

TEODORO R. PULIDO, PETITIONER, VS. THE HON. MANUEL M. LAZARO, IN HIS CAPACITY AS PRESIDENTIAL ASSISTANT FOR LEGAL AFFAIRS, OFFICE OF THE PRESIDENT, THE HON. GERONIMO Z. VELASCO,...

G.R. No. 72870. February 23, 1988

Ponente: CRUZ, J.

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CRUZ, J.:

In 1967, respondent Pilipinas Shell Corporation (Shell) subleased to petitioner Teodoro Pulido a gasoline station in Quezon City which he was later issued a certificate to operate by respondent Bureau of Energy Utilization (BEU).[1]

In 1976, Pulido authorized private respondent Virgilio Rosal to operate and manage the station in consideration of the monthly amount of P2,000.00 he would pay to the former.[2] Later, Pulido sold to Rosal all his rights in the station and his equipment therein for the stipulated sum of P50,000.00. On that same day, Pulido executed a special power of attorney authorizing Rosal to administer and operate the said station.[3]

The petitioner thereafter revoked this authorization on the ground that Rosal was selling diluted gasoline.[4] He demanded the return to him of the station but Rosal ignored him. Pulido then sued Rosal for unlawful detainer. The city court dismissed the complaint, holding that there was no lease relationship between the parties and in effect affirming the deed of sale executed by them earlier.[5] This decision was not appealed.

On September 20, 1979, Shell filed with the BEU an application for authority to replace Pulido with Rosal as the authorized dealer of the station. In support of this application, Shell submitted inter alia a copy of the decision of the city court in the ejectment case.[6] After provisionally permitting Rosal to continue as dealer, BEU finally granted the application on April 7, 1980.[7]

Claiming that he was informed of the authorization in favor of Rosal only on May 28, 1980, Pulido challenged the same on the ground of due process.[8] Rosal and Shell were required by BEU to answer Pulido's complaint.[9] Meanwhile, the petitioner manifested in writing that he was waiving all claims for damages against Shell in connection with the change of dealership.[10]

The BEU, after hearing, dismissed Pulido's complaint on the ground, among others, of res judicata,[11] but its decision was on appeal reversed by the Minister of Energy.[12] The Minister was, however, himself reversed by the Office of the President, through respondent Manuel M. Lazaro,[13] Pulido then came to this Court to challenge the order of April 24, 1985, reinstating the BEU decision.

Our ruling shall be brief.

Pulido cannot claim to still be the authorized dealer because his dealership contract with Shell expired long ago, much earlier than the contract of Shell with Rosal. Rosal's contract would itself have expired on April 6,

1985,[14] but it did not because the parties impliedly continued it under the original terms and conditions. There was tacita reconduccion under Article 1670 of the Civil Code. Pulido does not point to any provision in his own contract calling for its automatic renewal or extension.

Moreover, he had sold his rights thereunder to Rosal. And when this sale was affirmed by the city court in the ejectment suit, he did not appeal. Right or wrong, that judgment can no longer be impugned by Pulido at this late hour. He is bound by it regardless of whether or not res judicata is applicable.

Pulido's claim of denial of due process must also be rejected. It is not true that he was not given a chance to be heard. On the contrary, he had many opportunities to argue his case, as pointed out by the Solicitor General.

Thus, he filed with the BEU his letter-complaint[15] and then a motion for reconsideration.[16] He appealed to the Minister of Energy[17] and then filed his opposition to the motion for reconsideration.[18] In the Office of the President, he first moved to dismiss Rosal's appeal[19] and then moved for reconsideration of Lazaro's decision.[20] In all of these instances, he certainly was afforded adequate hearing.

The Court notes that after the exchange of arguments among the parties, the petitioner asked for an opportunity to file a reply but in the end manifested that he would no longer do so.[21] He did not state any reason. Perhaps he has been convinced by the respondent's comments and has decided finally to yield in good grace.

WHEREFORE, the petition is DISMISSED, with costs against the petitioner.

SO ORDERED.

Teehankee, C.J., Narvasa, Gancayco, and Griño-Aquino, JJ., concur.

[1] Rollo, p. 25.

[2] Ibid.

[3] Id.

[4] Id.

[5] Id., p. 26.

[6] Id.

[7] Id.

[8] Id., pp. 63-65.

[9] Id., p. 27.

[10] Id., pp. 66-67.

[11] Id., pp. 42-48.

[12] Id., pp. 32-41.

[13] Id., pp. 25-29.

[14] Id., pp. 30, 228-230.

[15] Id., pp. 63-65.

[16] Id., pp. 69-79.

[17] Id., pp. 80-100.

[18] Id., pp. 111-115.

[19] Id., pp. 173-182.

[20] Id., pp. 194-206.

[21] Id., pp. 272 & 274.

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