409 Phil. 450

FIRST DIVISION

[G.R. No. 144291, April 20, 2001]

EVADEL REALTY AND DEVELOPMENT CORPORATION, PETITIONERS, VS. SPOUSES ANTERO AND VIRGINIA SORIANO, RESPONDENTS.

D E C I S I O N

KAPUNAN, J.:

This is an appeal by *certiorari* under Rule 45 of the Rules of Court of the decision of the Court of Appeals dated August 3, 2000 in CA-G.R. CV No. 60292 affirming the summary judgment rendered by the Regional Trial Court, Branch 88, Cavite City, in the case for *accion reinvidicatoria* filed by herein respondents Antero and Virginia Soriano against petitioner Evadel Realty and Development Corporation.

The pertinent facts from which the present petition proceeds are as follows:

On April 12, 1996, the spouses Antero and Virginia Soriano (respondent spouses), as sellers, entered into a "Contract to Sell " with Evadel Realty and Development Corporation (petitioner), as buyer, over a parcel of land denominated as Lot 5536-C of the Subdivision Plan of Lot 5536 covered by Transfer Certificate of Title No. 125062 which was part of a huge tract of land known as the Imus Estate.

The pertinent portions of the Contract read:

xxx

> WHEREAS : It is the desire of Party "B" to purchase a portion of a parcel of land owned by Party "A" and which portion consist of 28,958 sq.m. and specifically described as lot 5536-C of the Subdivision Plan of Lot 5536 of Imus Estate as surveyed for Antero Q. Soriano and covered by TCT 125062 issued by the Register of Deeds of the Province of Cavite and which portion is shown in Annex "A" hereof.
>
> xxx
>
> I. SUBJECT
>
> The subject of this agreement is the intended sale of 28,958 sq.m. which is a portion of TCT No. 125062 in the name of Party "A" to Party "B" and which portion is herewith shown in Annex "A" hereof.
>
> xxx

III. Conditions to Govern "Contract to Sell"

1] The amount of Twenty Eight Million Nine Hundred Fifty Eight Thousand Pesos (P28,958,000.00) representing the first installment of the purchase price of the property shall be delivered by Party "B" to Party "A" upon the signing of this agreement.

2] The second and last installment of Twenty Eight Million Nine Hundred Fifty Eight Thousand Pesos (P28,958,000.00) shall be delivered by Party "B" to Party "A" simultaneously with the delivery of Party "A" to Party "B" of the Torrens Title to the lot specifically described as Lot No. 5536-C containing an area of 28,958 sq. m. and herewith shown in Annex "A" hereof; still in the name of Party "A" and the delivery of Party "A" to Party "B" of the "Deed of Absolute Sale" to the property in favor of Party "B". Responsibility of the transfer of the Torrens Title from the name of Party "A" to Party "B" shall be the sole responsibility of Party "B". Moreover, the balance in the amount of Twenty Eight Million Nine Hundred Fifty Eight Thousand Pesos(P28,958,000.00) shall be due and demandable immediately from the time Party "B", thru its President or Vice-President receives either verbal or written notice that the Torrens Title to the segregated property and the "Deed of Absolute Sale" are already available for delivery to Party "B". In the event of delay, however, Party "B" shall be charged with interest and penalty in the amount of 6% per month, compounded, for every month of delay or a fraction thereof in the event the delay does not exceed one month.

xxx[1]

Upon payment of the first installment, petitioner introduced improvements thereon and fenced off the property with concrete walls. Later, respondent spouses discovered that the area fenced off by petitioner exceeded the area subject of the contract to sell by 2,450 square meters. Upon verification by representatives of both parties, the area encroached upon was denominated as Lot 5536-D-1 of the subdivision plan of Lot 5536-D of Psd-04-092419 and was later on segregated from the mother title and issued a new transfer certificate of title, TCT No. 769166, in the name of respondent spouses.

Respondent spouses successively sent demand letters to petitioner on February 14, March 7, and April 24, 1997, to vacate the encroached area. Petitioner admitted receiving the demand letters but refused to vacate the said area.

Thus, on May 23, 1997, a complaint for *accion reinvindicatoria* was filed by respondent spouses against petitioner with the Regional Trial Court, Branch 88 of Cavite City.

In its Answer, petitioner admitted the encroachment but claimed that it was a

builder in good faith since it merely relied on the boundaries pointed out by the representatives of respondent spouses. Petitioner also argued that there was a novation of contract because of the encroachment made by the national road on the property subject of the contract by 1,647 square meters.

On March 19, 1998, respondents filed a Motion for Summary Judgment, alleging that there existed no genuine issue as to the material facts of the case due to the admissions made by petitioner in its Answer.

The trial court granted the motion on June 11, 1998 and rendered judgment in favor of respondent spouses, the dispositive portion of which reads:

> WHEREFORE, in the light of the foregoing, this court hereby orders the defendant to remove without right of indemnity and at its expense, any or all improvements that it has introduced on the parcel of land covered by TCT No. T-769166 issued by the Register of Deeds of the Province of Cavite with an area of 2,450 square meters, more or less, in the name of plaintiffs spouses and to return to the plaintiffs the physical possession of the above-described parcel of land.
>
> Plaintiffs' and defendant's claim and counter-claim for damages and attorney's fees are dismissed. No pronouncement as to costs.
>
> SO ORDERED.[2]

This prompted petitioner to appeal the matter to the Court of Appeals. On August 3, 2000, the Court of Appeals affirmed the order for summary judgment of the trial court. Hence, this petition ascribing the following errors:

> I. XXX, THE HON. COURT OF APPEALS COMMITTED AN ERROR OF LAW IN AFFIRMING THAT UNDER THE FACTUAL CIRCUMSTANCES, A SUMMARY JUDGMENT COULD BE RENDERED BY THE COURT A QUO.
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> II. XXX, THE HON. COURT OF APPEALS COMMITTED AN ERROR OF LAW IN ITS APPLICATION OF THE JURISPRUDENCE LAID DOWN IN THE CASE OF TERNATE v. COURT OF APPEALS (241 SCRA 254) AND NATIONAL IRRIGATION ADMINISTRATION v. GAMIT (215 SCRA 436) UNDER THE FACTUAL CONTENT OF THE CASE AT BAR.
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> III. XXX, THE HON. COURT OF APPEALS COMMITTED AN ERROR OF LAW IN ITS APPLICATION OF THE JURISPRUDENCE LAID DOWN IN THE CASE OF J.M. TUASON & CO. INC. v. VDA. DE LUMANLAN (23 SCRA 230) UNDER THE FACTUAL CONTENT OF THE CASE AT BAR.

IV. XXX, THE HON. COURT OF APPEALS COMMITTED AN ERROR OF LAW IN ITS APPLICATION OF THE JURISPRUDENCE LAID DOWN IN THE CASES OF MANILA BAY CLUB CORPORATION v. COURT OF APPEALS (245 SCRA 715) AND THE MARINE CULTURE INC. v. COURT OF APPEALS (219 SCRA 148) UNDER THE FACTUAL CONTENT OF THE CASE AT BAR.

V. XXX, THE HON. COURT OF APPEALS COMMITTED AN ERROR OF LAW IN AFFIRMING THE DECISION OF THE COURT A QUO, THUS DEPRIVING THE PETITIONER OF ITS DAY IN COURT AND ITS CONSTITUTIONAL RIGHT TO DUE PROCESS OF LAW.

Summarizing the aforecited issues, the basic issue posed for resolution is whether or not the trial court was in error in rendering summary judgment on the case.

Petitioner claims that a summary judgment cannot be rendered on the case as there are genuine issues of fact which have to be threshed out during trial. It is alleged that in the original and amended complaint, private respondent spouses sought recovery of two thousand four hundred sixty two (2,462) square meters of land. This was, however, changed to 2,450 square meters in the second amended complaint. It is also argued that when petitioner entered upon the property in 1996, it relied on the metes and boundaries pointed out by respondents themselves and their surveyors. Moreover, title over the said area was obtained only after the commencement of the complaint so petitioner could not have possibly disputed such title earlier. Therefore, petitioner maintains, the question of the exact area of the land allegedly encroached, whether 2,462 or 2,450 square meters; and the determination of whether its possession of the subject property was in good or bad faith, are genuine triable issues.

Respondent spouses, on the other hand, maintain that there are no genuine issues of fact in the present case in view of the admission by petitioner of (1) the existence of the title over the subject property in the name of respondent spouses; and (2) its encroachment on the northern side of sold Lot 5536-C which is the area in dispute. It is claimed that such admissions are tantamount to an admission that respondents have a rightful claim of ownership to the subject property warranting a summary judgment in their favor.

Prompt and expeditious resolution of cases have always been an underlying policy of the Court. For this reason, certain rules under the Rules of Court are designed to shorten the procedure in order to allow the speedy disposition of a case. Some of these are Rule 33 on Demurrer to Evidence, Rule 34 on Judgment on the Pleadings and Rule 35 on Summary Judgments. In all these instances, full-blown trial of a case is dispensed with and judgment is rendered on the basis of the pleadings, supporting affidavits, depositions and admissions of the parties.

Under Rule 35 of the 1997 Rules of Civil Procedure, except as to the amount of damages, when there is no genuine issue as to any material fact and the moving party is entitled to a judgment as a matter of law, summary judgment may be allowed.[3] Summary or accelerated judgment is a procedural technique aimed at weeding out sham claims or defenses at an early stage of the litigation thereby avoiding the expense and loss of time involved in a trial.[4] The law itself