

## SECOND DIVISION

[ G.R. No. 210641, March 27, 2019 ]

**DOMESTIC PETROLEUM RETAILER CORPORATION, PETITIONER,  
V. MANILA INTERNATIONAL AIRPORT AUTHORITY,  
RESPONDENT.**

### D E C I S I O N

**CAGUIOA, J:**

Before the Court is a Petition for Review on *Certiorari*<sup>[1]</sup> (Petition) under Rule 45 of the Rules of Court filed by petitioner Domestic Petroleum Retailer Corporation (petitioner DPRC) against respondent Manila International Airport Authority (respondent MIAA), assailing the Decision<sup>[2]</sup> dated May 31, 2013 (assailed Decision) and Resolution<sup>[3]</sup> dated November 29, 2013 (assailed Resolution) promulgated by the Court of Appeals (CA) Special Second Division and Former Special Second Division, respectively, in CA-G.R. CV No. 98378, which affirmed the Decision<sup>[4]</sup> dated August 15, 2011 of the Regional Trial Court, Pasay City, Branch 119 (RTC) in Civil Case No. R-PSY-08-08963.

#### **The Facts and Antecedent Proceedings**

As narrated by the CA in its assailed Decision, and as culled from the records of the case, the essential facts and antecedent proceedings of the instant case are as follows:

On December 23, 2008, [petitioner DPRC] filed a Complaint<sup>[5]</sup> for "Collection of Sums of Money" against [respondent MIAA] before the [RTC,] averring that: on June 4, 1998, [petitioner DPRC] and [respondent MIAA] entered into a Contract of Lease whereby the former leased from the latter a 1,631.12-square meter parcel of land and a 630.88-square meter building both located at Domestic Road, Pasay City[.]

[Petitioner DPRC] was obliged to pay monthly rentals of P75,357.74 for the land and P33,310.46 for the building; [petitioner DPRC] faithfully complied with its obligation to pay the monthly rentals since the start of the lease contract[.]

[O]n April 2, 1998, [respondent MIAA] passed Resolution No. 98-30 which took effect on June 1, 1998 increasing the rentals paid by its concessionaires and lessees[.] [Respondent MIAA] issued Administrative Order No. 1[,] Series of 1998 reflecting the new schedule of fees, charges, and rates[.] [Petitioner] DPRC initially refused to pay the increased rentals which was decreed without prior notice and hearing[.]

[O]n November 19, 1998, [respondent MIAA] demanded its payment of P655,031.13 as rental in arrears which was based on the increase prescribed in Resolution No. 98-30 with 2% interest compounded monthly[.] [Respondent MIAA] also demanded payment of P628,895.43 after recomputing and deducting the amount of P26,135.70 from the original amount of P655,031.13[.]

[O]n December 8, 1998, [petitioner DPRC] protested in writing to [respondent MIAA] the increased rentals and the computation[.] [H]owever, it also signified its intention to comply in good faith with the terms and conditions of the lease contract by paying the amount charged[.] [O]n December 11, 1998, [petitioner DPRC] paid [respondent MIAA] P628,895.43 which was based on the new rates[.]

[On December 1, 2004, the First (1<sup>st</sup>) Division of the Court promulgated its Decision in the case of *Manila International Airport Authority v. Airspan Corporation, et al.*,<sup>[6]</sup> docketed as G.R. No. 157581. In the said case, the Court nullified Resolution Nos. 98-30 and 99-11 issued by respondent MIAA for non-observance of the notice and hearing requirements for the fixing rates required by the Administrative Code.]

[O]n December 21, 2005, [petitioner DPRC] advised [respondent] MIAA of its intention to stop paying the increased rental rate, and on January 1, 2006, it stopped paying the increased rental rate[,] but continued paying the original rental rate prescribed in the lease contract[.] [Petitioner DPRC's] decision to stop paying the increased rental rate was based on the [Court's] Decision dated December 1, 2004 in the case of *Manila International Airport Authority vs. Air span Corporation, et al.* x x x [Petitioner DPRC] paid [respondent] MIAA a total amount of P9,593,179.87, which is in excess of the stipulated monthly rentals from December 11, 1998 up to December 5, 2005[.]

[O]n June 22, 2006, [respondent] MIAA required the payment of P645,216.21 allegedly representing the balance of the rentals from January up to June 2006[.] [O]n July 27, 2006, [petitioner DPRC] sent its reply to [respondent] MIAA denying the unpaid obligation, reiterating that the rental could no longer be computed based on the nullified Resolution No. 98-30, and demanding for the refund of its overpayment in the amount of P9,593,179.87[.] [Respondent] MIAA ignored its demand[,] prompting [petitioner DPRC] to send a final written demand dated November 5, 2008[.] [The latter] was constrained to file [the Complaint for Collection of Sums of Money.]

x x x x

On August 15, 2011, the [RTC] rendered [its Decision, ruling in favor of petitioner DPRC. The dispositive portion of the RTC's Decision dated August 15, 2011 states the following:

**WHEREFORE**, judgment is hereby rendered in favor of the plaintiff Domestic Petroleum Retailer Corporation and against defendant Manila International Airport Authority, ordering the latter to pay the former the following:

- (1) the principal amount of P9,593,179.87, plus legal interest computed from the time of the extra-judicial demand on July 27, 2006;
- (2) the sum of P300,00.00 (sic) as and for attorney's fees; and
- (3) the cost of suit.

**SO ORDERED.**<sup>[7]</sup>

Upon [petitioner] DPRC's motion, the [RTC] issued an Order dated November 17, 2011 clarifying its [D]ecision to read as follows: "(1) the principal amount of P9,593,179.87 plus 12% per annum legal interest computed from the time of the extrajudicial demand on July 27, 2006."

Hence, [respondent MIAA filed an appeal before the CA, arguing that (1) the decided case of *Manila International Airport Authority v. Airspan Corporation* does not apply as to the instant case; (2) the RTC erred in considering the receipts respondent MIAA issued as for alleged payment of the increased rental rate; and (3) prescription or laches has set in to bar petitioner DPRC from asserting its claim against respondent MIAA.]<sup>[8]</sup>

**The Ruling of the CA**

In the assailed Decision, the CA affirmed the RTC's Decision holding respondent MIAA liable to petitioner DPRC, but with a modification as to the amount. Instead of holding respondent MIAA liable for the entire amount of P9,593,179.87, the CA decreased respondent MIAA's liability to P3,839,643.05 plus legal interest at 12% per annum computed from the time of extrajudicial demand on July 27, 2006. The dispositive portion of the assailed Decision reads:

**WHEREFORE**, premises considered, the Decision dated August 15, 2011 of the RTC, Branch 119, Pasay City in Civil Case No. R-PSY-08-08963 is **AFFIRMED WITH MODIFICATION** by ordering defendant-appellant Manila International Airport Authority to pay plaintiff-appellee Domestic Petroleum Retailer Corporation the principal amount of P3,839,643.05 paid during the period from January 9, 2003 to December 5, 2005, plus legal interest at 12% per annum computed from the time of the extra-judicial demand on July 27, 2006.

In all other respects, the appealed decision so stands as **AFFIRMED**.

SO ORDERED.<sup>[9]</sup>

In the assailed Decision, the CA found that the liability of respondent MIAA to petitioner DPRC for overpaid monthly rentals was in the nature of a quasi-contract of *solutio indebiti*. And because petitioner DPRC's claim against respondent MIAA is purportedly in the nature of *solutio indebiti*, the CA held that "the claim of refund must be commenced within six (6) years from date of payment pursuant to Article 1145(2)<sup>[10]</sup> of the Civil Code."<sup>[11]</sup>

Proceeding from such premise, the CA found that, despite the records showing that petitioner DPRC made overpayment in monthly rentals from December 11, 1998 up to December 5, 2005, such claim could not be fully awarded to petitioner DPRC due to prescription.

The CA explained that:

As already stated, the claim for refund must be made within six (6) years from date of payment. Since [petitioner] DPRC demanded the refund of the increase in monthly rentals mistakenly paid only on July 27, 2006 and filed this case before the [RTC] only on December 23, 2008, it can recover only those paid during the period from January 9, 2003 to December 5, 2005[,] or a total amount of P3,839,643.05[,] broken down as follows:

Date of Payment	Amount Paid Under Protest inclusive of 5% Withholding Tax
January 9, 2003	106,297.33
February 5, 2003	106,297.33
March 5, 2003	106,297.33
April 4, 2003	106,297.33
May 5, 2003	106,297.33
June 5, 2003	106,297.33
July 4, 2003	106,297.33
August 5, 2003	106,297.33
September 5, 2003	129,126.87
October 4, 2003	105,931.02
November 5, 2003	105,931.02
December 5, 2003	105,931.02
January 5, 2004	105,931.02
February 5, 2004	105,931.02
March 5, 2004	105,931.02
April 5, 2004	105,931.02
May 5, 2004	105,931.02

June 4, 2004	105,931.02
July 5, 2004	105,931.02
August 5, 2004	105,931.02
September 6, 2004	105,931.02
October 5, 2004	105,931.02
November 5, 2004	105,931.02
December 6, 2004	105,931.02
January 5, 2005	105,931.02
February 4, 2005	105,931.02
March 4, 2005	105,931.02
April 5, 2005	105,931.02
May 5, 2005	105,931.02
June 5, 2005	105,931.02
July 5, 2005	105,931.02
August 5, 2005	105,931.02
September 5, 2005	105,931.02
October 5, 2005	105,931.02
November 7, 2005	105,931.02
December 5, 2005	105,931.02
TOTAL	P3,839,643.05

[Petitioner] DPC has, by reason of the six (6) years prescriptive period, lost its right to recover the amount of P5,753,536.82 paid during the period from December 11, 1998 to December 5, 2002.<sup>[12]</sup>

Unsatisfied, petitioner DPRC filed a Motion for Partial Reconsideration<sup>[13]</sup> dated June 28, 2013, which was denied by the CA in the assailed Resolution.

Hence, the instant Petition.

The Court notes that, based on the records, respondent MIAA has not filed an appeal of the assailed Decision and Resolution promulgated by the CA.