

Republic of the Philippines
Supreme Court
Manila

CERTIFIED TRUE COPY
Wilfredo V. Lapid
WILFREDO V. LAPID
Division Clerk of Court
Third Division
NOV 10 2016

THIRD DIVISION

MARILOU BALASBAS, FELIPE
OLEGARIO, JOSE NARVAEZ,
RODOLFO BUMANLAG,*
TEODORO MISIA, MARCELINO
VILA, HILARIO ALCALA,
MACARIO CORDOVA,
SALVADOR ABAIGAR, ATILANO
BACUD & LEONIDES BOLVIDO,
Petitioners,

G.R. No. 187544

Present:

VELASCO, JR., J., *Chairperson*,
PERALTA,
PEREZ,
REYES, and
JARDELEZA, JJ.

-versus-

ROBERTO L. UY REALTY &
DEVELOPMENT CORPORATION,
Respondent.

Promulgated:

October 3, 2016

X ----- *Wilfredo V. Lapid* ----- X

DECISION

JARDELEZA, J.:

This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Revised Rules of Court assailing the Decision² dated January 30, 2009 and Resolution³ dated April 17, 2009 of the Court of Appeals (CA) in C.A. G.R. CV No. 87950, which affirmed the Decision⁴ dated September 30, 2005 of the Regional Trial Court (RTC) of Pasay City, Branch 109, in Civil Case No. 2797-P.

Facts

Roberto L. Uy Realty and Development Corporation (Uy Realty) is the registered owner of a parcel of land identified as Lot No. 555 with an area of 6,196.91 square meters, covered by Transfer Certificate of Title No. (TCT No.) 24612 and located at 318-320 Int. EDSA, Barangay Sto. Niño,

* Also referred to as "Bumanglag" in some parts of the records.

¹ *Rollo*, pp. 8-34.

² *Id.* at 36-49, penned by Associate Justice Mariano C. Del Castillo (now a Member of this Court), with Associate Justices Celia C. Librea-Leagogo and Arturo G. Tayag, concurring.

³ *Id.* at 51.

⁴ *Id.* at 106-117.

Pasay City.⁵

On July 16, 1982, Uy Realty brought to the attention of the Office of the City Engineer, Pasay City, the presence of the houses of Marilou Balasbas, Felipe Olegario, Jose Narvaez, Rodolfo Bumanlag, Teodoro Misia, Marcelino Vila, Hilario Alcala, Macario Cordova, Salvador Abaigar, Atilano Bacud and Leonides Bolvido (Balasbas, *et al.*) which were illegally constructed on its property.⁶

On August 9, 1982, the Pasay City Office of the City Engineer Building Inspector Rodolfo M. Medroso (Engr. Medroso) submitted a letter-report⁷ to the Pasay City Office of the City Engineer Building Official Engineer Jesus L. Reyna (Engr. Reyna) stating that there are eleven (11) houses, mostly make-shift, on the property, and that the names of the owners of the houses do not appear in the official registry book for building permits.

Thus, on April 26, 1983, then Pasay City Mayor Pablo Cuneta (Mayor Cuneta) issued a letter⁸ to Balasbas, *et al.* informing them that per verification from the Office of the City Engineer, none of the structures Balasbas, *et al.* built on the property had the necessary building permits. As a result, Mayor Cuneta directed Balasbas, *et al.* to vacate the property and to dismantle their structures.

Due to Balasbas, *et al.*'s refusal to comply with the order of Mayor Cuneta, on April 19, 1985, Uy Realty filed before the RTC of Pasay City a Complaint⁹ for recovery of possession against Balasbas, *et al.* The case was docketed as Civil Case No. 2797-P and raffled to Branch 113. Uy Realty prayed that an order be issued directing Balasbas, *et al.* to voluntarily and peacefully vacate and surrender the portion of Uy Realty's property they are illegally occupying and to pay Uy Realty attorney's fees, expenses of litigation and other consequential damages.¹⁰

Balasbas, *et al.* filed their Answer¹¹ through their counsel, Atty. Gladys P. Garcia (Atty. Garcia), of the Citizens Legal Assistance Office detailed at the Pasay City Hall. Balasbas, *et al.* alleged that they have been residing in the premises for the past thirty-two (32) years. They used to pay rentals to a certain Jesus Uy but stopped in 1975 when they learned that Jesus Uy was not the owner of the lot on which they lived. The property on which their houses stand is not included in Uy Realty's property as shown in the vicinity map of the City Assessor of Pasay City. Uy Realty's property is designated as Lot No. 555 while the portion of the property where Balasbas,

⁵ *Id.* at 58.

⁶ *Id.* at 58-59.

⁷ *Id.* at 63.

⁸ *Id.* at 81.

⁹ *Id.* at 58-62.

¹⁰ *Id.* at 61.

¹¹ *Id.* at 71-74.

et al.'s houses stand is designated as Lot No. 537 [Lot No. 587¹²]. Uy Realty encroached upon a portion of Lot No. 587 by covering the creek which separates the lot where Balasbas, *et al.*'s houses are built.¹³ They prayed for the dismissal of the complaint and claimed moral and exemplary damages, as well as litigation expenses, from Uy Realty.¹⁴

During the pre-trial on July 11, 1985,¹⁵ the parties agreed that the only issue to be resolved is whether the property claimed by Uy Realty is the same property on which Balasbas, *et al.*'s houses stand, or, whether the property claimed by Uy Realty goes beyond the area covered by its title such that a portion of it encroaches upon the land on which Balasbas, *et al.* built their dwellings.

Trial ensued. On January 29, 1987, the trial court issued an Order¹⁶ stating that the only way to determine if any of the houses were constructed on Uy Realty's property is to conduct an actual survey. The trial court ordered the creation of a survey team which will conduct an actual survey on the land based on the technical description found in TCT No. 24612. The team would consist of two (2) representatives from each party, and a geodetic engineer from the City Engineer's Office of Pasay City as the team leader.

Engineer Amador Abaya (Engr. Abaya) of the City Engineer's Office was designated as the team leader. On March 31, 1987, he submitted a report¹⁷ (Abaya Report) indicating that there are no monuments on the ground which would enable him to determine the boundary of Lot No. 555 owned by Uy Realty and the extent of encroachment of Balasbas, *et al.*'s houses on Lot No. 555 and that a seven-meter canal separates Lot No. 555 and Lot No. 587 owned by a certain Mr. Saulog. Attached to the report was a sketch plan¹⁸ showing Lot No. 555, Lot No. 587 and the canal which separates the two (2) lots. According to the sketch plan, the following persons' properties occupy Uy Realty's property:

1. Nenita Alcalá;
2. Virginia Bumanlag;
3. Atilano Bacud;
4. Elpidio Daos;
5. Federico Milante;
6. Lita Banos;
7. Marilou Balasbas;
8. Elmo Sulia; and

¹² As appearing in the sketch plan, *id.* at 91.

¹³ *Id.* at 72-73.

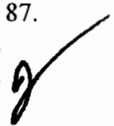
¹⁴ *Id.* at 74.

¹⁵ Records, p. 27.

¹⁶ *Rollo*, p. 87.

¹⁷ *Id.* at 92.

¹⁸ *Id.* at 91.



9. Teodoro Mesia.¹⁹

The sketch plan also indicated that the following persons' properties are inside the canal separating Uy Realty's property and Mr. Saulog's property:

1. Lourdes Olegario;
2. Marcelino Diza;
3. Jose Narvaez;
4. Nestor Aquino; and
5. Custodio Carunsay.²⁰

On June 11, 1987, the parties agreed to a stipulation of facts²¹ which they reaffirmed on July 6, 1987.²² On July 9, 1987, the trial court issued an Order²³ rendering partial judgment, to wit:

The parties in the above-entitled case, assisted by their respective counsel, made the following admissions and/or stipulations embodied in the Commissioner's Report dated March 31, 1987, counsel for plaintiff's manifestation and motion dated May 18, 1987, counsel for the defendants' manifestation and motion dated June 11, 1987 amplified in the order dated June 11, 1987, counsel for the defendants' written manifestation dated June 19, 1987, and again affirmed by attending counsels on July 6, 1987, to wit:

1) That the parties signify their conformity to the report of Commissioner Amador Abaya dated March 31, 1987 subject only to the qualification that the strip of land measuring approximately seven [7] meters wide, perceived to be either a waterway/canal or right of way, will be the subject of further hearing on the merits;

2) That the defendants whose houses or portions thereof were erected and are within plaintiff's parcel of land as depicted in the aforesaid Commissioner's Report dated March 31, 1987 and its enclosures, will voluntarily remove said structures or portions thereof which encroach on plaintiff's realty, within a period of ninety (90) days from receipt of a copy of this partial judgment; provided that the same shall be undertaken in the presence of Commissioner Amador Abaya who shall determine in the field the exact boundary of the property involved as much as possible in the presence of the parties or their representatives; and[]

3) In the event plaintiff should construct a boundary wall or place land monuments (mojones) on the portion of

¹⁹ *Id.* at 14, 88 & 91.

²⁰ *Id.* at 15, 89 & 91.

²¹ *Id.* at 93-94.

²² Records, p. 51.

²³ *Rollo*, p. 95.

its property affecting the defendants' habitation, the same shall be made in the presence of Commissioner Amador Abaya and with prior notice to the defendants or their counsel of record.

WHEREFORE, the Court renders partial judgment on the basis of the foregoing stipulations and/or admissions, and enjoins the parties to comply strictly with the terms and conditions thereof.

SO ORDERED.²⁴

On March 23, 1988, Felicisimo C. Ilagan filed a motion to intervene²⁵ alleging that he was a successor-in-interest of Salvador Abaigar. The former's intervention was granted.²⁶

During the continuation of the trial, the trial court ordered the commission to resurvey the area in order to determine the exact area of the gap or strip of land/canal separating Uy Realty's land and that of Mr. Saulog.²⁷ On January 31, 1989, Engr. Abaya manifested that there is a conflicting tie line appearing on the survey plans submitted by the engineers of both parties.²⁸ The RTC then directed the Director of the Bureau of Lands or his representative to examine the plans and to certify which one is the correct plan.²⁹

Isidro E. Mundo, Jr., Chief, Surveys Division of the Department of Environment and Natural Resources-Lands Management Sector (DENR-LMS), submitted a reply report³⁰ dated July 18, 1989 and a supplemental letter³¹ clarifying and correcting the tie line.

Subsequently, the Chief of the Technical Services Section of the DENR-LMS, Elpidio T. De Lara (Engr. De Lara), submitted his Final Report (De Lara Report)³² of the field survey dated January 11, 1990 which states:

- a) [T]he portion of existing houses by the Defendants encroached to the titled property (lot 555 Cad 259, Pasay Cad) with a sub lot area 549.54 sq. meters[.]
- b) [T]he area of canal (portion of this also occupied by the Defendants) in between lot 2, Pcs-2732 and lot 555 Cad 259 Pasay Cad has an area of 232.50 sq. m. which is **4 m.** away from corner to corner adjoining each lot.
- c) [T]he two plan[s] submitted [have] a conflicting tie

²⁴ *Id.* Emphasis supplied.

²⁵ Records, pp. 62-63.

²⁶ *Id.* at 77-78.

²⁷ *Rollo*, p. 98.

²⁸ *Id.* at 99.

²⁹ *Id.*

³⁰ *Rollo*, p. 100.

³¹ *Id.* at 101.

³² *Id.* at 102-103.



lines. Selecting the correct tie lines to be used [in] relation to lot 2, Pcs-2732 was on Engr. Ambal's plan and found that the tie line used by Engr. Pineda is defective.³³ (Emphasis supplied.)

On May 8, 1990, the trial court issued an Order³⁴ submitting the case for decision on the basis of the survey conducted by the commission as previously agreed upon by the parties and their counsels.

On January 18, 1992, a fire burned the Pasay City Hall Building and the records of the case.³⁵ As a result, Uy Realty filed a Petition³⁶ for reconstitution of records which the court approved.³⁷

On July 25, 2005, the trial court once again issued an Order³⁸ submitting the case for decision.

On September 30, 2005, the RTC Branch 109, Pasay City rendered a Decision³⁹ ordering Balasbas, *et al.* to vacate the property and to pay attorney's fees plus costs of suit. The dispositive portion of the Decision reads:

WHEREFORE, judgment is hereby rendered in favor of plaintiff and all defendants are directed to vacate and surrender to the plaintiff, the portion of the latter's property being occupied by them (defendants) covered by Transfer Certificate of Title No. 24612 of the Registry of Deeds of Pasay City, Metro Manila situated at 318-320 Int. EDSA, Barangay Sto. Nino, Pasay City, Metro Manila.

Further, to pay plaintiff the sum of ₱20,000.00 as and for attorney's fee plus cost of suit jointly and severally.

SO ORDERED.⁴⁰

Balasbas, *et al.* then filed a Motion for New Trial⁴¹ on the following grounds: a) the commission of fraud in the judicial compromise between the parties; b) the presence of mistake of facts in the survey reports which renders the Decision uncertain and inconclusive in its resolution of the actual controversy; and c) the existence of newly discovered evidence referring to a letter⁴² dated October 13, 2003 from the Lands Management Bureau of the DENR which, if presented, would probably alter the result of the case.⁴³ On

³³ *Id.* at 102.

³⁴ Records, p. 82.

³⁵ *Id.* at 274.

³⁶ *Rollo*, pp. 52-57.

³⁷ Records, p. 316.

³⁸ *Rollo*, pp. 104-105.

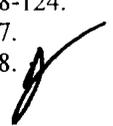
³⁹ *Id.* at 106-117.

⁴⁰ *Id.* at 117.

⁴¹ *Id.* at 118-124.

⁴² *Id.* at 127.

⁴³ *Id.* at 118.



the other hand, Uy Realty filed a Motion for Execution⁴⁴ of the decision.

On August 28, 2006, the RTC issued an Order⁴⁵ denying the Motion for New Trial and granting the Motion for Execution.

Balasbas, *et al.* appealed.⁴⁶ They alleged that the trial court committed serious reversible error when it rendered a Decision based on the stipulation of facts entered into by the counsels dated July 6, 1987 and survey reports submitted by the appointed commission.⁴⁷ The trial court likewise erred when it denied a new trial of the case.⁴⁸

CA Ruling

On January 30, 2009, the CA ruled that Uy Realty and Balasbas, *et al.* are bound by the partial judgment dated July 9, 1987 which was rendered on the basis of a judicial compromise agreed upon by the parties.⁴⁹ The RTC also acted within its authority in rendering the judgment based on the survey reports which were conducted in their presence; hence, Balasbas, *et al.* are barred from assailing them.⁵⁰ The CA also held that the certification they presented is not a newly discovered evidence which would warrant a new trial and that Uy Realty's title cannot be attacked collaterally.⁵¹

The CA denied Balasbas, *et al.*'s Motion for Reconsideration⁵² via its Resolution dated April 17, 2009.

Petitioners' Arguments

Balasbas, *et al.* filed this petition and maintain that the CA erred when it affirmed the RTC Decision by confirming as binding the stipulation of facts and judicial compromise entered into by their counsel.⁵³ They allege that their former counsel, Atty. Garcia, by herself and without their knowledge and consent, entered into a judicial compromise.⁵⁴ Atty. Garcia likewise allegedly kept them unaware of the developments in the case which was detailed in the *Sinumpaang Salaysay*⁵⁵ executed by Atilano Bacud.

The CA also erred when it upheld the survey reports which are inaccurate and inconclusive as to the actual location of the property of Uy Realty and the position of their houses.⁵⁶ They particularly question the

⁴⁴ Records, pp. 348-350.

⁴⁵ *Rollo*, pp. 131-132.

⁴⁶ *Id.* at 133-145.

⁴⁷ *Id.* at 141-142.

⁴⁸ *Id.* at 145.

⁴⁹ *Id.* at 45-46.

⁵⁰ *Id.* at 46-47.

⁵¹ *Id.* at 48.

⁵² *Id.* at 147-151.

⁵³ *Id.* at 18.

⁵⁴ *Id.* at 21-22.

⁵⁵ *Id.* at 125-126.

⁵⁶ *Id.* at 26-30.

Abaya Report on the ground that it was unreliable, incomplete and conducted contrary to standard survey procedures.⁵⁷

Lastly, the CA erred in ordering all of them to vacate and surrender portions of their property even if the surveys determined that some of the houses are not found inside Uy Realty's property.⁵⁸

Issue

Whether the CA erred in ordering petitioners to vacate and surrender to respondent the portion of the latter's property petitioners are occupying.

Ruling

The petition lacks merit.

Our jurisdiction in a Rule 45 petition is limited to the review of pure questions of law. Negatively put, Rule 45 does not allow the review of questions of fact because the Court is not a trier of facts.⁵⁹ Generally, we are not duty bound to analyze again and weigh the evidence introduced in and considered by the tribunals below. When supported by substantial evidence, the findings of fact of the CA are conclusive and binding on the parties and are not reviewable by this Court.⁶⁰

A question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. The question, to be one of law, must rest solely on what the law provides on the given set of circumstances and should avoid the scrutiny of the probative value of the parties' evidence.⁶¹

We find that the resolution of this case requires the re-evaluation of the factual findings of the RTC and of the CA. The questions surrounding the execution of the compromise agreement and its subsequent approval by the RTC, the accuracy of the Abaya and De Lara survey reports, and the declaration that petitioners' houses occupy a portion of Uy Realty's property require the re-evaluation of the factual findings of the RTC and the CA. On this score alone, the petition fails.

Just the same, even if we relax the rules, the substantial merits of the petition are insufficient to reverse the Decisions of the RTC and the CA.

⁵⁷ *Id.* at 28-29.

⁵⁸ *Id.* at 30-31.

⁵⁹ *General Mariano Alvarez Services Cooperative, Inc. v. National Housing Authority*, G.R. No. 175417, February 9, 2015, 750 SCRA 156, 162.

⁶⁰ *Cirtek Employees Labor Union-Federation of Free Workers v. Cirtek Electronics, Inc.*, G.R. No. 190515, June 6, 2011, 650 SCRA 656, 660.

⁶¹ *Chu, Jr. v. Caparas*, G.R. No. 175428, April 15, 2013, 696 SCRA 324, 332-333.



The findings of the RTC and the CA regarding petitioners' encroachment on Uy Realty's property are based on the results of the surveys Engr. Abaya and Engr. De Lara conducted and which were attended and witnessed by the parties and their representatives, adopted by the parties through their joint stipulations and admissions and approved by the RTC through its July 9, 1987 Order and September 30, 2005 Decision.

Thus, it is too late in the day for petitioners to challenge the surveys undertaken and their joint stipulations and admissions. As the CA correctly held:

x x x Aside from the fact that the Rules of Court, specifically Rule 32[,] Section 11, clearly provides that the trial court may adopt, modify, reject or recommit the findings of the commissioners, the parties, in the case at bench, have agreed to abide by the results of the survey. **Besides, the field survey was conducted in the presence of representatives of both parties. In fact, both parties have submitted documents which were utilized as references. For actively participating in the conduct of the survey, they are now barred from questioning the manner by which the procedures were undertaken.**⁶² (Emphasis supplied.)

Petitioners' claim that the judicial compromise based on the parties' joint stipulations and admissions was fraudulently entered into by their counsel without their knowledge and consent also fails to persuade.

We recall that the stipulation of facts was agreed upon by the parties during the course of trial and was affirmed by the trial court in the Order⁶³ dated June 11, 1987. The stipulation was re-affirmed at the hearing on July 6, 1987.⁶⁴ Such stipulation served as the basis of the partial judgment issued on July 9, 1987 where the RTC made the following pronouncement:

The parties in the above-entitled case, assisted by their respective counsel (*sic*), made the following admissions and/or stipulations embodied in the Commissioner's Report dated March 31, 1987, counsel for plaintiff's manifestation and motion dated May 18, 1987, counsel for the defendants manifestation and motion dated June 11, 1987 amplified in the order dated June 11, 1987, counsel for the defendants' written manifestation dated June 19, 1987, and again affirmed by attending counsels on July 6, 1987 x x x.⁶⁵

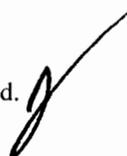
A party may make judicial admissions in (1) the pleadings; (2) during the trial, by verbal or written manifestations or stipulations; or (3) in other

⁶² *Rollo*, pp. 46-47.

⁶³ *Id.* at 93-94.

⁶⁴ *Records*, p. 51.

⁶⁵ *Rollo*, p. 95. Emphasis supplied.



stages of the judicial proceeding.⁶⁶ The veracity of judicial admissions requires no further proof and may be controverted only upon a clear showing that the admissions were made through palpable mistake or that no admissions were made.⁶⁷

Here, the stipulation of facts constitutes judicial admissions. Thus, in order to contradict them, Balasbas, *et al.* must show that they were made through palpable mistake or that no such admission was made. No such showing was made in this case.

Equally well-settled is the rule that a client is bound by the acts, even mistakes of his counsel.⁶⁸ The rationale for the rule is that a counsel, once retained, holds the implied authority to do all acts necessary or, at least, incidental to the prosecution and management of the suit in behalf of his client, such that any act or omission by counsel within the scope of the authority is regarded, in the eyes of the law, as the act or omission of the client himself.⁶⁹ The exceptions to this rule are: (1) where reckless or gross negligence of counsel deprives the client of due process of law; (2) when its application will result in outright deprivation of the client's liberty or property; or (3) where the interests of justice so require.⁷⁰ In this case, other than petitioners' self-serving and bare allegation that their previous counsels have purposely kept them ignorant of the status of their case, petitioners did not present evidence to substantiate their claim.

WHEREFORE, premises considered, the Petition is **DENIED** for lack of merit. The Court of Appeals Decision dated January 30, 2009 and Resolution dated April 17, 2009 are **AFFIRMED**.

SO ORDERED.


FRANCIS W. JARDELEZA
Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

⁶⁶ *Binarao v. Plus Builders, Inc.*, G.R. No. 154430, June 16, 2006, 491 SCRA 49, 54.

⁶⁷ RULES OF COURT, Rule 129, Sec. 4.

⁶⁸ *R Transport Corporation v. Philippine Hawk Transport Corporation*, G.R. No. 155737, October 19, 2005, 473 SCRA 342, 347.

⁶⁹ *Bejarasco, Jr. v. People*, G.R. No. 159781, February 2, 2011, 641 SCRA 328, 330-331.

⁷⁰ *Gotesco Properties, Inc. v. Moral*, G.R. No. 176834, November 21, 2012, 686 SCRA 102, 108.



DIOSDADO M. PERALTA
Associate Justice



JOSE PORTUGAL PEREZ
Associate Justice



BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.*
Acting Chief Justice

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Division Clerk of Court
Third Division

NOV 13 2015

* Chief Justice Maria Lourdes P. A. Sereno on official travel.