

THIRD DIVISION

[G.R. No. 156375, May 30, 2011]

**DOLORES ADORA MACASLANG, PETITIONER, VS. RENATO AND
MELBA ZAMORA, RESPONDENTS.**

D E C I S I O N

BERSAMIN, J.:

The Regional Trial Court (RTC) is not limited in its review of the decision of the Municipal Trial Court (MTC) to the issues assigned by the appellant, but can decide on the basis of the entire records of the proceedings of the trial court and such memoranda or briefs as may be submitted by the parties or required by the RTC.

The petitioner appeals the decision promulgated on July 3, 2002,^[1] whereby the Court of Appeals (CA) reversed "for having no basis in fact and in law" the decision rendered on May 18, 2000^[2] by the Regional Trial Court, Branch 25, in Danao City (RTC) that had dismissed the respondents' action for ejectment against the petitioner, and reinstated the decision dated September 13, 1999 of the Municipal Trial Court in Cities (MTCC) of Danao City (ordering the petitioner as defendant to vacate the premises and to pay attorney's fees of P10,000.00 and monthly rental of P5,000.00 starting December 1997 until they vacated the premises).^[3]

We grant the petition for review and rule that contrary to the CA's conclusion, the RTC as an appellate court properly considered and resolved issues even if not raised in the appeal from the decision rendered in an ejectment case by the MTCC.

ANTECEDENTS

On March 10, 1999, the respondents filed a complaint for unlawful detainer in the MTCC, alleging that "the [petitioner] sold to [respondents] a residential land located in Sabang, Danao City" and that "the [petitioner] requested to be allowed to live in the house" with a "promise to vacate as soon as she would be able to find a new residence." They further alleged that despite their demand after a year, the petitioner failed or refused to vacate the premises.

Despite the due service of the summons and copy of the complaint, the petitioner did not file her answer. The MTCC declared her in default upon the respondents' motion to declare her in default, and proceeded to receive the respondents' oral testimony and documentary evidence. Thereafter, on September 13, 1999, the MTCC rendered judgment against her, disposing:

WHEREFORE, considering the foregoing, Judgment is hereby rendered in favor [of] plaintiffs (sic) spouses Renato Zamora and Melba Zamora and against defendant Dolores Adora Macaslang, ordering defendant to

vacate the properties in question, to pay to plaintiffs Attorney's Fees in the sum of P10,000.00 and monthly rental of P5,000.00 starting December, 1997 until the time the defendant shall have vacated the properties in question.

SO ORDERED.^[4]

The petitioner appealed to the RTC, averring the following as reversible errors, namely:

1. Extrinsic Fraud was practiced upon defendant-appellant which ordinary prudence could not have guarded against and by reason of which she has been impaired of her rights.
2. Defendant-Appellant has a meritorious defense in that there was no actual sale considering that the absolute deed of sale relied upon by the plaintiff-appell[ees] is a patent-nullity as her signature therein was procured through fraud and trickery.^[5]

and praying through her appeal memorandum as follows:

Wherefore, in view of the foregoing, it is most respectfully prayed for that judgment be rendered in favor of defendant-appellant ordering that this case be remanded back to the Court of Origin, Municipal Trial Court of Danao City, for further proceedings to allow the defendant to present her evidence, and thereafter, to render a judgment anew.^[6]

On May 18, 2000, the RTC resolved the appeal, to wit:^[7]

WHEREFORE, judgment is hereby rendered dismissing the complaint for failure to state a cause of action.

The same may, however, be refiled in the same Court, by alleging plaintiffs' cause of action, if any.

Plaintiffs' Motion for Execution of Judgment of the lower court is rendered moot by this judgment.

SO ORDERED.

The respondents appealed to the CA, assailing the RTC's decision for "disregarding the allegations in the complaint" in determining the existence or non-existence of a cause of action.

On July 3, 2002, the CA reversed and set aside the RTC's decision and reinstated

the MTCC's decision in favor of the respondents, disposing:

WHEREFORE, foregoing premises considered, the Petition is hereby GIVEN DUE COURSE. Resultantly, the impugned decision of the Regional Trial Court is hereby REVERSED and SET ASIDE for having no basis in fact and in law, and the Decision of the Municipal Trial Court in Cities REINSTATED and AFFIRMED. No costs.

SO ORDERED.^[8]

The petitioner's motion for reconsideration was denied on November 19, 2002.

ISSUES

Hence, the petitioner appeals the CA's adverse decision, submitting legal issues, as follows:

1. Whether or not the Regional Trial Court in the exercise of its Appellate Jurisdiction is limited to the assigned errors in the Memorandum or brief filed before it or whether it can decide the case based on the entire records of the case, as provided for in Rule 40, Sec. 7. This is a novel issue which, we respectfully submit, deserves a definitive ruling by this Honorable Supreme Court since it involves the application of a new provision, specifically underlined now under the 1997 Revised Rules on Civil procedure.
2. Whether or not in an action for unlawful detainer, where there was no prior demand to vacate and comply with the conditions of the lease made, a valid cause of action exists?
3. Whether or not in reversing the Regional Trial Court Decision and reinstating and affirming the decision of the Municipal Circuit Trial Court, which was tried and decided by the MCTC in violation of the Rules on Summary Procedure, the Court of Appeals sanctioned a gross departure from the usual course of judicial proceedings?^[9]

The issues that this Court has to resolve are stated thuswise:

1. Whether or not the CA correctly found that the RTC committed reversible error in ruling on issues not raised by the petitioner in her appeal;
2. Whether or not the CA correctly found that the complaint stated a valid cause of action;
3. Whether or not the CA erred in finding that there was a valid demand to vacate made by the respondents on the petitioner; and
4. Whether or not the petitioner's defense of ownership was meritorious.

RULING

We grant the petition for review.

A.

As an appellate court, RTC may rule upon an issue not raised on appeal

In its decision, the CA ruled that the RTC could not resolve issues that were not assigned by the petitioner in her appeal memorandum, explaining:

Indeed(,) We are rather perplexed why the Regional Trial Court, in arriving at its decision, discussed and ruled on issues or grounds which were never raised, assigned, or argued on by the Defendant-appellee in her appeal to the former. A careful reading of the Defendant-appellee's appeal memorandum clearly shows that it only raised two (2) grounds, namely (a) alleged extrinsic fraud, (b) meritorious defenses based on nullity of the Deed of Sale Instrument. And yet the Trial Court, in its decision, ruled on issues not raised such as lack of cause of action and no prior demand to vacate having been made.

Only errors assigned and properly argued on the brief and those necessarily related thereto, may be considered by the appellate court in resolving an appeal in a civil case. Based on said clear jurisprudence, the court a quo committed grave abuse of discretion amounting to lack of jurisdiction when it resolved Defendant-appellee's appeal based on grounds or issues not raised before it, much less assigned by Defendant-appellee as an error.

Not only that. It is settled that an issue which was not raised during the Trial in the court below would not be raised for the first time on appeal as to do so would be offensive to the basic rules of fair play, justice and due process (Victorias Milling Co., Inc. vs. CA, 333 SCRA 663). We can therefore appreciate Plaintiffs-appellants' dismay caused by the Regional Trial Court's blatant disregard of a basic and fundamental right to due process.^[10]

The petitioner disagrees with the CA and contends that the RTC as an appellate court could rule on the failure of the complaint to state a cause of action and the lack of demand to vacate even if not assigned in the appeal.

We concur with the petitioner's contention.

The CA might have been correct had the appeal been a *first* appeal from the RTC to the CA or another proper superior court, in which instance Section 8 of Rule 51, which applies to appeals from the RTC to the CA, imposes the express limitation of the review to only those specified in the assignment of errors or closely related to or dependent on an assigned error and properly argued in the appellant's brief, viz:

Section 8. *Questions that may be decided.* - **No error** which does not affect the jurisdiction over the subject matter or the validity of the judgment appealed from or the proceeding therein **will be considered unless stated in the assignment of errors, or closely related to or dependent on an assigned error and properly argued in the brief,** save as the court may pass upon plain errors and clerical errors.

But the petitioner's appeal herein, being taken from the decision of the MTCC to the RTC, was governed by a different rule, specifically Section 18 of Rule 70 of the *Rules of Court*, to wit:

Section 18. xxx

xxx

The judgment or final order shall be appealable to the appropriate Regional Trial Court which shall decide the same on the basis of the entire record of the proceedings had in the court of origin and such memoranda and/or briefs as may be submitted by the parties or required by the Regional Trial Court. (7a)

As such, the RTC, in exercising appellate jurisdiction, was not limited to the errors assigned in the petitioner's appeal memorandum, but could decide on the basis of the entire record of the proceedings had in the trial court and such memoranda and/or briefs as *may be* submitted by the parties or *required* by the RTC.

The difference between the procedures for deciding on review is traceable to Section 22 of *Batas Pambansa Blg. 129*,^[11] which provides:

Section 22. *Appellate Jurisdiction.* - Regional Trial Courts shall exercise appellate jurisdiction over all cases decided by Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts in their respective territorial jurisdictions. **Such cases shall be decided on the basis of the entire record of the proceedings had in the court of origin [and] such memoranda and/or briefs as may be submitted by the parties or required by the Regional Trial Courts.** The decision of the Regional Trial Courts in such cases shall be appealable by petition for review to the Court of Appeals which may give it due course only when the petition shows *prima facie* that the lower court has committed an error of fact or law that will warrant a reversal or modification of the decision or judgment sought to be reviewed.^[12]

As its compliance with the requirement of Section 36 of *Batas Pambansa Blg. 129* to "adopt special rules or procedures applicable to such cases in order to achieve an expeditious and inexpensive determination thereof without regard to technical rules," the Court promulgated the *1991 Revised Rules on Summary Procedure*, whereby it institutionalized the summary procedure for all the first level courts.