

THIRD DIVISION

[G.R. No. 120107, January 20, 1998]

DANILO P. AGUAS, PETITIONER, VS. COURT OF APPEALS, HON. BENJAMINT. VIANZON, PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH 1, BALANGA, BATAAN, SPOUSES BUENAVENTURA GREGORIO AND CONSTANCIA GREGORIO, SPOUSES ANTONIO GABAYA AND ILUMINADA GABAYA, BALANGA RURAL BANK, INC., SPOUSES RUFINO REYES AND ELSIE RODILL AND THE REGISTER OF DEEDS OF BATAAN, RESPONDENTS.

D E C I S I O N

MELO, J.:

The petition at bar assails the decision of the Court of Appeals in its CA-G.R. SP NO. 33283, for being violative of petitioner's right to due process of law, in that said court dismissed his petition for review by resorting to facts not alleged in the petition and worse, for being contrary to those hypothetically admitted by private respondents.

The present controversy arose from the complaint filed by petitioner Danilo P. Aguas before the Regional Trial Court of the Third Judicial Region (Branch 1, Balanga, Bataan) for injunction, annulment of title, and/or conveyance of property, with damages and with prayer for preliminary injunction and restraining order, which was therein docketed as Civil Case No. 6215. Impleaded as defendants were herein private respondents, the spouses Buenaventura and Constancia Gregorio, and the numerous co-owners of the subject parcel of land, namely, the spouses Eduardo and Elenita Anacleto, Violeta, Vic, Lila, Alejandro, Felicitas, Rolando, Daniel, and Efren, all surnamed Anacleto, and the spouses Antonio and Iluminada Gabaya. Likewise included as defendants were the Balanga Rural Bank, Inc., the spouses Rufino J. Reyes and Elsie Rodill, Jose P. Gapas in his capacity as Revenue District Officer No. 17 of the Bureau of Internal Revenue, and the Register of Deeds of Bataan.

In that complaint, the following relevant allegations (which we paraphrase) were made:

Petitioner is the lessee, since 1957, of one of the stalls of a building owned by the Gregorio spouses and their co-owners located at J.P. Rizal Street, Balanga, Bataan. The rented stall houses Dan's Studio, a photo developing center owned by petitioner. On June 25, 1993, petitioner received from private respondent Constancia Gregorio, acting as attorney-in-fact for her other co-owners, a letter informing him that the lot and the building are for sale for P7 million, and that he is being given the preferential right to purchase the property within one month from receipt of the letter, or until July 25, 1993 (pp. 57-58, Rollo).

Before said date, petitioner went to see the Gregorio spouses with an offer of P5 million. The latter told petitioner that they will be going to the USA to discuss the final price with the other co-owners, although they themselves are willing to settle for P6.5 million. Petitioner was thus told to wait for their final decision. On August 19, 1993, petitioner, upon learning that the Gregorio spouses had arrived from the USA, went to them and made another offer of P5.5 million. Petitioner was told that the other co-owners would be in town on the 24th, and so petitioner should just wait and return on said date to know the final price of the property (pp. 58-59, Ibid.).

The following day, however, petitioner learned from private respondent Felicitas Anacleto that the spouses Antonio and Iluminada Gabaya had paid the Gregorio spouses P1 million as earnest money for the purchase of said lot and building. Petitioner and his mother thus went to see Iluminada Gabaya, who in turn showed mother and son an agreement dated June 29, 1993, a mere four days after petitioner received the letter giving him preference in the purchase of the property, stating that the Gregorio spouses had agreed to sell the property for P5 million to the Gabaya spouses, with P1 million as earnest money. The agreement, however, did not state how the balance of P4 million was to be paid (pp. 59-60, Ibid.).

On September 28, 1993, petitioner received a letter from the Balanga Rural Bank informing him that the bank had purchased the property from the Gabaya spouses and will start the construction of a new building on said lot on January 1994. Hence, petitioner was asked to vacate the premises by December 31, 1993. Petitioner, upon learning of these transactions went to the Bataan District Revenue Office of the Bureau of Internal Revenue and to the Office of the Registrar of Deeds of Bataan to inquire about said transactions. His informal and formal requests were granted only after several repeated attempts to get a copy of the pertinent documents. From these, he found that the consideration in the two transactions were similarly P800,000.00. As a result of the foregoing, TCT No. T-48239 in the name of private respondents Anacleto was canceled in lieu of TCT No. T-158979 in the name of the Gabaya spouses, which later was also canceled and new ones issued, TCT No. T-159406 and 159407, to private respondent Reyes (pp. 62-65, Ibid.).

Petitioner further alleged that there was a conspiracy among the co-owners, as evidenced by the fictitious deeds of sale and as further reflected by the gross undervaluation of the lot, to deprive him of his right to buy the property. The Revenue District Officer and the Registrar of Deeds were named defendants for processing the fictitious and unauthorized documents which facilitated the transactions over the scandalously undervalued properties (pp. 66-67, Ibid.).

Petitioner, therefore, prayed for the conveyance of the property to him, and/or for actual, moral, and exemplary damages. He also prayed for the issuance of a temporary restraining order and preliminary injunction enjoining his eviction from the premises, the construction of the planned building and the encumbrance, alienation, or disposition of the subject property (pp. 68-74, Ibid.).

The trial court issued a temporary restraining order but held back regarding the preliminary injunction. On January 4, 1994, petitioner's motion to effect extrajudicial service on the non-resident defendants was granted. However, it appears that no such service has been effected. On January 6, 1994, petitioner filed an ex-parte motion to declare all duly summoned but non-answering defendants in default, as only the Revenue District Officer filed an answer. However, that same day, the Bank, the Reyes spouses, and the Gabaya spouses filed a motion to dismiss the complaint on the ground that, hypothetically admitting petitioner's material allegations, it states no cause of action. The motion was set to be heard on January 21, 1994 (pp. 19-21, Ibid.) .

On January 10, 1994, upon information that Presiding Judge Benjamin Vianzon is an acquaintance of the Bank's president and the Registrar of Deeds, petitioner filed a motion to inhibit the trial court judge. However, an order dated January 7, 1994 was forthwith released, denying petitioner's prayer for the issuance of a preliminary injunction, of which he later sought reconsideration. On January 17, 1994, petitioner filed a motion for the early resolution of the motion to inhibit as it was prejudicial to all other matters before the court. On January 21, 1994, petitioner received a copy of the complaint for ejectment filed by the Bank with the Municipal Trial Court of Balanga, Bataan. On January 25, 1994, petitioner received a copy of the motion to dismiss filed by the Gregorio spouses, stating that petitioner's complaint states no cause of action and that his claim is unenforceable for being violative of the statute of frauds. On January 25, 1994, petitioner's motion for inhibition was denied for lack of merit (pp. 22-25, Ibid.).

Worried about such developments, particularly the ominous resolution of the motion to dismiss despite protestations regarding the judge's impartiality, and mindful that he has yet to file a motion for reconsideration of the orders denying preliminary injunction and inhibition, petitioner nonetheless filed before respondent Court of Appeals a petition for certiorari, prohibition, and mandamus alleging that the trial court judge's actuations constitute grave abuse of discretion (p. 26, Ibid.).

The Court of Appeals, in dismissing the petition, delved extensively on the issue of petitioner's right to enforce what he believes to be his preferential right to buy the subject property. It ruled that the June 25, 1993 letter created no binding agreement because of the absence of any consideration separate and distinct from the price of the property, contrary to what is required by Article 1479 of the Civil Code , which states:

Art. 1479. A promise to buy and sell a determinate thing for a price certain is reciprocally demandable.

An accepted unilateral promise to buy or to sell a determinate thing for a price certain is binding upon the promisor if the promise is supported by a consideration distinct from the price.

Furthermore, the Court of Appeals continued, as admitted by petitioner, there was no absolute acceptance of the offer because he made a counter-offer of P5 million, and eventually P5.5 million. Thus, there was no meeting of the minds in the first place. Hence, having no right to the subject property, petitioner cannot speak of private respondents having committed fraud and abuse of confidence, trust and right. The Court of Appeals, therefore, denied petitioner's prayer for the issuance of