



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

CORAZON S. CRUZ under the  
name and style, VILLA  
CORAZON CONDO  
DORMITORY,

Petitioner,

- versus -

MANILA INTERNATIONAL  
AIRPORT AUTHORITY,

Respondent.

G.R. No. 184732

Present:

CARPIO, J., Chairperson,  
BRION,  
DEL CASTILLO,  
PEREZ, and  
PERLAS-BERNABE, JJ.

Promulgated:

SEP 09 2013

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RESOLUTION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated November 27, 2007 and Resolution<sup>3</sup> dated September 26, 2008 of the Court of Appeals in CA-G.R. CV No. 88308 which dismissed the appeal filed by petitioner Corazon S. Cruz (Cruz), affirming with modification the court *a quo*'s dismissal of Civil Case No. 70613 on the ground of improper venue.

<sup>1</sup> *Rollo*, pp. 8-22.

<sup>2</sup> *Id.* at 126-135. Penned by Associate Justice (now Supreme Court Justice) Bienvenido L. Reyes, with Associate Justices Fernanda Lampas Peralta and Apolinario D. Bruselas, concurring.

<sup>3</sup> *Id.* at 162-163.

### The Facts

On December 7, 2005, Cruz filed before the Regional Trial Court (RTC) of Pasig City, Branch 68 (RTC-Pasig City) a complaint<sup>4</sup> for breach of contract, consignment, and damages (complaint for breach of contract) against respondent Manila International Airport Authority (MIAA), docketed as Civil Case No. 70613 (Pasig case). In her complaint, Cruz alleged that on August 12, 2003, she executed a Contract of Lease (lease contract) with MIAA over a 1,411.98 square meter property, situated at BAC 1-11, Airport Road, Pasay City, in order to establish a commercial arcade for sublease to other businesses.<sup>5</sup> She averred that MIAA failed to inform her that part of the leased premises is subject to an easement of public use<sup>6</sup> (easement) since the same was adjacent to the Parañaque River.<sup>7</sup> As a result, she was not able to obtain a building permit as well as a certificate of electrical inspection from the Manila Electric Company, leading to her consequent failure to secure an electrical connection for the entire leased premises.<sup>8</sup> Due to the lack of electricity, Cruz's tenants did not pay rent; hence, she was unable to pay her own rental obligations to MIAA from December 2004 onwards.<sup>9</sup> Further, since some of Cruz's stalls were located in the easement area, the Metropolitan Manila Development Authority demolished them, causing her to suffer actual damages in the amount of ₱633,408.64.<sup>10</sup> In view of the foregoing, Cruz sent MIAA her rental computation, pegged at the amount of ₱629,880.02, wherein the aforesaid damages have been deducted. However, instead of accepting Cruz's payment, MIAA sent a letter terminating the lease contract.<sup>11</sup>

For its part, MIAA filed a Motion to Dismiss<sup>12</sup> (motion to dismiss) hinged on the following grounds: (a) violation of the certification requirement against forum shopping under Section 5, Rule 7<sup>13</sup> of the Rules of Court, given that the lease contract subject of the Pasig case is the same actionable document subject of Civil Case No. 1129918 (Manila case) which is a complaint for partial annulment of contract (complaint for annulment of

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<sup>4</sup> Id. at 24-32.

<sup>5</sup> Id. at 24.

<sup>6</sup> See Article 638 of the Civil Code.

<sup>7</sup> *Rollo*, p. 25.

<sup>8</sup> Id. at 25-26.

<sup>9</sup> Id. at 26.

<sup>10</sup> Id. at 27.

<sup>11</sup> Id. at 28.

<sup>12</sup> Id. at 34-43. Dated March 8, 2006

<sup>13</sup> Section 5, Rule 7 of the Rules of Court provides:

SEC. 5. *Certification against forum shopping*. – The plaintiff or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforesaid complaint or initiatory pleading has been filed.

contract)also filed by Cruz before theRTC of Manila, Branch 1;<sup>14</sup> and (b) improper venue, since in the complaint forannulment of contract,as well as the verification/certificationand theannexes attached thereto,it is indicated thatCruz is a resident of 506, 2<sup>nd</sup> Street, San Beda Subdivision, San Miguel, Manila.<sup>15</sup>

### **The RTC Ruling**

On August 15, 2006, the RTC-Pasig City issued an Order<sup>16</sup>dismissing Cruz's complaint for breach of contract due toforumshopping sinceboth the Pasig and Manila cases are founded on the same actionable document between the same parties. In addition, it observed that the Pasig casewas not being prosecuted by the real party-in-interest since the lessee named in the lease contract is one Frederick Cruz and not Cruz. It did not, however, sustain MIAA's argument on improper venue since Cruz alleged to be a resident of San Juan, Metro Manila; therefore,unless proven otherwise, the complaint shall be taken on its face value.<sup>17</sup>

Aggrieved, petitioner filed a motion for reconsideration<sup>18</sup> which was, however, denied by the RTC-Pasig Cityin anOrder<sup>19</sup> dated October 2, 2006.Thus, Cruz filed a notice of appeal.<sup>20</sup>

### **The Proceedings Beforethe CA**

In her Appellant's Brief,<sup>21</sup> Cruzassignedthe following errors: (a) that the RTC-Pasig City erred in holding that there was forumshopping, considering that the causes of action in the complaints for breach of contract and annulment of contract are separate and distinct; (b) that the RTC-Pasig City erred in ruling that Cruz is not the real party-in-interest considering that Frederick Cruz merelysigned the lease contract as herattorney-in-fact; and (c) that theRTC-Pasig City erred in not denying MIAA's motion to dismiss since it was set for hearing more than 10 days from its filing.<sup>22</sup>

On the other hand, MIAA filed its Defendant-Appellee'sBrief<sup>23</sup> refuting the foregoingarguments.In addition, MIAA raised before the CA its

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<sup>14</sup> *Rollo*, p.36.

<sup>15</sup> *Id.* at39-41.

<sup>16</sup> *Id.* at49-50.Penned by Judge Santiago G. Estrella.

<sup>17</sup> *Id.* at 49.

<sup>18</sup> *Id.* at 51-59.Dated September 8, 2006.

<sup>19</sup> *Id.* at 75-77.

<sup>20</sup> *Id.* at 78-79.Dated October 20, 2006.

<sup>21</sup> *Id.* at 82-97.Dated May 10, 2007.

<sup>22</sup> *Id.* at 82-83.

<sup>23</sup> *Id.* at 101-123.Dated June 25, 2007.

argument on improper venue<sup>24</sup> which had been previously denied by the RTC-Pasig City.

On November 27, 2007, the CA rendered a Decision,<sup>25</sup> affirming with modification the RTC-Pasig City's dismissal of the Pasig case. It held that while Cruz did not commit forum shopping (since the Pasig and Manila cases involve distinct causes of action and issues<sup>26</sup>) and that Cruz should be considered as a real party-in-interest in the Pasig case (since Frederick Cruz was merely her appointed attorney-in-fact in connection with the execution of the lease contract<sup>27</sup>), the Pasig case remains dismissible on the ground of improper venue as Cruz was bound by her judicial admission that her residence was actually in Manila and not in San Juan.<sup>28</sup>

Dissatisfied, Cruz moved for reconsideration<sup>29</sup> but was denied by the CA in a Resolution<sup>30</sup> dated September 26, 2008. Hence, this petition.

### **The Issue Before the Court**

The essential issue in this case is whether or not the CA erred in dismissing Cruz's appeal on the basis of improper venue.

Cruz contends that the CA may only resolve errors assigned by the appellant and, conversely, cannot rule on a distinct issue raised by the appellee.<sup>31</sup> In this accord, she argues that in ruling on the issue of improper venue, the CA practically allowed MIAA to pursue a lost appeal, although the latter did not file a notice of appeal within the proper reglementary period nor pay the prescribed docket fees.<sup>32</sup>

On the other hand, MIAA maintains, *inter alia*, that despite raising the issue on improper venue before the CA, the RTC-Pasig City did not categorically rule on the said issue. As such, it claims that it could raise the foregoing ground as one of the issues before the CA.<sup>33</sup>

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<sup>24</sup> Id. at 119-121.

<sup>25</sup> Id. at 126-135.

<sup>26</sup> Id. at 132.

<sup>27</sup> Id. at 133.

<sup>28</sup> Id. at 134.

<sup>29</sup> Id. at 136-143. Dated December 18, 2007.

<sup>30</sup> Id. at 162-163.

<sup>31</sup> Id. at 18.

<sup>32</sup> Id. at 21.

<sup>33</sup> Id. at 176. See Comment dated March 10, 2009.

### The Court's Ruling

The petition is meritorious.

Jurisprudence dictates that the appellee's role in the appeal process is confined only to the task of refuting the assigned errors interposed by the appellant. Since the appellee is not the party who instituted the appeal and accordingly has not complied with the procedure prescribed therefor, he merely assumes a defensive stance and his interests solely relegated to the affirmance of the judgment appealed from. Keeping in mind that the right to appeal is essentially statutory in character, it is highly erroneous for the appellee to either assign any error or seek any affirmative relief or modification of the lower court's judgment without interposing its own appeal. As held in the case of *Medida v. CA*:<sup>34</sup>

**An appellee who has not himself appealed cannot obtain from the appellate court any affirmative relief other than the ones granted in the decision of the court below. He cannot impugn the correctness of a judgment not appealed from by him. He cannot assign such errors as are designed to have the judgment modified.** All that said appellee can do is to make a counter-assignment of errors or to argue on issues raised at the trial only for the purpose of sustaining the judgment in his favor, even on grounds not included in the decision of the court *a quo* nor raised in the appellant's assignment of errors or arguments.<sup>35</sup> (Emphasis supplied)

In the case at bar, the Court finds that the CA committed a reversible error in sustaining the dismissal of the Pasig case on the ground of improper venue because the same was not an error raised by Cruz who was the appellant before it. Pursuant to the above-mentioned principles, the CA cannot take cognizance of MIAA's position that the venue was improperly laid since, being the appellee, MIAA's participation was confined to the refutation of the appellant's assignment of errors. As MIAA's interest was limited to sustaining the RTC-Pasig City's judgment, it cannot, without pursuing its own appeal, deviate from the pronouncements made therein. In particular, records bear out that the RTC-Pasig City, while granting MIAA's motion to dismiss, found the latter's argument on improper venue to be erroneous. Hence, given that the said conclusion was not properly contested by MIAA on appeal, the RTC-Pasig City's ruling on the matter should now be deemed as conclusive. Corollary, the CA should not have taken this ground into consideration when it appreciated the case before it. By acting otherwise, it therefore committed a reversible error, which thereby warrants the reversal of its Decision.

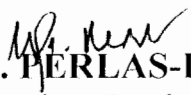
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<sup>34</sup> G.R. No. 98334, May 8, 1992, 208 SCRA 887.


<sup>35</sup> Id. at 898-899. (Citations omitted)

**WHEREFORE**, the petition is **GRANTED**. The Decision dated November 27, 2007 and Resolution dated September 26, 2008 of the Court of Appeals in CA-G.R. CV No. 88308 are hereby **SET ASIDE**. Accordingly, the case is **REMANDED** to the Regional Trial Court of Pasig City, Branch 68 for further proceedings.

**SO ORDERED.**

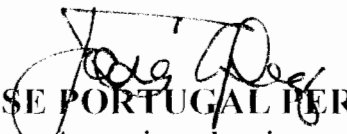
  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

**WE CONCUR:**

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson

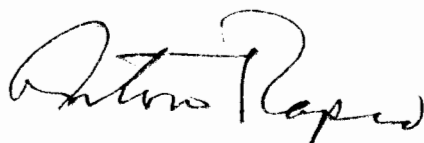
  
**ARTURO D. BRION**  
Associate Justice

  
**MARIANO C. DEL CASTILLO**  
Associate Justice

  
**JOSE PORTUGAL PEREZ**  
Associate Justice

**ATTESTATION**

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
**ANTONIO T. CARPIO**  
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 Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**

Chief Justice