

## THIRD DIVISION

[ G.R. No. 196323, February 08, 2021 ]

**PNB-REPUBLIC BANK (MAYBANK PHILIPPINES,  
INCORPORATED), PETITIONER, VS. REMEDIOS SIAN-LIMSIACO,  
RESPONDENT.**

### DECISION

**HERNANDO, J.:**

This Petition for Review on *Certiorari*<sup>[1]</sup> seeks to set aside the April 30, 2010 Decision<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 80268 denying the appeal of petitioner Maybank Philippines, Inc. (Maybank; formerly known as PNB-Republic Bank), as well as its March 16, 2011 Resolution<sup>[3]</sup> denying Maybank's Motion for Reconsideration.<sup>[4]</sup>

The antecedents as culled from the assailed CA Decision are as follows:

Sometime in 1979, respondent Remedios Sian-Limsiaco (Remedios) obtained a P142,500.00 sugar crop loan from Maybank which was payable within one year.<sup>[5]</sup> Through a Special Power of Attorney (SPA), Remedios executed a Real Estate Mortgage (REM) on the following parcels of land:

- (a) Lot 8, covered by Transfer Certificate of Title No. (TCT) T-74488,  
which is owned by Sian Agricultural Corporation;
- (b) Lot 1, covered by TCT No. 55619, which is owned by spouses  
Sebastian and Marina de la Pena.<sup>[6]</sup>

Subsequently in 1982, Remedios and her son Roy Sian-Limsiaco (Roy) obtained another sugar crop loan for P307,700.00 which was likewise due after one year. Through another SPA, Roy executed a REM on the following parcels of land owned by Spouses Jerome Gonzales and Perla Sian-Gonzales:

- (a) Lot 214, covered by TCT No. T-121539;
- (b) Lot 215, covered by TCT No. T-121540;
- (c) Lot 213-B, covered by TCT No. T-121541;
- (d) Lot 96, covered by TCT No. T-80515.<sup>[7]</sup>

Likewise, in 1984, Remedios obtained another sugar crop loan for P110,000.00 also

secured by a REM on Lot 8 owned by Sian Agricultural Corporation.<sup>[8]</sup>

Maybank never demanded payment of the above sugar crop loans nor filed a case to collect or foreclose the mortgage.<sup>[9]</sup>

Thus, on June 29, 2001 or after a lapse of 17 years, Remedios and Roy filed a Petition<sup>[10]</sup> before the Regional Trial court (RTC), Branch 56 of Himamaylan, Negros Occidental, to cancel the liens annotated on the titles of the mortgaged properties on grounds of prescription and extinction of their loan obligation.

Maybank referred the case to the Philippine National Bank (PNB) to which it had assigned its assets and liabilities including its receivables.<sup>[11]</sup>

Hence, by virtue of the Deed of Assignment dated July 20, 1998,<sup>[12]</sup> Maybank argued that PNB should be treated as substitute respondent. Unconvinced and not satisfied with the aforementioned Deed of Assignment, the RTC required additional documents to justify the substitution, which PNB failed to provide.<sup>[13]</sup> Consequently, the RTC denied the Motion for Substitution.<sup>[14]</sup>

Thereafter, Atty. Kenneth Alovera (Atty. Alovera), for and on behalf of the PNB, filed a Motion to Dismiss on Demurrer to Evidence<sup>[15]</sup> which the trial court denied, in view of Atty. Alovera's failure to submit proof that he was authorized to appear on Maybank's behalf.<sup>[16]</sup> Subsequently, the receivables were transferred to the Bangko Sentral ng Pilipinas (BSP).<sup>[17]</sup>

### **Ruling of the Regional Trial Court:**

On June 24, 2003, the trial court issued an Order<sup>[18]</sup> in respondent's favor, to wit:

WHEREFORE, in view of the foregoing considerations, the petition is hereby GRANTED. The mortgage contracts hereinunder enumerated as annotated in the respective Certificates of Title of the properties mortgaged, are hereby declared unenforceable and of no force and effect due to prescription.

x x x x

The Register of Deeds of Bacolod City is hereby directed to cancel Entry Nos. 99726, 122381, 130934 as annotated at the back of TCT No. T-74488 covering Lot 8 and the same entries annotated at the back of T-55619 covering Lot 1, without need of presenting the original owner's duplicate title.

Likewise, the Register of Deeds of the Province of Negros Occidental, is also directed to cancel Entry No. 288015 annotated at the back of TCT No. T-121539 covering Lot 214; the same entry annotated at the back of TCT No. T-121543 covering Lot 215; the same number of entry annotated at the back of TCT No. T-121541 covering Lot 213-B; and the

same number of entry annotated at the back of TCT No. T-80515 covering Lot 96, all of Himamaylan Cadastre, without the need of presenting the original owner's duplicate copies of the respective titles.

SO ORDERED.<sup>[19]</sup>

### **Ruling of the Court of Appeals:**

Aggrieved, Maybank raised the following issues in its appeal with the CA: 1) Did the trial court err in taking cognizance of the case and in granting the petition even if the same was not filed in the name of the real parties in interest, e.g. the registered owners of the properties mortgaged and BSP as the assignee of the receivable assets—in violation of Section 2, Rule 3 of the Rules of Court?; 2) Did the trial court err in granting the petition even if Remedios had no cause of action against Maybank; and 3) Are the owners of the properties mortgaged bound by the trial court's judgment despite the failure to make them parties to the case?<sup>[20]</sup>

On April 30, 2010, the CA issued a Decision<sup>[21]</sup> denying Maybank's appeal, the dispositive portion of the ruling states:

WHEREFORE, premises considered, the appeal is hereby DENIED. The assailed Order dated June 24, 2003 of the Regional Trial Court (RTC), 6<sup>th</sup> Judicial Region, Branch 56, Himamaylan City, Negros Occidental in Cadastral Case No. 21 granting the petition is AFFIRMED IN TOTO.

No costs.

SO ORDERED.<sup>[22]</sup>

Maybank filed a Motion for Reconsideration<sup>[23]</sup> challenging the above Decision but the same was denied in a Resolution<sup>[24]</sup> dated March 16, 2011 issued by the appellate court.

Hence, Maybank filed the instant petition, which, in essence, raised the following -

### **Issues:**

1) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment despite the respondent being not the real parties-in-interest, hence having no cause of action against petitioner;

2) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment despite the respondents lacking authority to institute the instant suit, hence, lacking the

legal capacity to sue; and

3) Whether or not the CA erred when it affirmed *in toto* the RTC's judgment cancelling the mortgage liens of Maybank despite the non-inclusion of an indispensable party, the BSP.<sup>[25]</sup>

### **Our Ruling**

We deny the Petition.

#### **Petitioner raised questions of law which may be reviewed by this Court**

Before delving into the substantive issues of the case, we find it proper first to discuss the sole argument raised in respondent's Comment, which is that this petition must be dismissed for not raising questions of law.<sup>[26]</sup>

Particularly, respondent posits that the questions raised by petitioner as to "who are the real parties in interest and who are the indispensable parties" are questions of fact outside of the scope of a Rule 45 petition for review on *certiorari*.<sup>[26]</sup>

Indeed, Section 1, Rule 45 of the Rules of Court provides that only questions of law, which must be distinctly set forth, shall be raised, to wit:

Section 1. *Filing of petition with Supreme Court.* — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the *Sandiganbayan*, the Court of Tax Appeals, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on certiorari. The petition may include an application for a writ of preliminary injunction or other provisional remedies and shall raise only questions of law which must be distinctly set forth. The petitioner may seek the same provisional remedies by verified motion filed in the same action or proceeding at any time during its pendency. (Underscoring supplied)

The distinction between a question of law and a question of fact has been clear-cut. In *Tongonan Holdings and Development Corporation v. Escano, Jr.*,<sup>[28]</sup> we held that:

In *Republic of the Philippines v. Malabanan*, a question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. For a question to be one of law, the same

must not involve an examination of the probative value of the evidence presented by the litigants or any of them. The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the question posed is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case, it is a question of law; otherwise it is a question of fact.<sup>[29]</sup> (Underscoring supplied)

Here, the petition raised questions of law, contrary to respondent's broad assertions, which oversimplified and misunderstood some of the issues raised, such as the question as to who are the real-parties-in-interest. The said question begs us to discuss the legal definitions of "real[-]parties[-] in[-] interest" as applied to the undisputed facts.

To put it simply, some of the questions raised by petitioner are more geared towards the application of the law on civil procedure and civil law rather than simply identifying specific persons, which respondent seems to imply. Such legal questions obviously do not require an examination of the probative value of the evidence presented in order to come up with an answer to them.

Moreover, even assuming *arguendo* that the issues raised by petitioner are questions of facts, we are not totally precluded from reviewing the same. In *Salcedo v. People*,<sup>[30]</sup> we enumerated some exceptions to the general rule that only questions of law are reviewable in a Rule 45 petition, namely:

- (1) When the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures;
- (3) When the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd or impossible;
- (4) When there is grave abuse of discretion in the appreciation of facts;
- (5) When the appellate court, in making its findings, went beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;
- (6) When the judgment of the Court of Appeals is premised on misapprehension of facts;
- (7) When the Court of Appeals failed to notice certain relevant facts which, if properly considered, would justify a different conclusion;