

## THIRD DIVISION

[ G.R. NO. 156178, January 20, 2006 ]

**PHILIPPINE NATIONAL BANK AND ASSET PRIVATIZATION  
TRUST, PETITIONERS, VS. REFRIGERATION INDUSTRIES, INC.,  
RESPONDENT.**

### D E C I S I O N

**QUISUMBING, J.:**

This is a petition for review on certiorari seeking reversal of the Decision<sup>[1]</sup> dated November 22, 2002, of the Court of Appeals in CA-G.R. CV No. 51912. The decision affirmed the Summary Judgment<sup>[2]</sup> dated August 7, 1995, of the Regional Trial Court (RTC) of Makati, Branch 61, in Civil Case No. 13944.

The facts in this case are culled from the records.

Petitioners are the Philippine National Bank (PNB), a private banking corporation, and the Asset Privatization Trust (APT), an agency created by Proclamation No. 50 that takes title to or possession, conserves, provisionally manages, and disposes assets, which have been identified for privatization or disposition, for the benefit of the National Government.

Respondent Refrigeration Industries Inc. (RII) is a manufacturer of refrigerators and compressors.

Prior to 1984, respondent RII occupied a portion of the assembly plant of Delta Motor Corporation (DMC). RII installed in the plant equipment, machinery and other chattels RII used in its business.<sup>[3]</sup>

In February 1984, PNB, then a government-owned and controlled bank, foreclosed several parcels of real estate and chattels of DMC located at the DMC Compound. In an auction of the foreclosed properties, PNB was the highest bidder. Thus, it took possession of all chattels inside the DMC compound, both as owner of chattels and as mortgagee of the remaining properties.<sup>[4]</sup>

On June 18, 1984 when PNB took possession of the DMC compound, RII demanded the release of its properties still inside the compound, now the subject of the case, after RII made statements claiming ownership over them. PNB allowed RII to remove some of its personal properties from the DMC compound, upon the latter's showing of proof of ownership. However, respondent failed to produce any proof of ownership,<sup>[5]</sup> with respect to the contested properties found in Annex "C" of the Complaint. PNB's refusal to release the subject properties led to the filing of a complaint by RII for **Recovery of Possession with Damages** before the RTC of Makati on June 10, 1986.

At all the scheduled pre-trial conferences, PNB consistently manifested in court its willingness to release the chattels conditioned upon RII's showing of evidence of ownership. Eventually, some of the properties were released.

By virtue of Proclamation No. 50 as implemented by Administrative Circular No. 14 dated February 27, 1989, certain properties of RII inside DMC's compound, with some other acquired assets of PNB covered by the Circular, were transferred to the Asset Privatization Trust (APT). Hence in 1992, APT was impleaded as a party-defendant. Pursuant to Republic Act No. 8758,<sup>[6]</sup> the corporate existence of APT expired on December 31, 2000. On December 6, 2000, former President Joseph Estrada signed Executive Order No. 323 creating the Privatization and Management Office (PMO) which succeeded the APT. At the time, RII had not yet shown additional evidence to support its claim over the remaining personal properties in PNB's possession.

Six (6) years later, on February 10, 1995, RII filed a **Motion for Summary Judgment**.<sup>[7]</sup> It averred that there was no genuine issue to any material fact except the issue on damages, costs and attorneys' fees. RII alleged that during the pre-trial conference, PNB manifested to APT, in a letter<sup>[8]</sup> dated May 11, 1989, that the machineries and equipments of RII listed in Annex "C" of the complaint were erroneously transferred to APT, and that in a letter<sup>[9]</sup> dated May 31, 1989, APT acknowledged the mistakes and agreed to release the properties to the authorized representative of RII.

Both PNB and APT (PMO) opposed the motion on the ground that there still existed a genuine factual issue, which was the ownership of the chattels.

On August 7, 1995, a **Summary Judgment** was rendered by the lower court, the decretal portion of which reads:

WHEREFORE, premises above considered, and there is no genuine issue left to be litigated, the motion for summary judgment is hereby GRANTED, and judgment is hereby rendered for plaintiff as against defendants who are hereby ORDERED to effect the return of all the chattels and/or personal properties of plaintiff that were taken by them as stated in Annex "C" of the Complaint.

SO ORDERED.<sup>[10]</sup>

PNB appealed to the Court of Appeals.

On November 22, 2002, the Court of Appeals affirmed *in toto* the trial court's decision. Hence, this petition raising a single issue as follows:

THE HONORABLE COURT OF APPEALS DID NOT CONSIDER THE EXISTENCE OF A GENUINE ISSUE IN THIS CASE, THAT OF THE OWNERSHIP OF THE CONTESTED CHATTELS, THAT WOULD PRECLUDE ISSUANCE OF SUMMARY JUDGMENT.<sup>[11]</sup>

Simply put, was the summary judgment proper? Did the appellate court err in affirming the trial court's decision?