

SUPREME COURT OF THE PHILIPPINES  
PUBLIC INFORMATION OFFICE  
**RECEIVED**  
SEP 20 2019  
BY: YSA  
TIME: 3:31



**Republic of the Philippines  
Supreme Court  
Manila**

**SECOND DIVISION**

**GLOBE ASIATIQUE REALTY  
HOLDINGS CORPORATION,**  
Petitioner,

**G.R. No. 229339**

**Present:**

CARPIO, J., *Chairperson*,  
PERLAS-BERNABE,  
CAGUIOA,  
REYES, J. JR., and  
LAZARO-JAVIER, JJ.

- versus -

**UNION BANK OF THE  
PHILIPPINES,**  
Respondent.

**Promulgated:**

29 JUL 2019

X -----X

**DECISION**

**J. REYES JR., J.:**

This is a Petition for Review on *Certiorari* under Rule 45 which seeks to reverse and set aside the Decision<sup>1</sup> dated July 13, 2016, and the Resolution<sup>2</sup> dated January 5, 2017, of the Court of Appeals (CA) in CA-G.R. SP No. 141501, which affirmed the Order<sup>3</sup> dated September 2, 2014, and the Order<sup>4</sup> dated April 30, 2015, of the Regional Trial Court (RTC) of Pasig City, Branch 265, in Civil Case No. 73588-PSG, which in turn denied herein petitioner Globe Asiatique Realty Holdings Corporation's (Globe Asiatique) Motion for Summary Judgment<sup>5</sup> dated May 30, 2014.

<sup>1</sup> Penned by Associate Justice Marlene Gonzales-Sison, with Associate Justices Ramon A. Cruz and Henri Jean Paul B. Inting (now a Member of the Court), concurring; *rollo*, pp. 75-83.  
<sup>2</sup> Id. at 84-85.  
<sup>3</sup> Penned by Judge Danilo A. Buemio; id. at 374-378.  
<sup>4</sup> Id. at 398-400.  
<sup>5</sup> Id. at 318-33 i.

V

### The Facts

On May 19, 2006, Globe Asiatique and herein respondent Union Bank of the Philippines (Union Bank) entered into a Memorandum of Agreement<sup>6</sup> (MOA) whereby the latter agreed to purchase, from time to time, installment accounts receivables arising from the former's sale of units in its real estate projects and as evidenced by the Contracts to Sell executed by the former and its homebuyers.

From October 30, 2006 to May 30, 2007,<sup>7</sup> Globe Asiatique, through its President Delfin S. Lee and/or Vice-President Dexter L. Lee, executed 10 Deeds of Assignments<sup>8</sup> (DAs) and 11 copies of Special Powers of Attorney (SPAs) in favor of Union Bank covering 10 condominium units located at GA Tower 1, Condominium Project situated along EDSA, Mandaluyong City. A common provision of the DAs provides that Globe Asiatique absolutely transferred, assigned, and conveyed to Union Bank, its successors and assigns, all its rights, title, interests and participation "on that parcel of land, and subsequent improvements thereon" located at the specific subject units of GA Tower 1.

On the other hand, the SPAs granted Union Bank the authority to do the following acts, among others, to wit: (1) to deliver and/or send a Notice of Cancellation to the Installment Purchaser and cancel the defaulted Contract to Sell; (2) to execute, sign, and deliver in favor of the buyer, or the buyer's rightful assignee, or in favor of Union Bank or its beneficiary or assignee, the necessary Deed of Absolute Sale to cede, convey, and transfer, absolutely and irrevocably, the title to, and rights and interests in, to the subject parcel of land, including any and all improvements thereon; and (3) to restructure and/or convert to Real Estate Mortgage the assigned Contract to Sell in their behalf.

On November 17, 2011, Globe Asiatique sent Union Bank a letter requesting the reformation of the DAs and the SPAs alleging that some of their provisions do not conform to their real agreement. However, Globe Asiatique's request remained unheeded. Thus, on September 27, 2012, Globe Asiatique filed a Complaint<sup>9</sup> for reformation of the DAs and SPAs. Globe Asiatique claimed that the parties only intended the sale or assignment of rights, title, and interests over the receivables, and not the parcels of land themselves. It asserted that the DAs are the result of a mutual mistake. Hence, it prayed that the DAs and SPAs be reformed for failing to express the parties' real intent and agreement. Globe Asiatique

---

<sup>6</sup> Id. at 105-114.

<sup>7</sup> As could be gathered from the respective execution dates of the Deeds of Assignments and Special Powers of Attorney; id. at 115-144; 145-175.

<sup>8</sup> Id. at 115-144.

<sup>9</sup> Id. at 181-190.

also prayed that Union Bank be ordered to pay ₱300,000.00 as and by way of attorney's fees, and expenses of litigation.

In its Answer<sup>10</sup> dated November 16, 2012, Union Bank admitted that it indeed entered into a MOA wherein it agreed to purchase Globe Asiatique's accounts receivables; that the MOA shall be implemented through Globe Asiatique's assignment, in favor of Union Bank, of its rights, title, and interests over the receivables under a particular contract to sell; that one of the provisions of the MOA is the execution by Globe Asiatique of an SPA in favor of Union Bank; that upon the execution of the MOA, Globe Asiatique submits the requirements for the purchase of the receivables to Union Bank; and that after the execution of the MOA, the parties commenced with the selling and purchasing of the receivables.

However, Union Bank denied that the subject DAs failed to express the true intent or agreement between the parties or that they were the result of mutual mistake. It also denied that the parties only intended the sale or assignment of rights, titles and interests over the receivables. As an affirmative defense, Union Bank alleged that when the parties executed the subject MOA, they also signed, as annexes, forms for the DAs, SPAs, and the Notice of Assignment and Instruction to Pay (NAIP) Union Bank which constitute as supplementary agreements to the MOA. It further averred that when the parties, through their respective representatives, signed the MOA and the forms, they knew and were fully aware of the contents of the forms attached to the MOA. Moreover, Union Bank claimed that it is the NAIP, not the DAs, which served as the document for the assignment or purchase of the receivables; and that the DAs are actually intended to constitute as security, and collateral for the credit facility which it extended in favor of Globe Asiatique.

Union Bank prayed for the dismissal of the complaint. It also prayed that Globe Asiatique be ordered to pay the cost of suit and at least ₱50,000.00 as attorney's fees.

On June 4, 2014, after the termination of the pre-trial of the case, Globe Asiatique filed a Motion for Summary Judgment.<sup>11</sup> On June 20, 2014, Union Bank filed its Opposition.<sup>12</sup>

### ***The Ruling of the RTC***

In its Order dated September 2, 2014, the RTC denied Globe Asiatique's Motion for Summary Judgment. In denying the motion, the trial

---

<sup>10</sup> Id. at 193-200.

<sup>11</sup> Id. at 318-331.

<sup>12</sup> Id. at 332-337.

court ratiocinated that Globe Asiatique failed to show that there was indeed no genuine issue to be tried. On the contrary, the trial court observed that a reading of the pleadings submitted by the parties would show that a trial is necessary to ascertain which of the conflicting allegations of the parties is true. Globe Asiatique moved for reconsideration, but the same was denied by the RTC in its Order dated April 30, 2015.

On July 31, 2015, Globe Asiatique filed a Petition for *Certiorari*<sup>13</sup> before the CA.

### ***The Ruling of the CA***

In its assailed July 13, 2016 Decision, the CA dismissed Globe Asiatique's petition, and consequently affirmed the RTC's September 2, 2014 and April 30, 2015 Orders. The appellate court concurred with the trial court's observation that a genuine issue exists in this case. It pointed out that Union Bank's Answer contained specific denials and affirmative defenses, making the facts disputed. Thus, the trial court did not commit grave abuse of discretion when it denied Globe Asiatique's motion for summary judgment.

Globe Asiatique moved for reconsideration, but the same was denied by the CA in its Resolution dated January 5, 2017.

Hence, this petition.

### **The Issue**

WHETHER THE APPELLATE COURT ERRED WHEN IT RULED THAT THE TRIAL COURT DID NOT COMMIT GRAVE ABUSE OF DISCRETION WHEN IT DENIED HEREIN PETITIONER'S MOTION FOR SUMMARY JUDGMENT.

### **The Court's Ruling**

A petition for review filed under Rule 45 of the Rules of Court which seeks the review of a decision decided by the CA under Rule 65 of the same code, must be resolved in the same context that the petition for *certiorari* it ruled upon was presented to it.<sup>14</sup> In other words, the issue to be resolved is whether the CA correctly determined the presence or absence of grave abuse of discretion on the part of the trial court.<sup>15</sup> As applied in this case, the Court will examine if the CA properly ruled that the RTC's denial of Globe Asiatique's Motion for Summary Judgment was not attended by grave abuse of discretion.

---

<sup>13</sup> Id. at 401-457.

<sup>14</sup> *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 707 (2009).

<sup>15</sup> *Telephilippines, Inc. v. Jacolbe*, G.R. No. 233999, February 18, 2019.

An act of a court or tribunal can only be considered as committed with grave abuse of discretion when such act is done in a capricious or whimsical exercise of judgment as is equivalent to lack of jurisdiction.<sup>16</sup> The abuse of discretion must be patent and gross as to amount to an evasion of positive duty or a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law as where the power is exercised in an arbitrary and despotic manner by reason of passion and hostility.<sup>17</sup> Accordingly, the petitioner in a Rule 65 petition must show that the act complained of transcends mere judgmental error. This is important because the concept of grave abuse of discretion properly pertains to a jurisdictional aberration.<sup>18</sup>

Globe Asiatique insists that it is entitled to a summary judgment as a matter of law. It asserts that Union Bank, in its Answer and during the Pre-Trial Conference, admitted all the material allegations in the complaint for reformation. It avers that aside from the amount of damages it seeks, there is no genuine issue as to any material fact. Thus, it essentially argues that the CA erred when it ruled that the RTC Orders, which denied its Motion for Summary Judgment, are not attended by grave abuse of discretion.

The Court is not persuaded.

A summary judgment is permitted only if there is no genuine issue as to any material fact and a moving party is entitled to a judgment as a matter of law.<sup>19</sup> In relation to this, a “genuine issue” means an issue of fact which calls for the presentation of evidence, as distinguished from an issue which is fictitious or contrived, an issue that does not constitute a genuine issue for trial.<sup>20</sup> “The court can determine this on the basis of the pleadings, admissions, documents, affidavits, and/or counter-affidavits submitted by the parties to the court. Where the facts pleaded by the parties are disputed or contested, proceedings for a summary judgment cannot take the place of a trial.”<sup>21</sup>

For summary judgment to proceed in lieu of a full-blown trial, the party who moves for summary judgment has the burden of demonstrating

---

<sup>16</sup> *Yu v. Judge Reyes-Carpio*, 667 Phil. 474, 481-482 (2011).

<sup>17</sup> *Bacelonia v. Court of Appeals*, 445 Phil. 300, 307-308 (2003).

<sup>18</sup> *Lim v. Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices, (MOLEO)*, 795 Phil. 226, 241 (2016).

<sup>19</sup> *Spouses Villuga v. Kelly Hardware and Construction Supply, Inc.*, 691 Phil. 353, 364 (2012).

<sup>20</sup> *Adolfo v. Adolfo*, 756 Phil. 325, 343 (2015).

<sup>21</sup> *Spouses Pascual v. First Consolidated Rural Bank (BOHOL), Inc.*, 805 Phil. 488, 497 (2017).

clearly the absence of genuine issues of fact, or that the issue posed is patently insubstantial as to constitute a genuine issue.<sup>22</sup>

In this case, the Court concurs with the CA that there is nothing capricious or whimsical in the RTC's September 2, 2014 and April 30, 2015 Orders which determined that summary judgment was not proper under the circumstances of the case.

In denying the subject Motion for Summary Judgment, the RTC found that the pleadings submitted by the parties clearly show conflicting allegations between them making the facts disputed. Consequently, it ruled that Globe Asiatique failed to discharge its burden of showing that there was no genuine issue to be tried.

These ruling and findings by the trial court could not be considered as tainted by grave abuse of discretion as they are sufficiently and properly supported by legal and factual bases.

In this case, Globe Asiatique alleges that the subject instruments must be reformed because mutual mistake by the parties prevented the meeting of their minds. Verily, Globe Asiatique seeks reformation under Article 1361 of the Civil Code which provides that an instrument may be reformed when mutual mistake of the parties caused the failure of the instrument to disclose their real agreement.

However, Union Bank's Answer poses material allegations which clearly dispute those alleged by Globe Asiatique in its Complaint, particularly with regard to the allegation of mutual mistake. While Union Bank admits the execution of the MOA for the purchase of Globe Asiatique's receivables, and that the MOA shall be implemented by the execution of deeds of assignments, it nevertheless explicitly denies that mutual mistake attended the execution of the subject DAs and SPAs, and that the parties only intend the sale or assignment of rights, titles and interests over the receivables. Union Bank counters that if there is mistake, it is only on the part of Globe Asiatique, but definitely not mutual. It further avers that the subject DAs are executed by Globe Asiatique to secure a credit facility. From the foregoing, it is clear that a factual dispute arises from the parties' opposing versions of facts, which dispute may only be resolved with the parties presenting their respective evidence in a full blown trial. Whether there is mutual mistake and whether the subject DAs are actually intended as security, are genuine issues which could not be decided summarily.

---

<sup>22</sup> *Atty. Gubat v. National Power Corporation*, 627 Phil. 551, 564 (2010).

Furthermore, it has been held that a trial should be conducted and the trial court should receive the respective evidence of the parties when the complaint raises, among others, the issue that the contract does not express the true intention or agreement of the parties.<sup>23</sup> The alleged failure to express the true intention between the parties in the DAs and SPAs is the very reason for Globe Asiatique's complaint for reformation.

Due to the parties' conflicting factual positions, and considering that Globe Asiatique's main allegation is the alleged failure of the DAs and SPAs to express the true agreement with Union Bank, it is clear that the trial court properly denied the move for a summary judgment. Indubitably, no grave abuse of discretion could be attributed to the trial court in requiring a trial to determine whether the prayed reformation of the subject instruments may be granted, and to ascertain the true intention of the parties. As aptly observed by the appellate court:

In other words, whether there was mutual mistake on the part of Globe Asiatique and Union Bank is an issue that calls for the presentation of evidence. Since the facts are in dispute, the RTC is not allowed to decide the case summarily. The contrasting allegations engender a cloud of doubt as to the certainty of the facts as alleged. In such a case, such doubt should be resolved against the grant of a motion for summary judgment. Thus, it has been held that lower courts, when faced with a motion for summary judgment, should resolve doubts in favor of the party against whom it is directed, giving such party the benefit of all favorable inferences.

With the parties' conflicting postures on, among others, the issues of mistake, fault, and Union Bank's liability and Globe Asiatique's corollary right for damages arising from the alleged wrongful execution of special powers of attorney, deeds of absolute sale and consequent transfer of titles over the real properties covered by the deeds of assignment, the only way to ascertain whose position jibes with facts on the ground is obviously through the presentation of evidence by the parties in a full blown trial on the merits. This is as it should be for any doubt as to the propriety of the rendition of a summary judgment must be resolved against it. A cursory reading of the pleadings submitted by the parties would show that a trial is necessary to ascertain which of the conflicting allegations are true. And contrary to what herein petitioner wants to happen, it is not this Court's duty to ascertain such facts at the first instance. With the tender of genuine issues before it, the RTC acted properly, and within its sound discretion, in denying Globe Asiatique's motion for summary judgment.<sup>24</sup>

---

<sup>23</sup> *National Irrigation Administration v. Gamit*, 289 Phil. 914, 933 (1992).

<sup>24</sup> *Rollo*, p. 81.


**WHEREFORE**, the Petition for Review on *Certiorari* is **DENIED** for lack of merit. The Decision dated July 13, 2016 and the Resolution dated January 5, 2017 of the Court of Appeals in CA-G.R. SP No. 141501 are **AFFIRMED**.

**SO ORDERED.**

  
**JOSE C. REYES, JR.**  
*Associate Justice*

**WE CONCUR:**

  
**ANTONIO T. CARPIO**  
*Senior Associate Justice*  
*Chairperson*

  
**ESTELA M. PERLAS-BERNABE**  
*Associate Justice*

  
**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*

  
**AMY C. LAZARO-JAVIER**  
*Associate Justice*



**ATTESTATION**

I attest 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.



**ANTONIO T. CARPIO**  
*Senior Associate Justice*  
*Chairperson, Second Division*

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.



**LUCAS P. BERSAMIN**  
*Chief Justice*