

**ROSA PAMARAN, SUBSTITUTED BY HER HEIRS, THROUGH THEIR REPRESENTATIVE, ROSEMARY P. BERNABE, PETITIONERS, VS. BANK OF COMMERCE, RESPONDENT.***G.R. No. 205753. July 04, 2016*

Ponente: DEL CASTILLO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-205753/>**DEL CASTILLO, J.:**

This Petition for Review on Certiorari assails the December 10, 2012 and February 4, 2013 Orders[1] of the Regional Trial Court of Olongapo City, Branch 75 (RTC Olongapo) granting the motion to dismiss by way of affirmative defenses and accordingly dismissing the Complaint[2] in Civil Case No. 29-0-2012 for "Damages and Restitution of Value of a Residential House Unlawfully Taken."

**Factual Antecedents**

In the Complaint dated February 27, 2012, Rosa Pamaran (Rosa) alleged that her children, Rhodora Pamaran (Rhodora), and spouses Rosemary P. Bernabe (Rosemary) and Leonardo W. Bernabe (spouses Bernabe), owned adjacent lots respectively covered by (a) Transfer Certificate of Title No. (TCT) 213130, and (b) TCT No. 124149. These lots correspondingly covered 341 and 366 square meters and are located at Dona Rosario Bayview Subdivision, Sucat, Muntinlupa City. Purportedly, in 1987, Rosa built her residential house on these lots with the consent of Rhodora and spouses Bernabe.

Sometime in 1997 and 1998, Southmarine International Ltd. Co. (Southmarine) obtained loans from the Bank of Commerce (Bankcom). To secure these loans, Rhodora and spouses Bernabe constituted real estate mortgages (REM) on their lots. Rosa claimed that Bankcom neither included her house in determining the loan amount nor obtained her consent to the REM. She added that Bankcom was aware of the existence of her house on these lots.

Rosa asserted that eventually, these lots were foreclosed and their ownership was consolidated in favor of Bankcom. Later, Bankcom filed petitions for issuance of writs of possession, which were granted[3] by the RTC of Muntinlupa City, Branch 206 (RTC Muntinlupa) on November 22, 2011 and December 21, 2011.

Rosa averred that because of these writs, she was dispossessed of her house in February 2012. Thus, she prayed that Bankcom be ordered to pay her damages amounting to P3 million for the value of her house, P300,000.00 for its violation of her right to due process and equal protection of law, and P100,000.00 for attorney's fees.

Bankcom, on its end, raised in its Answer[4] with Compulsory Counterclaim the following affirmative defenses: 1) Rosa has no cause of action against it; 2) the Complaint is a collateral attack on its title and an interference with the jurisdiction of the RTC Muntinlupa; 3) Rosa was not deprived of due process; and, 4) the venue was improperly laid.

Bankcom contended that Rosa has no cause of action because she is not the owner of the subject lots as well as the improvement thereon; and she was never a party to any contract between Bankcom, and its mortgagors, Rhodora and spouses Bernabe. It also argued that this Complaint is a collateral attack on its title because the REM

and the Certificate of Sale indicated that they covered not only the subject lots, but including the improvement thereon.

In addition, Bankcom insisted that the Complaint interfered with the jurisdiction of RTC Muntinlupa, which already granted in its favor writs of possession over the properties. It argued that while the Complaint is captioned as one for "Damages and Restitution of Value of Residential House Unlawfully Taken," the same is a real action because it concerns Rosa's claim of ownership over the subject house. It posited that the Complaint should have been filed before the RTC Muntinlupa where such property is located.

In her Reply[5] with Answer to Counterclaim and Comment[6] to Bankcom's Affirmative Defenses, Rosa argued that she did not authorize her children to encumber her house. She also stated that the REM was a contract of adhesion, thus, its stipulation that "the mortgage included all the buildings and improvements [on the land]" pertained to improvements belonging to the mortgagors, not to third persons.

Moreover, Rosa clarified that she does not question the writs of possession issued by the RTC Muntinlupa. She, nonetheless, claimed that her Complaint concerns Bankcom's use of these writs to deprive her of her house. On this, she declared that this is not a collateral attack on Bankcom's title but a direct attack on its abuse of her right to due process by arrogating to itself her house, which was not part of the REM.

Finally, Rosa contended that this a personal action because while she cited real properties situated in Muntinlupa City, she is not asking to be the owner or possessor thereof but is merely praying that Bankcom be ordered to pay her damages corresponding to the value of her house. She likewise affirmed that the venue is proper since she resides in Olongapo City.

Because of Rosa's demise on September 10, 2012, her heirs[7] (petitioners) substituted[8] her, designating Rosemary as their representative in this case.

On December 10, 2012, the RTC Olongapo issued the first assailed Order granting Bankcom's motion to dismiss and accordingly, dismissing the Complaint.

Thereafter, petitioners filed a Motion for Reconsideration, which was denied by the RTC Olongapo in the second assailed Order dated On February 4, 2013.

## Issues

Hence, petitioners filed this Petition raising the following issues:

- a) Whether x x x the court a quo erred in resolving the issue of lack of cause of action on the basis of evidence aliunde put forth before it by the movant and not solely on the basis of the complaint.
- b) Whether x x x the court a quo erred in disregarding the jurisprudential rule that a movant to dismiss on the ground of lack of cause of action is deemed to have hypothetically admitted plaintiff's factual representation in the complaint.
- c) Whether x x x the court a quo committed error in procedure when it resolved a question of fact in favor of [Bankcom] without first giving [petitioners] the opportunity to present evidence on a controversial fact, and used such conclusion of fact to justify the dismissal of a complaint on the ground of lack of cause of action.
- d) Whether x x x the court a quo erred in justifying its dismissal of [petitioners'] complaint on a thesis that its initiation interfered with the exercise of jurisdiction of a co-equal court in [e]xparte proceedings for the issuance of writ of possession under Act 3135.[9]

## Petitioners 'Arguments

Petitioners state that in resolving Bankcom's motion to dismiss (by way of affirmative defenses) on the ground of lack of cause of action, the RTC Olongapo should have exclusively considered the averments in the Complaint, which are deemed hypothetically admitted. They added that RTC Olongapo's inquiry is limited to the determination of whether these allegations present a case on which the relief may be granted.

Petitioners insist that the Complaint states a cause of action, which relates to Bankcom's purported unlawful taking of the house of the late Rosa; and such cause of action entitles petitioners to recover damages corresponding to the value thereof. They submit that the RTC Olongapo's conclusion that the REM included the lots and the improvement thereon, without giving Rosa the opportunity to prove the allegations in the Complaint is a procedural error tantamount to denial of due process.

Finally, petitioners declare that the RTC Olongapo further justified the dismissal of the Complaint on the ground that the Complaint interfered with the jurisdiction of the RTC Muntinlupa. They stress that the petition for issuance of writ of possession filed with the RTC Muntinlupa and the instant Complaint for damages are different actions and the reliefs sought for in them differ from the other.

#### Respondent's Arguments

For its part, Bankcom states that the RTC Olongapo properly dismissed the Complaint on the ground of lack of cause of action. It reiterates that Rosa was never privy to any contract between Bankcom and its mortgagors. It also avers that the Complaint is a collateral attack on its title because if the value of the house is restituted to petitioners, such grant would diminish its title over the properties subject of the writs of possession issued by the RTC Muntinlupa.

At the same time, Bankcom alleges that the RTC Olongapo correctly dismissed the complaint on the ground of improper venue. It maintains that while the Complaint was denominated as one for damages and restitution of value of a house unlawfully taken, the action is, in fact, a real action because it is based on Rosa's claim of ownership over the house built on the subject lots.

#### Our Ruling

The Court grants the Petition.

Petitioners come directly before the Court, on pure questions of law, essentially raising the issue of whether the RTC Olongapo erred in dismissing the Complaint, without trial, and only upon motion to dismiss by way of affirmative defenses raised in Bankcom's Answer.

A cause of action is an act or omission by which a person violates the right of another. Its essential elements are; (1) plaintiff's right, which arises from or is created by whatever means, and is covered by whatever law; (2) defendant's obligation not to violate such right; and, (3) defendant's act or omission in violation of the such right and for which plaintiff's may seek relief from defendant.[10]

When an action is filed, the defendant may, nevertheless, raise the issue of want of cause of action through a proper motion to dismiss. Thus, a distinction must be made between a motion to dismiss for failure to state a cause of action under Section 1(g)[11] of Rule 16, and the one under Rule 33[12] of the Rules of Court.[13]

In the first situation, the motion must be made before a responsive pleading is filed; and it can be resolved only on the basis of the allegations in the initiatory pleading. On the other hand, in the second instance, the motion to dismiss must be filed after the plaintiff rested his case; and it can be determined only on the basis of the evidence adduced by the plaintiff. In the first case, it is immaterial if the allegations in the complaint are true or false; however, in the second situation, the judge must determine the truth or falsity of the allegations based on the

evidence presented.[14]

Stated differently, a motion to dismiss under Section 1(g) of Rule 16 is based on preliminary objections made before the trial while the motion to dismiss under Rule 33 is a demurrer to evidence on the ground of insufficiency of evidence, and is made only after the plaintiff rested his case.[15]

Here, Bankcom submitted its motion to dismiss by way of affirmative defenses. Clearly, there had been no presentation of evidence made and Rosa had not yet rested her case. As Bankcom's motion was made before trial then, it falls within the first instance above-discussed.

Moreover, Bankcom's motion to dismiss must be resolved with reference to the allegations in the Complaint assuming them to be true. The RTC Olongapo does not need to inquire on the truthfulness of these allegations and declare them to be false. If it does, such court would be denying the plaintiff (Rosa) of her right to due process of law. In other words, in determining whether a complaint states or does not state a cause of action, the court must hypothetically admit the truth of the allegations and determine if it may grant the relief prayed for based on them. The court cannot consider external factors in determining the presence or the absence of a cause, of action other than the allegations in the complaint.[16]

Here, the pertinent portions of the Complaint read:

3. The instant suit is a personal action for the recovery of damages by the plaintiff (Rosa) from the defendant (Bankcom) occasioned by defendant's reckless violation of the constitutional right of the former not to be deprived of her property without due process of law. The instant suit is authorized under Article 32 of the Civil Code x x x

x x x x

6. The plaintiff is the owner of a residential house that she ha[d] constructed in 1987, which x x x has a current market value of at least Php3,000,000.00 constructed on 2 residential lots covered by TCT No. 213130 x x x in the name of Rliodora Pamaran, x x x and TCT No. 124149 x x x in the name of Spouses Rosemary P. Bernabe and, Leonardo W. Bernabe x x x Both residential lots are located at Dona Rosario Bayview Subd., Sucat, Muntinlupa City. The plaintiff had the residential house constructed xxx with the express consent of the lot owners, Rhodora Pamaran and the spouses Rosemary and Leonardo Bernabe; who are her children. The residential house is currently declared for taxation purposes in the name of the plaintiff x x x

7. Sometime in 1997 and 1998, xxx Southmarine International Ltd. Co, x x x obtained loans from defendant bank. [T]o secure the said loans, Rhodora Pamaran and Spouses Rosemary and Leonardo Bernabe constituted real estate mortgages on the residential lots only.

8. The defendant bank was aware of the existence of [plaintiffs] residential house x x x [P]laintiff never executed a real estate mortgage over her residential house in favor of the defendant x x x

9. [Later], the defendant bank foreclosed on the collateralized residential lots pursuant to the real estate mortgages x x x [I]n 1999, the ownership of the residential lots was consolidated in favor of the defendants x x x

10. After more than 10 years from the foreclosure sale x x x, the defendant initiated ex-parte petitions for issuance of writs of possession over the 2 residential lots xxx [T]he RTC of Muntinlupa City xxx issued the writs of possession xxx without any notice to the plaintiff whose residential house would be necessarily affected.

11. By virtue of the[se] writs xxx, the plaintiff xxx was unceremoniously dispossessed [of her house] by the defendant xxx without any due process of law xxx

x x x x

16. The invasion or violation by the defendant of the constitutional right of the plaintiff should entitle the latter to damages x x x

x x x x

17. The defendant cannot just divest the plaintiff of her residential lot without adequate compensation. Thus, it is only just and right that the defendant, for divesting the plaintiff of the possession and enjoyment of her residential house, should compensate the plaintiff or restitute to her the fair market value of her residential house x x x[17] (Emphases supplied)

In fine, the allegations in the Complaint provide that: Rosa is the owner of a residential house built on the lots owned by her children; by reason of the foreclosure of these lots, Bankcom acquired the lots and also appropriated Rosa's house; thus, Rosa seeks recovery of damages against Bankcom.

Hypothetically admitting these allegations to be true, Rosa's cause of action against Bancom involves a) her right over her house; b) Bankcom's obligation to respect Rosa's right to enjoy her house; and c) Bankcom's violation of such right, which gave rise to this action for damages.

Notably, in granting Bankcom's motion to dismiss, the RTC Olongapo took into consideration the arguments set forth in the motion, and ignored the assertions in the Complaint, to wit:

Bankcom acquired title and possession of the subject properties by virtue of the real estate mortgages executed by Rhodora, Pamaran and Spouses Leonardo and Rosemary P. Bernabe in favor of defendant (Bankcom), The mortgagors failed to settle their obligation; hence, defendant foreclosed the properties and was declared the highest bidder. The corresponding Certificates of Sale were issued in favor of defendant. Upon failure of the mortgagors to redeem their respective properties, Bankcom filed [petitions for issuance of writs of possession over the two parcels of land owned by the mortgagors, which were granted x x x and [corresponding titles were issued to Bankcom x x x Likewise, the real estate mortgages clearly provide that the subject thereof includes not only the parcels of land, but likewise 'all the buildings and improvements now existing or may hereafter be erected or constructed thereon'. It is therefore safe to conclude that when the mortgagors executed and signed the same, they were aware that the mortgage does not pertain to the land only but also to all the buildings and improvements that may be found therein; otherwise, they should have refused x x x the contracts.[18] (Emphasis supplied)

Not only did the RTC Olongapo disregard the allegations in the Complaint, it also failed to consider that the Bankcom's arguments necessitate the examination of the evidence that can be done through a full-blown trial. The determination of whether Rosa has a right over the subject house and of whether Bankcom violated this right cannot be addressed in a mere motion to dismiss. Such determination, requires the contravention of the allegations in the Complaint and the full adjudication of the merits of the case based on all the evidence adduced by the parties.[19]

In addition, the RTC supported its dismissal of the Complaint on the ground that the Complaint interfered with the jurisdiction of the RTC Muntinlupa, which had previously issued writs of possession to Bankcom. The RTC Olongapo decreed that since Rosa sought damages corresponding to the value of her alleged house, she is, in effect, asking the invalidation of the writs of possession.

The position of the RTC Olongapo is unjustified.

In the Complaint, and in her Comment to Bankcom's Affirmative Defenses, the late Rosa made it clear that this is a personal action for damages arising from Bankcom's violation of her right to due process and equal protection;

and her right to enjoy her house. She clarified that she does not question the writs issued by the RTC Muntinlupa, but she assails Bankcom's use thereof in depriving her of the right to enjoy said house. She also stressed that since this is a personal action, then it was properly filed in RTC Olongapo, as she is a resident of Olongapo.

Section 1, Rule 4 of the Rules of Court, in relation to Section 2 thereof, defines a real action as one "affecting title to or possession of real property or interest therein;" and, all other actions are personal actions. A real action must be filed in the proper court which has jurisdiction over the subject real property, while a personal action may be filed where the plaintiff or defendant resides, or if the defendant is a non-resident, where he may be found, at the election of the plaintiff. Personal actions include those filed for recovery of personal property, or for enforcement of contract or recovery of damages for its breach, or for the recovery of damages for injury committed to a person or property.[20]

The Complaint (specifically allegations nos. 3 and 16 thereof) stated that this case is one for recovery of damages relating to the injury committed by Bankcom for violating Rosa's right to due process, and right to enjoy her house. Rosa repeatedly averred that she does not seek recovery of its possession or title. Her interest to the house is merely incidental to the primary purpose for which the action is filed, that is, her claim for damages.

Clearly, this action involves Rosa's interest in the value of the house but only in so far as to determine her entitlement to damages. She is not interested in the house itself. Indeed, the primary objective of the Complaint is to recover damages, and not to regain ownership or possession of the subject property.[21] Hence, this case is a personal action properly filed in the RTC Olongapo, where Rosa resided.

Finally, this action does not interfere with the jurisdiction of the RTC Muntinlupa. One, the nature of this action, which is for damages, is different from the petition before the RTC Muntinlupa, which is for issuance of writs of possession. Two, the laws relied upon in these actions vary; this damage suit is based on Rosa's reliance on her right emanating from Article 32[22] of the Civil Code; while Bankcom's Petition is pursuant to Act No. 3135,[23] as amended.

Third, this case involves a claim arising from Bankcom's alleged violation of Rosa's right to due process, and to the enjoyment of her house. On the other hand, the one for issuance of writs of possession involves Bankcom's application to be placed in possession of the subject properties. Last, as already discussed, the former is a personal action while the latter is a real action affecting title to and possession of a real property.

Given these, the RTC erred in dismissing the Complaint on the grounds of lack of cause of action, and of improper venue.

WHEREFORE, the Petition is GRANTED. The December 10, 2012 and February 4, 2013 Orders of the Regional Trial Court of Olongapo City, Branch 75 in Civil Case No. 29-0-2012 are REVERSED and SET ASIDE. Accordingly, the Complaint is REINSTATED and this case is REMANDED to the Regional Trial Court of Olongapo City, Branch 75, which is ordered to resolve the case with dispatch.

### **SO ORDERED.**

Carpio, (Acting C.J.[\*]& Chairperson), Brion, Del Castillo, and Leonen, JJ., concur.  
Mendoza, J., on official leave.

---

[\*] Per Special Order No. 2357 dated June 28, 2016.

[1] Records., pp. 202-204, 231-232; penned by Presiding Judge Raymond C. Viray.

[2] Id. at 2-9.

[3] Id. at 88-99; Decisions dated November 22, 2011 and December 21, 2011 penned by Judge Patria A. Manalastas-de Leon.

[4] Id. at 50-63.

[5] Id. at 103-106.

[6] Id. at 130-135.

[7] Namely, Lorna M. Pamaran-Dionio, Arlene M. Pamaran-Bucoy, Teody Richard M. Pamaran, Francisco M. Pamaran, Jr., Joel M. Pamaran, Lalita M. Pamaran-Klainatarn, Maybelline M. Pamaran-Guerzon, Rhodora M. Pamaran-Brouillette, Rosemary M. Pamaran-Bernabe; id. 176.

[8] Id. at 183.

[9] Rollo, pp. 47-48.

[10] Soloil, Inc. v. Philippine Coconut Authority, 642 Phil. 337, 344 (2010).

[11] RULES OF COURT, Rule 16, 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:

x x x x

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

[12] RULES OF COURT, Rule 33, Section 1. Demurrer to Evidence. — After the plaintiff has completed the presentation of his evidence, the defendant may move for dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief, If his motion is denied, he shall have the right to present evidence. If the motion is granted but on appeal the order of dismissal is reversed he shall be deemed to have waived the right to present evidence, (1a, R35)

[13] The Manila Banking Corporation v. University of Baguio, Inc., 545 Phil. 268, 275 (2007).

[14] Id. at 275-276.

[15] Id. at 276.

[16] China Road v. Court of Appeals, 401 Phil 590, 599-600.(2000).

[17] Records, pp. 3-5, 7.

[18] Id. at 191.

[19] See Belle Corporation v. De Leon-Banks, 695 Phil. 467, 478-480 (2012).

[20] Bank of the Philippine Islands v. Hontanosas, Jr., G.R. No. 157163, June 25, 2014.

[21] See, Saraza v. Francisco, G.R. No. 198718, November 27, 2013, 711 SCRA 95, 107.

[22] Any public officer or employee, or any private individual, who directly or indirectly obstructs, defeats, violates or in any manner impedes or impairs any of the following rights and liberties of another person shall be liable to the latter for damages: x x x x

(6) The right against deprivation of property without due process of law[.]

[23] An Act to Regulate the Sale of Property under Special Powers Inserted in or Annexed to Real Estate Mortgage.

**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.