

SECOND DIVISION

[G.R. No. 164587, February 04, 2008]

ROCKLAND CONSTRUCTION COMPANY, INC., Petitioner, vs. MID-PASIG LAND DEVELOPMENT CORPORATION, Respondent.

DECISION

QUISUMBING, J.:

This petition for review seeks the reversal of the Decision^[1] and Resolution^[2] dated February 27, 2004 and July 21, 2004, respectively, of the Court of Appeals in CA-G.R. CV No. 76370. The appellate court had reversed and set aside the Decision^[3] dated September 2, 2002 of the Regional Trial Court (RTC), Branch 67 of Pasig City, in Civil Case No. 68350; dismissed petitioner's complaint; and held that there was no perfected contract of lease between the parties.

The antecedents facts, culled from the records, are as follows:

Rockland Construction Company, Inc. (Rockland), in a letter^[4] dated March 1, 2000, offered to lease from Mid-Pasig Land Development Corporation (Mid-Pasig) the latter's 3.1-hectare property in Pasig City. This property is covered by Transfer Certificate of Title Nos. 469702 and 337158 under the control of the Presidential Commission on Good Government (PCGG). Upon instruction of Mid-Pasig to address the offer to the PCGG, Rockland wrote the PCGG on April 15, 2000. The letter^[5] addressed to PCGG Chairman Magdangal Elma, included Rockland's proposed terms and conditions for the lease. This letter was also received by Mid-Pasig on April 18, 2000, but Mid-Pasig made no response.

Again, in another letter^[6] dated June 8, 2000 addressed to the Chairman of Mid-Pasig, Mr. Ronaldo Salonga, Rockland sent a Metropolitan Bank and Trust Company Check No. 2930050168^[7] for P1 million as a sign of its good faith and readiness to enter into the lease agreement under the certain terms and conditions stipulated in the letter. Mid-Pasig received this letter on July 28, 2000.

In a subsequent follow-up letter^[8] dated February 2, 2001, Rockland then said that it presumed that Mid-Pasig had accepted its offer because the P1 million check it issued had been credited to Mid-Pasig's account on December 5, 2000.^[9]

Mid-Pasig, however, denied it accepted Rockland's offer and claimed that no check was attached to the said letter. It also vehemently denied receiving the P1 million check, much less depositing it in its account.

In its letter^[10] dated February 6, 2001, Mid-Pasig replied to Rockland that it was only upon receipt of the latter's February 2 letter that the former came to know where the check came from and what it was for. Nevertheless, it categorically

informed Rockland that it could not entertain the latter's lease application. Mid-Pasig reiterated its refusal of Rockland's offer in a letter^[11] dated February 13, 2001.

Rockland then filed an action for specific performance docketed as Civil Case No. 68350 in the RTC, Branch 67 of Pasig City. Rockland sought to compel Mid-Pasig to execute in Rockland's favor, a contract of lease over a 3.1-hectare portion^[12] of Mid-Pasig's property in Pasig City.

On September 2, 2002, the trial court rendered a decision, the dispositive portion of which reads in part:

WHEREFORE, judgment is rendered, as follows:

1. Declaring that the plaintiff and the defendant have duly agreed upon a valid and enforceable lease agreement of subject portions of [defendant's] properties designated in Exh. A as areas "A", "B" and "C", comprising an area of 5,000 square meters, 11,000 square meters and 15,000 square meters, or a total of 31,000 square meters;
2. Holding that the principal terms and conditions of the aforesaid lease agreement are as stated in plaintiff's June 8, 2000 letter (Exh. D), to wit:

x x x x
3. Ordering the defendant to execute a written lease contract in favor of the plaintiff containing the principal terms and conditions mentioned in the next-preceding paragraph, within sixty (60) days from finality of this judgment, and likewise ordering the plaintiff to pay rent to the defendant as specified in said terms and conditions;
4. Ordering the defendant to keep and maintain the plaintiff in the peaceful possession and enjoyment of the leased premises during the term of said contract;
5. Ordering the defendant to pay plaintiff [attorney's] fees in the sum of One Million Pesos (P1,000,000.00), plus P2,000.00 for every appearance made by counsel in court;
6. The temporary restraining order dated April 2, 2001 is hereby made PERMANENT;
7. Dismissing defendant's counterclaim.

With costs against the defendant.

SO ORDERED.^[13]

On appeal, the Court of Appeals reversed and set aside the trial court's decision on the following grounds: (1) there was no meeting of the minds as to the offer and acceptance between the parties; (2) there was no implied acceptance of the P1