

SECOND DIVISION

[G.R. No. 229339, July 29, 2019]

**GLOBE ASIATIQUE REALTY HOLDINGS CORPORATION,
PETITIONER, VS. UNION BANK OF THE PHILIPPINES,
RESPONDENT.**

DECISION

REYES, J. JR., J.:

This is a Petition for Review on *Certiorari* under Rule 45 which seeks to reverse and set aside the Decision^[1] dated July 13, 2016, and the Resolution^[2] dated January 5, 2017, of the Court of Appeals (CA) in CA-G.R. SP No. 141501, which affirmed the Order^[3] dated September 2, 2014, and the Order^[4] dated April 30, 2015, of the Regional Trial Court (RTC) of Pasig City, Branch 265, in Civil Case No. 73588-PSG, which in turn denied herein petitioner Globe Asiatique Realty Holdings Corporation's (Globe Asiatique) Motion for Summary Judgment^[5] dated May 30, 2014.

The Facts

On May 19, 2006, Globe Asiatique and herein respondent Union Bank of the Philippines (Union Bank) entered into a Memorandum of Agreement^[6] (MOA) whereby the latter agreed to purchase, from time to time, installment accounts receivables arising from the former's sale of units in its real estate projects and as evidenced by the Contracts to Sell executed by the former and its homebuyers.

From October 30, 2006 to May 30, 2007,^[7] Globe Asiatique, through its President Delfin S. Lee and/or Vice-President Dexter L. Lee, executed 10 Deeds of Assignments^[8] (DAs) and 11 copies of Special Powers of Attorney (SPAs) in favor of Union Bank covering 10 condominium units located at GA Tower 1, Condominium Project situated along EDSA, Mandaluyong City. A common provision of the DAs provides that Globe Asiatique absolutely transferred, assigned, and conveyed to Union Bank, its successors and assigns, all its rights, title, interests and participation "on that parcel of land, and subsequent improvements thereon" located at the specific subject units of GA Tower 1.

On the other hand, the SPAs granted Union Bank the authority to do the following acts, among others, to wit: (1) to deliver and/or send a Notice of Cancellation to the Installment Purchaser and cancel the defaulted Contract to Sell; (2) to execute, sign, and deliver in favor of the buyer, or the buyer's rightful assignee, or in favor of Union Bank or its beneficiary or assignee, the necessary Deed of Absolute Sale to cede, convey, and transfer, absolutely and irrevocably, the title to, and rights and interests in, to the subject parcel of land, including any and all improvements thereon; and (3) to restructure and/or convert to Real Estate Mortgage the assigned

Contract to Sell in their behalf.

On November 17, 2011, Globe Asiatique sent Union Bank a letter requesting the reformation of the DAs and the SPAs alleging that some of their provisions do not conform to their real agreement. However, Globe Asiatique's request remained unheeded. Thus, on September 27, 2012, Globe Asiatique filed a Complaint^[9] for reformation of the DAs and SPAs. Globe Asiatique claimed that the parties only intended the sale or assignment of rights, title, and interests over the receivables, and not the parcels of land themselves. It asserted that the DAs are the result of a mutual mistake. Hence, it prayed that the DAs and SPAs be reformed for failing to express the parties' real intent and agreement. Globe Asiatique also prayed that Union Bank be ordered to pay P300,000.00 as and by way of attorney's fees, and expenses of litigation.

In its Answer^[10] dated November 16, 2012, Union Bank admitted that it indeed entered into a MOA wherein it agreed to purchase Globe Asiatique's accounts receivables; that the MOA shall be implemented through Globe Asiatique's assignment, in favor of Union Bank, of its rights, title, and interests over the receivables under a particular contract to sell; that one of the provisions of the MOA is the execution by Globe Asiatique of an SPA in favor of Union Bank; that upon the execution of the MOA, Globe Asiatique submits the requirements for the purchase of the receivables to Union Bank; and that after the execution of the MOA, the parties commenced with the selling and purchasing of the receivables.

However, Union Bank denied that the subject DAs failed to express the true intent or agreement between the parties or that they were the result of mutual mistake. It also denied that the parties only intended the sale or assignment of rights, titles and interests over the receivables. As an affirmative defense, Union Bank alleged that when the parties executed the subject MOA, they also signed, as annexes, forms for the DAs, SPAs, and the Notice of Assignment and Instruction to Pay (NAIP) Union Bank which constitute as supplementary agreements to the MOA. It further averred that when the parties, through their respective representatives, signed the MOA and the forms, they knew and were fully aware of the contents of the forms attached to the MOA. Moreover, Union Bank claimed that it is the NAIP, not the DAs, which served as the document for the assignment or purchase of the receivables; and that the DAs are actually intended to constitute as security, and collateral for the credit facility which it extended in favor of Globe Asiatique.

Union Bank prayed for the dismissal of the complaint. It also prayed that Globe Asiatique be ordered to pay the cost of suit and at least P50,000.00 as attorney's fees.

On June 4, 2014, after the termination of the pre-trial of the case, Globe Asiatique filed a Motion for Summary Judgment.^[11] On June 20, 2014, Union Bank filed its Opposition.^[12]

The Ruling of the RTC

In its Order dated September 2, 2014, the RTC denied Globe Asiatique's Motion for Summary Judgment. In denying the motion, the trial court ratiocinated that Globe Asiatique failed to show that there was indeed no genuine issue to be tried.

On the contrary, the trial court observed that a reading of the pleadings submitted by the parties would show that a trial is necessary to ascertain which of the conflicting allegations of the parties is true. Globe Asiatique moved for reconsideration, but the same was denied by the RTC in its Order dated April 30, 2015.

On July 31, 2015, Globe Asiatique filed a Petition for *Certiorari*^[13] before the CA.

The Ruling of the CA

In its assailed July 13, 2016 Decision, the CA dismissed Globe Asiatique's petition, and consequently affirmed the RTC's September 2, 2014 and April 30, 2015 Orders. The appellate court concurred with the trial court's observation that a genuine issue exists in this case. It pointed out that Union Bank's Answer contained specific denials and affirmative defenses, making the facts disputed. Thus, the trial court did not commit grave abuse of discretion when it denied Globe Asiatique's motion for summary judgment.

Globe Asiatique moved for reconsideration, but the same was denied by the CA in its Resolution dated January 5, 2017.

Hence, this petition.

The Issue

WHETHER THE APPELLATE COURT ERRED WHEN IT RULED THAT THE TRIAL COURT DID NOT COMMIT GRAVE ABUSE OF DISCRETION WHEN IT DENIED HEREIN PETITIONER'S MOTION FOR SUMMARY JUDGMENT.

The Court's Ruling

A petition for review filed under Rule 45 of the Rules of Court which seeks the review of a decision decided by the CA under Rule 65 of the same code, must be resolved in the same context that the petition for *certiorari* it ruled upon was presented to it.^[14] In other words, the issue to be resolved is whether the CA correctly determined the presence or absence of grave abuse of discretion on the part of the trial court.^[15] As applied in this case, the Court will examine if the CA properly ruled that the RTC's denial of Globe Asiatique's Motion for Summary Judgment was not attended by grave abuse of discretion.

An act of a court or tribunal can only be considered as committed with grave abuse of discretion when such act is done in a capricious or whimsical exercise of judgment as is equivalent to lack of jurisdiction.^[16] The abuse of discretion must be patent and gross as to amount to an evasion of positive duty or a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law as where the power is exercised in an arbitrary and despotic manner by reason of passion and hostility.^[17]