

**RIVELISA REALTY, INC., REPRESENTED BY RICARDO P. VENTURINA,
PETITIONER, VS. FIRST STA. CLARA BUILDERS CORPORATION,
REPRESENTED BY RAMON A. PANGILINAN, AS PRESIDENT,
RESPONDENT.**

G.R. No. 189618. January 15, 2014

Ponente: PERLAS-BERNABE, J.

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PERLAS-BERNABE, J.:

Assailed in this petition for review on certiorari[1] are the Decision[2] dated February 27, 2009, and the Resolutions[3] dated May 22, 2009 and September 8, 2009 of the Court of Appeals (CA) in CA-G.R. CV No. 67198 which reversed and set aside the Decision[4] dated March 30, 2000 of the Regional Trial Court of Cabanatuan City, Branch 86 (RTC), holding that: (a) the 15-day reglementary period to file a motion for reconsideration is non-extendible; and (b) the Joint Venture Agreement (JVA) entered into by petitioner Rivelisa Realty, Inc. (Rivelisa Realty) and respondent First Sta. Clara Builders Corporation (First Sta. Clara) had been terminated through mutual assent.

The Facts

On January 25, 1995, Rivelisa Realty entered into a JVA[5] with First Sta. Clara for the construction and development of a residential subdivision located in Cabanatuan City (project). According to its terms, First Sta. Clara was to assume the horizontal development works in the remaining 69% undeveloped portion of the project owned by Rivelisa Realty, and complete the same within twelve (12) months from signing. Upon its completion, 60% of the total subdivided lots shall be transferred in the name of First Sta. Clara. Also, since 31% of the project had been previously developed by Rivelisa Realty which was assessed to have an aggregate worth of P10,000,000.00, it was agreed that First Sta. Clara should initially use its own resources (in the same aggregate amount of P10,000,000.00) before it can start claiming additional funds from the pre-sale of the 31% developed lots. 40% of the cost of additional works not originally part of the JVA was to be shouldered by Rivelisa Realty, while 60% by First Sta. Clara.[6]

During the course of the project, First Sta. Clara hired a subcontractor to perform the horizontal development work as well as the additional works on the riprap and the elevation of the road embankment. Since First Sta. Clara ran out of funds after only two (2) months of construction, Rivelisa Realty was forced to shoulder part of the payment due to the subcontractor.[7] First Sta. Clara manifested its intention to back out from the JVA and to discontinue operations when Rivelisa Realty refused to advance any more funds until 60% of the project had been accomplished. In a letter dated August 24, 1995, Rivelisa Realty readily agreed to release First Sta. Clara from the JVA and estimated its actual accomplishment at P4,000,000.00, which included the payment to the subcontractor in the amount of P1,258,892.72 and the cash advances amounting to P319,259.68.[8] First Sta. Clara, however, insisted on a valuation of its accomplished works at P4,578,142.10, which, less the cash advances and subcontractor's fees, should leave a net reimbursable amount of P3,000,000.00 in its favor. After several

exchanges, Rivelisa Realty agreed to reimburse First Sta. Clara the amount of P3,000,000.00, emphasizing in its letter dated October 9, 1995 that the amount is actually over and beyond its obligation under the JVA.[9] However, the reimbursable amount of P3,000,000.00 remained unpaid despite several demands. Hence, First Sta. Clara filed a complaint[10] for rescission of the JVA against Rivelisa Realty before the RTC, claiming the payment of damages for breach of contract and delay in the performance of an obligation.

For its part, Rivelisa Realty asserted that it was not obligated to pay First Sta. Clara any amount at all since the latter had even failed to comply with its obligation to initially spend the equivalent amount of P10,000,000.00 on the project before being entitled to cash payments.[11]

The RTC Ruling

In a Decision[12] dated March 30, 2000, the RTC dismissed the complaint and ordered First Sta. Clara to instead pay Rivelisa Realty on its counterclaims for actual expenses and damages amounting to P300,000.00, and for attorney's fees of P50,000.00, including costs of suit.[13] It found that First Sta. Clara had agreed to first accomplish several conditions before it could demand from Rivelisa Realty the performance of the latter's obligations under the JVA, namely: (a) to finish the development and construction of the remaining 69% of horizontal work in the project within a period of twelve (12) months from signing; (b) to spend an initial amount of P10,000,000.00 of its own resources for the project; and (c) to accomplish at least 60% of the horizontal work in the remaining undeveloped area.[14] As First Sta. Clara stopped working on the project halfway into the construction period due to its own lack of funds, the RTC concluded that it was actually the party that first violated the JVA.[15] Dissatisfied, First Sta. Clara elevated the matter on appeal.

The CA Ruling

In a Decision[16] dated February 27, 2009 (CA Decision), the CA found Rivelisa Realty still liable for First Sta. Clara's actual accomplishments in the project amounting to P3,000,000.00, after deducting certain costs it advanced during the construction period. It held that First Sta. Clara was no longer obligated to comply with the terms and conditions of the JVA after Rivelisa Realty agreed that it be dissolved. First Sta. Clara was, however, entitled to reimbursement because Rivelisa Realty agreed to reimburse the former for the value of the work done on the project.[17]

On March 3, 2009, Rivelisa Realty received a copy of the CA Decision[18] and, on March 18, 2009, moved for a fifteen (15) day extension – from March 18, 2009 to April 2, 2009 – within which to file its motion for reconsideration (i.e., Motion for Extension of Time to File a Motion for Reconsideration).[19] Thereafter, Rivelisa Realty filed its Motion for Reconsideration[20] by registered mail on April 2, 2009.

In a Resolution[21] dated May 22, 2009, the CA denied Rivelisa Realty's motion for extension as the 15-day period for filing a motion for reconsideration cannot be extended, and merely noted without action the subsequently filed motion for reconsideration. In a Resolution[22] dated September 8, 2009, the CA eventually denied Rivelisa Realty's motion for reconsideration on the ground that the same was filed out of time, hence, the instant petition.

The Issues Before the Court

The essential issues in this case are whether or not the CA erred in finding that: (a) the 15-day reglementary period for the filing of a motion for reconsideration cannot be extended; and (b) First Sta. Clara is entitled to be compensated for the development works it had accomplished on the project.

The Court's Ruling

The petition is bereft of merit.

The CA Decision subject of the instant petition for review had already attained finality in view of Rivelisa Realty's failure to file a motion for reconsideration within the 15-day reglementary period allowed under the CA's internal rules,[23] to wit:

RULE 12
PROCESS OF ADJUDICATION

x x x x

Section 16. Entry of Judgments and Final Resolutions. — If no appeal or motion for new trial or reconsiderations is filed within the time provided in the Rules of Court, the judgment or final resolution shall forthwith be entered by the Division Clerk of Court in the book of entries of judgments. The date when the judgment or final resolution becomes executory shall be deemed as the date of its entry. The record shall contain dispositive part of the judgment or final resolution and shall be signed by the clerk, with a certificate that such judgments or final resolution has become final and executory. (SEC. 10, Rule 51, RCP)

RULE 13
MOTIONS FOR RECONSIDERATION

x x x x

Section 2. Time for Filing. — The motion for reconsideration shall be filed within the period for taking an appeal from the decision or resolution, and a copy thereof shall be served on the adverse party. The period for filing a motion for reconsideration is non-extendible.

x x x x

RULE 4
PROCEDURE IN ORDINARY APPEALS IN CIVIL CASES

x x x x

Section 3. Period of Ordinary Appeal. — The appeal shall be taken within fifteen (15) days from notice of the judgment or final order appealed from. Where a record on appeal is required, the appellant shall file a notice of appeal and a record on appeal within thirty (30) days from notice of the judgment or final order. (Sec. 3, Rule 41, RCP)

(Emphases supplied)

x x x x

While a motion for additional time is expressly permitted in the filing of a petition for review before the Court under Section 2, Rule 45 of the Rules of Court,[24] a similar motion seeking to extend the period for filing a motion for reconsideration is prohibited in all other courts. This rule was first laid down in the case of *Habaluyas Enterprises v. Japzon*[25] wherein it was held that:[26]

Beginning one month after the promulgation of this Resolution, the rule shall be strictly enforced that no motion for extension of time to file a motion for new trial or reconsideration may be filed with the Metropolitan or Municipal Trial Courts, the Regional Trial Courts, and the Intermediate Appellate Court. Such a motion may be filed only in cases pending with the Supreme Court as the court of last resort, which may in its sound discretion either grant or deny the extension requested. (Emphases and underscoring supplied)

Restating the rule in *Rollique v. CA*[27] (*Rollique*), the Court emphasized that the 15-day period for filing a

motion for new trial or reconsideration is non-extendible. Hence, the filing of a motion for extension of time to file a motion for reconsideration did not toll the 15-day period before a judgment becomes final and executory.[28]

In this case, Rivelisa Realty only had until March 18, 2009[29] within which to file either a motion for reconsideration before the CA or a petition for review of the CA Decision to the Court. But it committed the fatal error of filing instead a Motion for Extension of Time to File a Motion for Reconsideration before the CA which – as expressed in *Rollique* – did not toll the running of the period for the finality of the latter’s decision. Verily, a party who fails to question an adverse decision by not filing the proper remedy within the period prescribed by law loses the right to do so as the decision, as to him, becomes final and binding.[30] Since the CA Decision had already become final and executory due to the lapse of the reglementary period, not only did the CA properly deny Rivelisa Realty’s belatedly-filed motion for reconsideration but also the remedy of review before the Court had already been lost. The Court has repeatedly held that the failure to perfect an appeal in the manner and within the period fixed by law renders the decision sought to be appealed final, with the result that no court can exercise appellate jurisdiction to review the decision.[31] Considering that the CA Decision had long become final and unalterable by the time Rivelisa Realty elevated the same,[32] the Court must hereby deny the instant petition.

Even discounting the above-discussed procedural aspects, the Court is still wont to deny the instant petition on substantive grounds.

The Court concurs with the CA that First Sta. Clara is entitled to be compensated for the development works it had accomplished on the project based on the principle of quantum meruit. Case law instructs that under this principle, a contractor is allowed to recover the reasonable value of the thing or services rendered despite the lack of a written contract, in order to avoid unjust enrichment.[33] Quantum meruit means that, in an action for work and labor, payment shall be made in such amount as the plaintiff reasonably deserves.[34] The measure of recovery should relate to the reasonable value of the services performed[35] because the principle aims to prevent undue enrichment based on the equitable postulate that it is unjust for a person to retain any benefit without paying for it.[36] In this case, it is undisputed that First Sta. Clara already performed certain works on the project with an estimated value of P4,578,152.10. Clearly, to completely deny it payment for the same would result in Rivelisa Realty’s unjust enrichment at the former’s expense. Besides, as may be gleaned from the parties’ correspondence, Rivelisa Realty obligated itself to unconditionally reimburse First Sta. Clara the amount of P3,000,000.00 (representing First Sta. Clara’s valuation of its accomplished works at P4,578,152.10, less the cash advances and subcontractor’s fees) after the JVA had already been terminated by them through mutual assent. As such, Rivelisa Realty cannot unilaterally renege on its promise by citing First Sta. Clara’s non-fulfillment of the terms and conditions of the terminated JVA. For all these reasons, the CA’s ruling must be upheld.

WHEREFORE, the petition is DENIED. The Decision dated February 27, 2009, and Resolutions dated May 22, 2009 and September 8, 2009 of the Court of Appeals in CA-G.R. CV No. 67198 are hereby AFFIRMED.

SO ORDERED.

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

[1] Rollo, pp. 11-54.

[2] *Id.* at 85-95. Penned by Associate Justice Rosalinda Asuncion-Vicente, with Associate Justices Martin S. Villarama, Jr. (now Supreme Court Associate Justice) and Myrna Dimaranan Vidal, concurring.

[3] Id. at 136-138 and 60-61, respectively.

[4] Id. at 76-83. Penned by Presiding Judge Raymundo Z. Annang.

[5] Id. at 69-72.

[6] Id. at 81-82.

[7] Id. at 79.

[8] Id. at 89.

[9] Id. at 77-78 and 214-215.

[10] Id. at 73-75.

[11] Id. at 80.

[12] Id. at 76-83.

[13] Id. at 83.

[14] Id. at 82.

[15] Id. at 83.

[16] Id. at 85-95.

[17] Id. at 92-94.

[18] See petition, id. at 18; see also CA Resolution dated May 22, 2009, id. at 136.

[19] Id. at 154-157.

[20] Id. at 96-121.

[21] Id. at 136-138.

[22] Id. at 60-61.

[23] At the time of the CA proceedings in this case, the governing rules were the 1999 Internal Rules of the Court of Appeals. The 2009 Internal Rules of the Court of Appeals were approved only on December 15, 2009 as per A.M. No. 09-11-11-CA.

[24] Section 2. Time for filing; extension. — The petition shall be filed within fifteen (15) days from notice of the judgment or final order or resolution appealed from, or of the denial of the petitioner's motion for new trial or reconsideration filed in due time after notice of the judgment. On motion duly filed and served, with full payment of the docket and other lawful fees and the deposit for costs before the expiration of the reglementary period, the Supreme Court may for justifiable reasons grant an extension of thirty (30) days only within which to file the petition. (Emphases and underscoring supplied)

[25] 226 Phil. 144 (1986).

[26] Id. at 148.

[27] 271 Phil. 40 (1991).

[28] See id. at 49-50.

[29] As stated in its petition, Rivelisa Realty received a copy of the CA Decision on March 3, 2009 (see rollo, p. 18; see also CA Resolution dated May 22, 2009, *id.* at 136). Hence, in view of the 15-day reglementary period, the last day for Rivelisa Realty to file either a motion for reconsideration before the CA or a petition for review of the CA Decision to the Court was on March 18, 2009.

[30] *Building Care Corporation/Leopard Security & Investigation Agency v. Macaraeg*, G.R. No. 198357, December 10, 2012, 687 SCRA 643, 650, citing *Ocampo v. CA*, G.R. No. 150334, March 20, 2009, 582 SCRA 43, 49.

[31] *Uy v. CA*, 349 Phil. 1002, 1011 (1998), citing *Azores vs. Securities and Exchange Commission*, 322 Phil. 425, 433 (1996).

[32] Rivelisa Realty first filed a Motion For Extension of Time to File Petition For Review on Certiorari Under Rule 45 before the Court on October 12, 2009 (rollo, p. 3), while the instant petition was filed on November 10, 2009 (*id.* at 11).

[33] *H.L. Carlos Construction, Inc. v. Marina Properties Corp.*, 466 Phil. 182, 199 (2004), citing *Melchor v. Commission on Audit*, G.R. No. 95398, August 16, 1991, 200 SCRA 704, 713.

[34] *Id.*, citing *Republic v. CA*, 359 Phil. 530, 640 (1998).

[35] *International Hotel Corporation v. Francisco B. Joaquin, Jr. and Rafael Suarez*, G.R. No. 158361, April 10, 2013, 695 SCRA 382, 406, citing *Department of Health v. C.V. Canchela & Associates*, G.R. Nos. 151373-74, November 17, 2005, 475 SCRA 218, 244.

[36] *Id.*

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