorney's fees, plus costs.
>
> SO ORDERED.[1]

On September 23, 2003, the CA, in CA-G.R. SP No. 72475, affirmed with modification the RTC by declaring the respondents to be tenants or agricultural lessees on the disputed lots and, thus, entitled to exercise their right of redemption, but deleted the award of P200,000 attorney's fees for lack of legal basis.

On January 19, 2005, this Court, in G.R. No. 161029, affirmed the CA and reiterated that being agricultural tenants of Victoria Homes, Inc. that had sold the lots to SMSC without notifying them, respondents had the right to redeem the subject properties from SMSC.

This Court denied SMSC's motions for reconsideration and for leave to file a second motion for reconsideration and, on May 4, 2005, an Entry of Judgment was made.

The present G.R. No. 182984:

On December 3, 2003, petitioner Mariano Nocom gave the respondents several Philtrust Bank Manager's Checks amounting to P500,000 each, which the latter encashed, representing the price of their "inchoate and contingent rights" over the subject lots which they sold to him.

On December 18, 2003, respondents, with the marital consent of their wives, executed an "Irrevocable Power of Attorney" which was notarized by their counsel Atty. Arturo S. Santos. Thus,

> IRREVOCABLE POWER OF
> ATTORNEY[2]
>
> KNOW ALL MEN BY THESE PRESENTS:
>
> WE, OSCAR CAMERINO, of legal age, Filipino, married to Teresita L. Magbanua: EFREN CAMERINO, of legal age, Filipino, married to Susana Camerino, CORNELIO MANTILE, of legal age, Filipino, married to Maria Fe Alon, NOLASCO DEL ROSARIO, of legal age, Filipino, married to Mildred Joplo, and DOMINGO ENRIQUEZ, of legal age, Filipino, married to Dionicia Enriquez whose residences are stated under our respective names, hereby APPOINT, NAME, and CONSTITUTE MARIANO NOCOM, of legal age, Filipino, married to Anacoreta Nocom and with office at No. 2315 Aurora Blvd, Pasay City, in an irrevocable manner, coupled with interest, for us and in our stead, to do all or any of the following acts and deeds:

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- To sell, assign, transfer, dispose of, mortgage and alienate the properties described in TCT Nos. 120542, 120541 and 123872 of the Register of Deeds of Muntinlupa City, currently in the name of Springsun Management Systems Corporation, consisting of 292,752 square meters subject matter of Civil Case No. 95-020 of the Regional Trial Court of Muntinlupa City, Branch 256. The said court, in its decision dated January 25, 2002 which was affirmed with modification of the Court of Appeals in its decision dated September 24, 2003 in CA-G.R. SP No. 72475, adjudged that we are legally entitled to redeem the lands from Springsun Management Systems Corporation;

- To comply with the said decision by paying the redemption price to Springsun Management Systems Corporation and/or to the court, and upon such payment, to secure execution of the judgment so that the titles can be issued in the name of our attorney-in-fact;

- To accept and receive for his exclusive benefit all the proceeds which may be derived from the sale, mortgage, transfer or deposition thereof;

- To sign and execute all the necessary papers, deed and documents that may be necessary or the accomplishment of purposes of the Deed of Assignment, and to issue receipts and proper discharges therefor;

- To negotiate, deal and transact with all the persons and entities involved in Civil Case No. 95-020, RTC, Muntinlupa City, Branch 256, with full power and authority to compromise with them;

- To procure all documents and papers in government agencies relative to the said properties and case in court; and

- To procure the necessary transfer certificate of titles in his name as the absolute owner of said properties.

GIVING AND GRANTING full power and authority to our said attorney-in-fact to do all things requisite and necessary with legal effects as if done by us when present.

IN WITNESS WHEREOF, We have hereunto affixed [our] signatures this 18[th] day of December, 2003.

(Sgd.) OSCAR CAMERINO
Principal

(Sgd.) EFREN CAMERINO
Principal

Sparrow St., Diamond Park
Victoria Homes, Tunasan
Muntinlupa City

San Antonio, San Pedro
Laguna

(Sgd.) CORNELIO MANTILE
Principal

(Sgd.) NOLASCO DEL ROSARIO
Principal

Victoria Ave., Tunasan
Muntinlupa City

Esmido St., Diamond Park
Victoria Homes, Muntinlupa City

(Sgd.) DOMINGO ENRIQUEZ
PrincipalTunasan Proper, Arandia
Tunasan, Muntinlupa City

WITH OUR MARITAL CONSENT:

(Sgd.) TERESITA MAGBANUA
Wife of Oscar Camerino

(Sgd.) SUSANA CAMERINO
Wife of Efren Camerino

(Sgd.) MARIA FE ALON ALON
Wife of Cornelio Mantile

(Sgd.) MILDRED JOPLO
Wife of Nolasco del Rosario

(Sgd.) DIONICIA ENRIQUEZ
Wife of Domingo Enriquez

CONFORME:

(Sgd.) MARIANO NOCOM
Attorney-in-Fact

Meanwhile, on July 21, 2005, the respondents, in Civil Case No. 95-020 of the RTC of Muntinlupa City, Branch 256, filed a Motion for Execution with Prayer to Order the Register of Deeds of Muntinlupa City to divest SMSC of title to the subject lots and have the same vested on them. As SMSC refused to accept the redemption amount of P9,790,612 plus P147,059.18 as commission given by the petitioner, the respondents deposited, on August 4, 2005, the amounts of P9,790,612, P73,529.59, and P73,529.59, duly evidenced by official receipts, with the RTC of Muntinlupa City, Branch 256. The RTC of Muntinlupa City, Branch 256 granted respondents' motion for execution and, consequently, TCT Nos. 120542, 120541 and 123872 in the name of SMSC were cancelled and TCT Nos. 15895, 15896 and 15897 were issued in the names of the respondents. It also ordered that the "Irrevocable Power of Attorney," executed on December 18, 2003 by respondents in favor of petitioner, be annotated in the memorandum of encumbrances of TCT Nos. 15895, 15896, and 15897.

On October 24, 2005, respondent Oscar Camerino filed a complaint against petitioner, captioned as "Petition to Revoke Power of Attorney," docketed as Civil Case No. 05-172, in the RTC of Muntinlupa City, Branch 203, seeking to annul the "Irrevocable Power of Attorney" dated December 18, 2003, the turnover of the titles to the properties in his favor, and the payment of attorney's fees and other legal fees.

Respondent Oscar Camerino's complaint alleged that he and co-respondents were asked by their counsel, Atty. Arturo S. Santos, to sign a document with the representation that it was urgently needed in the legal proceedings against SMSC; that the contents of the said document were not explained to him; that in the first week of September 2005, he learned that TCT Nos. 15895, 15896 and 15897 were issued in their favor by the Register of Deeds; that he discovered that the annotation of the "Irrevocable Power of Attorney" on the said titles was pursuant to the Order of the RTC of Muntinlupa City, Branch 256 dated August 31, 2005; that the "Irrevocable Power of Attorney" turned out to be the same document which Atty. Santos required him and the other respondents to sign on December 18, 2003; that despite repeated demands, petitioner refused to surrender the owner's duplicate copies of the said titles; that petitioner had retained ownership over the subject lots; that he had no intention of naming, appointing, or constituting anyone, including petitioner, to sell, assign, dispose, or

encumber the subject parcels of land; and that he executed an Affidavit of Adverse Claim which was annotated on the titles involving the subject lots.

In his Answer with Counterclaim, petitioner countered that on September 3, 2003, Atty. Santos informed him of the desire of his clients, herein respondents, to sell and assign to him their "inchoate and contingent rights and interests" over the subject lots because they were in dire need of money and could no longer wait until the termination of the proceedings as SMSC would probably appeal the CA's Decision to this Court; that they did not have the amount of P9,790,612 needed to redeem the subject lots; that on December 18, 2003, he decided to buy the contingent rights of the respondents and paid each of them P500,000 or a total of P2,500,000 as evidenced by Philtrust Bank Manager's Check Nos. MV 0002060 (for respondent Oscar Camerino), MV 0002061 (for respondent Efren Camerino), MV 0002062 (for respondent Cornelio Mantile), MV 0002063 (for Nolasco Del Rosario), and MV 0002064 (for Domingo Enriquez) which they personally encashed on December 19, 2003; that on August 4, 2005, he also paid the amount of P147,059.18 as commission; that simultaneous with the aforesaid payment, respondents and their spouses voluntarily signed the "Irrevocable Power of Attorney" dated December 18, 2003; that being coupled with interest, the "Irrevocable Power of Attorney" cannot be revoked or cancelled at will by any of the parties; and that having received just and reasonable compensation for their contingent rights, respondents had no cause of action or legal right over the subject lots. Petitioner prayed for the dismissal of the complaint and the payment of P1,000,000 moral damages, P500,000 exemplary damages, and P500,000 attorney's fees plus costs.

On January 17, 2006, petitioner filed a Motion for Preliminary Hearing on his special and/or affirmative defense that respondent Oscar Camerino had no cause of action or legal right over the subject lots because the latter and his wife received the proceeds of the Philtrust Bank Manager's check in the sum of P500,000 which they personally encashed on December 19, 2003 and that being coupled with interest, the "Irrevocable Power of Attorney" cannot be revoked or cancelled at will by any of the parties.

On January 26, 2006, respondents Efren Camerino, Cornelio Mantile and Mildred Del Rosario, in her capacity as legal heir and representative of Nolasco Del Rosario, filed a Motion for Leave of Court to Admit the Complaint-in-Intervention with the attached Complaint-in-Intervention, dated January 26, 2006, seeking the nullification of the "Irrevocable Power of Attorney" for being contrary to law and public policy and the annotation of the "Irrevocable Power of Attorney" on the titles of the subject lots with prayer that petitioner be ordered to deliver to them the copies of the owner's duplicate certificate of TCT Nos. 15895, 15896, and 15897. Their Complaint-in-Intervention alleged that they had a legal interest in the subject matter of the controversy and would either be directly injured or benefited by the judgment in Civil Case No. 05-172; that they were co-signatories or co-grantors of respondent Oscar Camerino in the "Irrevocable Power of Attorney" they executed in favor of the petitioner; that their consent was vitiated by fraud, misrepresentation, machination, mistake and undue influence perpetrated by their own counsel, Atty. Santos, and petitioner; that sometime in December 2003, Atty. Santos called for a meeting which was attended by petitioner and one Judge Alberto Lerma where petitioner gave them checks in the amount of P500,000 each as "Christmas gifts"; and that the "Irrevocable Power of Attorney" was void ab initio as the same was contrary to law and public policy and for being a champertous contract.

On January 30, 2006, respondent Oscar Camerino filed a Motion for Summary Judgment alleging that since the existence of the "Irrevocable Power of Attorney" was admitted by petitioner, the only issue to be resolved was whether the said document was coupled with interest and whether it was revocable in contemplation of law and jurisprudence; that Summary Judgment was proper because petitioner did not raise any issue relevant to the contents of the "Irrevocable Power of Attorney"; and that in an Affidavit dated January 23, 2005, he admitted receipt of a check amounting to P500,000.00 which was given to him by petitioner as financial assistance.

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On February 3, 2006, petitioner opposed respondent Oscar Camerino's motion on the ground that there were factual issues that required the presentation of evidence.

On February 14, 2006, petitioner filed a Motion to Dismiss the complaint on the ground that the petition for the cancellation of the "Irrevocable Power of Attorney" was actually an action to recover the titles and ownership over the properties; that since respondent Oscar Camerino alleged in paragraph 29 of his Motion for Summary Judgment that the assessed value of the subject lots amounted to P600,000,000, the case partook of the nature of a real action and, thus, the docket fees of P3,929 was insufficient; and that due to insufficient docket fee, his complaint should be dismissed as the RTC was not vested with jurisdiction over the subject matter of the complaint.

On February 22, 2006, respondent Oscar Camerino opposed petitioner's motion for preliminary hearing of special and/or affirmative defenses alleging that it was dilatory and that he had a cause of action.

On March 9, 2006, respondent Oscar Camerino filed his Reply to petitioner's Opposition to the Motion for Summary Judgment claiming that the determinative issue of whether or not the amount of P500,000 given to him by petitioner rendered the power of attorney irrevocable can be determined from the allegations in the pleadings and affidavits on record without the need of introduction of evidence.

On May 5, 2006, respondent Oscar Camerino filed an Opposition to petitioner's Motion to Dismiss stating that the instant case was a personal action for the revocation of the "Irrevocable Power of Attorney" and not for the recovery of real property and, thus, the correct docket fees were paid.

On June 9, 2006, the RTC of Muntinlupa City, Branch 203 admitted the Complaint-in-Intervention because the movants-intervenors ([herein respondents] Efren Camerino, Cornelio Mantile, and Mildred Del Rosario as legal heir of Nolasco Del Rosario) "have legal interest in the subject properties in litigation and in the success of the petitioner [herein respondent Oscar Camerino], who was precisely their co-plaintiff in Civil Case No. 95-020, entitled `Oscar Camerino, et al. v. Springsun Management Systems Corporation et al.,' where they are the prevailing parties against the defendant therein [SMSC], with respect to the same properties, subject of this case, in a decision rendered by Branch 256 of this Court." The RTC, Branch 203, also granted the Motion for Summary Judgment because "a meticulous scrutiny of the material facts admitted in the pleadings of the parties reveals that there is really no genuine issue of fact presented therein that needs to be tried to enable the court to arrive at a judicious resolution of a matter of law if the issues presented by the pleadings are not genuine issues as to any material fact but are patently unsubstantial issues that do not require a hearing on the merits." Thus,

> The instant Motion to Dismiss by the respondent is therefore DENIED, PROVIDED, the petitioner should pay the balance of the docket fees remaining unpaid, if any, pursuant to Rule 141, Section 7 of the Rules of Court, as amended by A.M. No. 04-2-04-SC within the applicable prescriptive or reglementary period.
>
> The "Motion for Intervention" timely filed by intervenors Efren Camerino, Cornelio Mantile and Mildred Del Rosario, in her capacity as legal heir of Nolasco Del Rosario, as opposed by the respondent, is hereby GRANTED.
>
> x x x
>
> Petitioner's Motion for Summary Judgment is therefore GRANTED.
>
> Consequently, respondent's Motion for Preliminary Hearing on his Special and Affirmative Defenses is deemed moot and academic.
>
> SO ORDERED.[3]

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On June 15, 2006, the RTC of Muntinlupa City, Branch 203 rendered a Summary Judgment annulling the "Irrevocable Power of Attorney" for being contrary to law and public policy. The pertinent portions of the trial court's decision state that:

> Irrespective of whether the Power of Attorney in question is coupled with interest, or not, the same can be revoked or annulled, firstly, because it is contrary to law and secondly it is against public policy.
>
> As aptly pointed out by the intervenors, the assailed Special Power of Attorney which under its ultimate paragraph among others, authorizes the respondent (Nocom) `to procure the necessary Transfer Certificate of Title in his name, as the absolute owner of the said properties is a disguised conveyance or assignment of the signatories' statutory rights of redemption and therefore prohibited under the provisions of Republic Act No. 3844, Sec. 62 which provides:
>
> Sec. 62. Limitation on Land Rights.
>
> Except in case of heredity succession by one heir, landholdings acquired under this Code may not be resold, mortgaged, encumbered, or transferred until after the lapse of ten years from the date of full payment and acquisition and after such ten year period, any transfer, sale or disposition may be made only in favor of persons qualified to acquire economic family-size farm units in accordance with the provisions of this Code xxx. (underlining supplied)
>
> The assailed "power of attorney" which was executed on December 18, 2003 is void ab initio for being contrary to the express prohibition or spirit of the aforesaid law or the declared state and public policy on the qualification of the beneficiaries of the agrarian reform program. It bears stressing that the redemption price of the subject lots was paid only on August 4, 2005 or 1 year, 8 months and 14 days after the execution of the assailed power of attorney.
>
> If pursuant to the spirit of the Agrarian Reform Law, the tenant cannot even sell or dispose of his landholding within ten (10) years after he already acquired the same or even thereafter to persons not qualified to acquire economic size farm units in accordance with the provisions of the Agrarian Reform Code, with more reason should the tenant not be allowed to alienate or sell his landholding before he actually acquires the same.
>
> The right of redemption of the petitioner and his co-plaintiffs in Civil Case No. 95-020 as upheld by the Court of Appeals and the Supreme Court is founded on a piece of social legislation known as Agrarian Reform Code.
>
> Enunciated in the case of Association of Small Landowners in the Philippines, et al., vs. Hon. Secretary of Agrarian Reform (G.R. No. 78742, July 14, 1989) is the policy of the State on agrarian reform legislation. Said State policy emphasizes the "Land for the Landless" slogan that underscores the acute imbalance in the distribution of land among the people.
>
> Furthermore, the assailed Special Power of Attorney is a champertous contract and therefore void for being against public policy. The pleadings of the parties show that the same special power of attorney was executed by the petitioner, et al. through the intercession of Atty. Arturo Santos and at the behest of the respondent. In his own answer to the instant petition which he is estopped to deny, the respondent alleges that the actual agreement was for the respondent to pay the expenses of the proceedings to enforce the rights of the petitioner and his co-plaintiffs in Civil Case No. 95-020 without any provision for reimbursement. In other words, the respondents, through the intercession of Atty. Santos, petitioner's attorney, had agreed to carry on with the action for the petitioner et al. at his own expense in consideration of procuring for himself the title to the lots in question as the absolute owner thereof, with the respondent paying the redemption price of said lots, as well as separate amounts of Five Hundred Thousand (P500,000.00) to each of the five (5) co-plaintiffs in Civil Case No. 95-020, including herein petitioner, or a total sum of Two Million Five Hundred Thousand Pesos (P2,500,000.00).
>
> Under the premises, the aforesaid contract brokered by Atty. Arturo Santos has all really the earmarks of a

> champertous contract which is against public policy as it violates the fiduciary relations between the lawyer and his client, whose weakness or disadvantage is being exploited by the former. In other words, the situation created under the given premises is a clear circumvention of the prohibition against the execution of champertous contracts between a lawyer and a client.
> A champertous contract is defined as a contract between a stranger and a party to a lawsuit, whereby the stranger pursues the party's claim in consideration of receiving part or any of the proceeds recovered under the judgment; a bargain by a stranger with a party to a suit, by which such third person undertakes to carry on the litigation at his own cost and risk, in consideration of receiving, if successful, a part of the proceeds or subject sought to be recovered. (Blacks Dictionary; Schnabel v. Taft Broadcasting Co., Inc. Mo. App. 525 S.W. 2d 819, 823). An Agreement whereby the attorney agrees to pay expenses of proceedings to enforce the client's rights is champertous. [JBP Holding Corporation v. U.S. 166 F. Supp. 324 (1958)]. Such agreements are against public policy especially where as in this case, the attorney has agreed to carry on the action at its own expense in consideration of some bargain to have part of the thing in dispute. [See Sampliner v. Motion Pictures Patents Co., et al., 225 F. 242 (1918). The execution of these contracts violates the fiduciary relationship between the lawyer and his client, for which the former must incur administrative sanction.

The intention of the law in prohibiting this kind of contract is to prevent a lawyer from acquiring an interest in the subject of the litigation and to avoid a conflict of interest between him and his client.

In the instant case, it seems that Atty. Santos and the respondent colluded and conspired to circumvent these prohibitions. Considering therefore that Atty. Santos, then petitioner's counsel, brokered the alleged deal between petitioners et al. and the respondent with respect to the lands subject of litigation in Civil Case No. 95-020, the deal contracted is illegal for being a champertous agreement and therefore it cannot be enforced.

Be that as it may, granting the agency established in the assailed Power of Attorney is coupled with interest, the petitioner and his co-plaintiffs in Civil Case No. 95-020, who are the present intervenors, are not revoking the Power of Attorney at will but have precisely gone to court and filed the instant petition for its cancellation or revocation. What is prohibited by law and jurisprudence is the arbitrary and whimsical revocation of a power of attorney or agency coupled with interest, at will by a party, without court declaration.

WHEREFORE, judgment is hereby rendered as follows:

(1) Nullifying the "Irrevocable Power of Attorney" in question dated December 18, 2003, signed by the petitioner [herein respondent Oscar Camerino] and his co-plaintiffs [herein respondents who were the movant-intervenors] in Civil Case No. 95-020 in favor of the respondent [herein petitioner];

(2) Ordering the respondent to turnover the Certificates of Title Nos. 15895, 15896 and 15897 covering the lots, the subject of this case, to the petitioner and the intervenors;

(3) Ordering the respondent to pay the petitioner attorney's fees and all other legal fees incurred by the latter in connection with this case;

(4) Ordering the petitioner and the intervenors to return to the respondent the amount of P7,790,612 paid by the latter as redemption price of the lots in question plus commission of P147,049.18; and

(5) Ordering the petitioner Oscar Camerino and the intervenors Efren Camerino, Cornelio Mantile, Nolasco Del Rosario or his heirs and Domingo Enriquez, who are petitioner's co-plaintiffs in Civil Case No. 95-020, to return to the respondent the total amount of P2,500,000.00 or P500,000.00 from each of them paid by the respondent to them under Philtrust Bank Check Nos. MV 0002060, MV 0002061, MV 0002062, MV 0002063, and MV 0002064 which checks were encashed by them with the drawee bank.

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SO ORDERED.[4]

On July 3, 2006 petitioner filed an Omnibus Motion for Reconsideration seeking to set aside the trial court's Joint Order dated June 9, 2005 and Summary Judgment dated June 15, 2006 which was opposed by the respondents.

On July 4, 2006, respondents filed a Motion for Execution Pending Final Decision/Appeal which was opposed by petitioner.

On August 14, 2006, the trial court issued an order denying petitioner's Omnibus Motion for Reconsideration. Within the reglementary period, petitioner filed a Notice of Appeal and paid the corresponding appeal docket fees.

On February 14, 2008, the CA affirmed the trial court's Joint Order dated June 9, 2006 and Summary Judgment dated June 15, 2006 and dismissed the petitioner's appeal for lack of jurisdiction. The CA ruled that as the RTC rendered the assailed Summary Judgment based on the pleadings and documents on record, without any trial or reception of evidence, the same did not involve factual matters. The CA found the issues raised by the petitioner in his appeal to be questions of law, to wit: (a) whether Summary Judgment was proper under the admitted facts and circumstances obtaining in the present case; (b) whether undue haste attended the rendition of the Summary Judgment; (c) whether the Summary Judgment was valid for failure of the RTC to implead an indispensable party; (d) whether the RTC erred in allowing the intervention of respondents Efren Camerino, Cornelio Mantile, and Mildred Del Rosario; and (e) whether the RTC erred in taking cognizance of the case despite nonpayment of the required docket fees. The CA concluded that since the issues involved questions of law, the proper mode of appeal should have been through a petition for review on certiorari under Rule 45 of the Rules of Court directly to this Court and not through an ordinary appeal under Rule 41 thereof and, thus, petitioner's appeal to the CA should be dismissed outright pursuant to this Court's Circular No. 2-90, dated March 9, 1990, mandating the dismissal of appeals involving pure questions of law erroneously brought to the CA.

In its Resolution of May 23, 2008, the CA denied petitioner's Motion for Reconsideration dated February 26, 2008.

Hence, this present petition.

Petitioner raises the following issues:

> I
>
> WHETHER OR NOT THE HONORABLE COURT OF APPEALS COMMITTED AN ERROR IN DISMISSING PETITIONER'S APPEAL.
>
> II
>
> WHETHER OR NOT THE COURT OF APPEALS ERRED IN UPHOLDING THE SUMMARY JUDGMENT OF THE TRIAL COURT DESPITE THE GENUINE ISSUE OF FACT RAISED IN PETITIONER'S ANSWER.
>
> III
>
> WHETHER OR NOT THE COURT OF APPEALS IS CORRECT IN NOT VOIDING THE ASSAILED SUMMARY JUDGMENT FOR FAILURE OF RESPONDENTS TO IMPLEAD AN INDISPENSABLE PARTY.
>
> IV
>
> WHETHER OR NOT THE COURT OF APPEALS ERRED IN NOT DISMISSING CIVIL CASE NO. 05-172 FOR NON-PAYMENT OF THE CORRECT DOCKET FEES.

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Petitioner contends that the CA erred in dismissing his appeal as the case involves questions of fact; that summary judgment was not proper as there were genuine issues of fact raised in his Answer; that respondents failed to implead their lawyer, Atty. Arturo S. Santos, as an indispensable party-defendant, who, according to them, allegedly connived with him in making them sign the "Irrevocable Power of Attorney" in his favor; and that since the case partakes of the nature of an action to recover ownership and titles to the properties, respondents' complaint should be dismissed for failure to pay the correct docket fees.

Respondent Oscar Camerino argues that the sole issue to be resolved pertains to the legal issue of whether the Special Power of Attorney (SPA) denominated as irrevocable may be revoked; that three material facts have been established, i.e., that the SPA was executed, that Atty. Santos facilitated the signing and execution of the SPA, and that petitioner paid P500,000 to each of the respondents in consideration for the signing of the SPA and, thus, summary judgment was proper; and that pure questions of law are not proper in an ordinary appeal under Rule 41 of the Rules.

Respondents Efren Camerino, Cornelio Mantile, and Mildred Del Rosario, in her capacity as legal heir of Nolasco Del Rosario, aver that petitioner's petition is insufficient in form, i.e., due to defective verification as the word "personal" was not stated when referring to "personal knowledge," and in substance, i.e., there is no genuine issue to be resolved as the factual allegations of the petitioner are unsubstantial and that Atty. Santos is not an indispensable party to the case.

The petition has merit.

In dismissing petitioner's appeal, the CA erroneously relied on the rationale that the petitioner's appeal raised questions of law and, therefore, it had no recourse but to dismiss the same for lack of jurisdiction. The summary judgment rendered by the trial court has the effect of an adjudication on the merits and, thus, the petitioner, being the aggrieved party, correctly appealed the adverse decision of the RTC to the CA by filing a notice of appeal coupled with the appellant's brief under Rule 41 of the Rules.

Contrary to the findings of the RTC and the CA, the present case involves certain factual issues which remove it from the coverage of a summary judgment.

Under Section 1, Rule 35 of the Rules of Court, a party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory relief may, at any time after the pleading in answer thereto has been served, move with supporting affidavits, depositions or admissions for a summary judgment in his favor upon all or any part thereof.

Summary judgment is a procedural device resorted to in order to avoid long drawn out litigations and useless delays. When the pleadings on file show that there are no genuine issues of fact to be tried, the Rules allow a party to obtain immediate relief by way of summary judgment, that is, when the facts are not in dispute, the court is allowed to decide the case summarily by applying the law to the material facts. Conversely, where the pleadings tender a genuine issue, summary judgment is not proper. A "genuine issue" is such issue of fact which requires the presentation of evidence as distinguished from a sham, fictitious, contrived or false claim. Section 3 of the said rule provides two (2) requisites for summary judgment to be proper: (1) there must be no genuine issue as to any material fact, except for the amount of damages; and (2) the party presenting the motion for summary judgment must be entitled to a judgment as a matter of law.[5] A summary judgment is permitted only if there is no genuine issue as to any material fact and a moving party is entitled to a judgment as a matter of law. A summary judgment is proper if, while the pleadings on their face appear to raise issues, the affidavits, depositions, and admissions presented by the moving party show that such issues are not genuine.[6]

The present case should not be decided via a summary judgment. Summary judgment is not warranted when there are genuine issues which call for a full blown trial. The party who moves for summary judgment has the burden of demonstrating clearly the absence of any genuine issue of fact, or that the issue posed in the complaint is patently unsubstantial so as not to constitute a genuine issue for trial. Trial courts have limited authority to render summary judgments and may do so only when there is clearly no genuine issue as to any material fact. When the facts as pleaded by the parties are disputed or contested, proceedings for summary judgment cannot take the place of trial.[7]

Summary judgment is generally based on the facts proven summarily by affidavits, depositions, pleadings, or admissions of the parties. In this present case, while both parties acknowledge or admit the existence of the "Irrevocable Power of Attorney," the variance in the allegations in the pleadings of the petitioner vis-à-vis that of the respondents require the presentation of evidence on the issue of the validity of the "Irrevocable Power of Attorney" to determine whether its execution was attended by the vices of consent and whether the respondents and their spouses did not freely and voluntarily execute the same. In his Answer with Counterclaim, petitioner denied the material allegations of respondent Oscar Camerino's complaint for being false and baseless as respondents were informed that the document they signed was the "Irrevocable Power of Attorney" in his favor and that they had received the full consideration of the transaction and, thus, had no legal right over the three parcels of land. Indeed, the presentation of evidence is necessary to determine the validity and legality of the "Irrevocable Power of Attorney," dated December 18, 2003, executed by the respondents in favor of the petitioner. From said main factual issue, other relevant issues spring therefrom, to wit: whether the said "Irrevocable Power of Attorney" was coupled with interest; whether it had been obtained through fraud, deceit, and misrepresentation or other vices of consent; whether the five (5) Philtrust Bank Manager's checks given by petitioner to the respondents amounting to P500,000 each were in consideration of the "inchoate and contingent rights" of the respondents in favor of the petitioner; whether Atty. Santos connived with petitioner in causing the preparation of the said document and, therefore, should be impleaded as party-defendant together with the petitioner; whether respondents deposited the amount of P9,790,612.00 plus P147,059.18 with the RTC of Muntinlupa City, Branch 256; and whether the sale of respondents' inchoate and contingent rights amounted to a champertous contract.

The incongruence and disparity in the material allegations of both parties have been evident. Respondent Oscar Camerino alleged in his complaint that he and his co-respondents were required by their counsel, Atty. Santos, to sign a document on the representation that it was urgently needed in the legal proceedings against SMSC which turned out to be the "Irrevocable Power of Attorney"; but petitioner disproved the vitiated consent on the part of the respondents as they knew fully well that the document they signed, voluntarily and intelligently, on December 18, 2003, was the said "Irrevocable Power of Attorney." Respondent Oscar Camerino alleged in his complaint that he has no intention of naming, appointing or constituting anyone, including the petitioner, to sell, assign, dispose or encumber the lots in question; but petitioner maintained that respondent Oscar Camerino agreed to sell and assign to him his "inchoate and contingent rights and interests" over the subject lot for and in consideration of the sum of P500,000, plus the redemption price of P9,790,612. Respondents claimed that the amount they received was grossly disproportionate to the value of the subject land; but petitioner countered that the respondents did not have the amount of P9,790,612 needed to redeem the subject lots, so he decided to buy their contingent rights and paid each of them P500,000 or a total of P2,500,000 as evidenced by five (5) Philtrust Bank Manager's Check which they personally encashed on December 19, 2003, that he also paid the amount of P147,059.18 as commission on August 4, 2005, that simultaneous with the aforesaid payment, respondents and their spouses voluntarily signed the "Irrevocable Power of Attorney" dated December 18, 2003, and that being coupled with interest, the "Irrevocable Power of Attorney" cannot be revoked at will by any of the parties.

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Respondents maintain that they were deceived into executing the "Irrevocable Power of Attorney" in favor of the petitioner which was done through the maneuverings of their own lawyer, Atty. Santos, who, according to them, had connived with petitioner in order to effect the fraudulent transaction. In this regard, respondents should have impleaded Atty. Santos as an indispensable party-defendant early on when the case was still with the RTC, but they failed to do so. However, their procedural lapse did not constitute a sufficient ground for the dismissal of Civil Case No. 05-172.

In Domingo v. Scheer,[8] the Court explained that the non-joinder of an indispensable party is not a ground for the dismissal of an action. Section 7, Rule 3 of the Rules, as amended, requires indispensable parties to be joined as plaintiffs or defendants. The joinder of indispensable parties is mandatory. Without the presence of indispensable parties to the suit, the judgment of the court cannot attain real finality. Strangers to a case are not bound by the judgment rendered by the court. The absence of an indispensable party renders all subsequent actions of the court null and void. There is lack of authority to act not only of the absent party but also as to those present. The responsibility of impleading all the indispensable parties rests on the petitioner or plaintiff. However, the non-joinder of indispensable parties is not a ground for the dismissal of an action. Parties may be added by order of the court on motion of the party or on its own initiative at any stage of the action and/or such times as are just. If the petitioner or plaintiff refuses to implead an indispensable party despite the order of the court, the latter may dismiss the complaint or petition for the petitioner or plaintiff's failure to comply therefor. The remedy is to implead the non-party claimed to be indispensable. In the present case, the RTC and the CA did not require the respondents to implead Atty. Santos as party-defendant or respondent in the case. The operative act that would lead to the dismissal of Civil Case No. 05-172 would be the refusal of respondents to comply with the directive of the court for the joinder of an indispensable party to the case.

In his petition, petitioner prays for the reversal of the Decision dated February 14, 2008 of the CA which affirmed the Joint Order dated June 9, 2005 and Summary Judgment dated June 15, 2006 of the RTC of Muntinlupa City, Branch 203 and dismissed petitioner's appeal under Rule 41 of the Rules for lack of jurisdiction and its Resolution dated May 23, 2008 which denied petitioner's motion for reconsideration; the annulment of the RTC's Summary Judgment rendered on June 15, 2006; and the dismissal of Civil Case No. 05-172 filed with the RTC on the ground that respondents failed to pay the correct docket fees as the action actually sought the recovery of ownership over the subject properties.

The record shows that Civil Case No. 05-172 is a complaint filed by respondent Oscar Camerino against petitioner, denominated as "Petition to Revoke Power of Attorney," that seeks to nullify the "Irrevocable Power of Attorney" coupled with interest dated December 18, 2003; that petitioner be ordered to turn over TCT No. 15898, 15896, and 15897 to him; and that petitioner be ordered to pay the attorney's fees and other legal fees as a consequence of the suit. This case is therefore not an action to recover the titles and ownership over the subject properties. For now, the nature of the suit remains that of personal action and not a real action in contemplation of Rule 4 of the Rules. Hence, the docket fees paid by the respondents were in order. Should the complaint be amended to seek recovery of ownership of the land, then the proper docket fees should be paid and collected.

While the RTC erred in rendering the summary judgment, Civil Case No. 05-172 should not perforce be dismissed. Instead, this present case should be remanded to the RTC for further proceedings and proper disposition according to the rudiments of a regular trial on the merits and not through an abbreviated termination of the case by summary judgment.

WHEREFORE, the petition is PARTLY GRANTED. The Decision of the Court of Appeals dated February 14, 2008 which affirmed the Joint Order dated June 9, 2005 and Summary Judgment dated June 15, 2006 of the Regional Trial Court of Muntinlupa City, Branch 203 and dismissed petitioner's appeal under Rule 41 of the

Rules of Court on the ground of lack of jurisdiction and the Resolution of the Court of Appeals dated May 23, 2008 which denied petitioner's motion for reconsideration in CA-G.R. CV No. 87656 are REVERSED and SET ASIDE. The case is REMANDED to the Regional Trial Court of Muntinlupa City, Branch 203, for further proceedings in accordance with this Decision.

No costs.

SO ORDERED.

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

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[1] Rollo, pp. 49-50.

[2] Rollo, pp. 154-155.

[3] Rollo, pp. 188, 190.

[4] Rollo, pp. 500-503.

[5] Solidbank Corporation v. CA, G.R. No. 120010, October 3, 2002, 390 SCRA 241.

[6] Ong v. Roban Lending Corporation, G.R. No. 172592, July 9, 2008.

[7] Tan v. De la Vega, G.R. No. 168809, March 10, 2006, 484 SCRA 538.

[8] G.R. No. 154745, January 29, 2004, 421 SCRA 468.

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