



SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

BOOKLIGHT, INC.,
Petitioner,

G.R. No. 213650

Present:

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

- versus -

Promulgated:

RUDY O. TIU,
Respondent.

17 JUN 2019

[Handwritten Signature]

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DECISION

REYES, J. JR., J.:

This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the Decision² dated July 31, 2013, and the Resolution³ dated July 21, 2014 of the Court of Appeals (CA)-Cagayan De Oro City in CA-G.R. CV No. 02154-MIN.

On February 13, 2003, Rudy O. Tiu (respondent) filed a case for Collection of Sum of Money, Damages, Attorney’s Fees, Litigation Expenses and Attachment against Booklight, Inc. (petitioner) before the Regional Trial Court (RTC) of Butuan City.⁴

The complaint alleged that petitioner entered into a contract of lease with respondent for a space in respondent’s building to be used for

¹ *Rollo*, pp. 9-22.

² Penned by Associate Justice Oscar V. Badelles, with Associate Justices Romulo V. Borja and Renato C. Francisco, concurring; *id.* at 25-33.

³ *Id.* at 42-43.

⁴ *Id.* at 12.

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petitioner's bookstore business. The lease was for five years, which expired on September 1, 2001. It was never renewed upon expiration although petitioner continued to occupy the premises until its business operations ceased on February 28, 2003. Alleging unpaid rentals from December 2001, respondent filed the said complaint.⁵

Respondent's application for the issuance of a writ of attachment was granted by the RTC. Thus, petitioner's personal properties in the bookstore were attached and its funds in Rizal Commercial Banking Corporation were garnished.⁶

In its Answer with Compulsory Counterclaim, petitioner alleged that there was no prior demand made by respondent and that it fully paid its rentals up to July 2002, among others.⁷

On September 2, 2003, the RTC declared petitioner non-suited for its failure to file a pre-trial brief and for its failure to appear during the scheduled pre-trial. Petitioner filed a motion to lift order of non-suit, which was denied by the RTC in its Resolution dated July 26, 2004. Petitioner's motion for reconsideration was likewise denied by the RTC. Hence, the RTC set the hearing for the *ex parte* presentation of respondent's evidence on March 21, 2005.⁸

Respondent then proceeded to the presentation of his evidence *ex parte*.⁹

Meanwhile, the RTC's denial of petitioner's motion to lift order of non-suit was upheld by the CA, as well as by this Court in a Resolution dated April 2, 2008 in G.R. No. 181950.¹⁰

On April 24, 2009, the RTC rendered a Decision¹¹ in favor of respondent as follows:

WHEREFORE, in the light of the foregoing, judgment is hereby rendered in favor of [the respondent] and against [the petitioner], directing and ordering said [petitioner] to pay [respondent] the following sums of money, to wit:

a.) the sum of FOUR HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED EIGHTY SEVEN PESOS and FIFTY^a CENTAVOS (₱465,587.50), Philippine Currency, as unpaid rentals from August 2002 up to February 2003, plus legal interest of 6% per annum beginning August 2002 until fully paid;

⁵ Id. at 26.

⁶ Id.

⁷ Id. at 27.

⁸ Id. at 14, 27-28.

⁹ Id. at 28.

¹⁰ Id. at 15.

¹¹ Id. at 221-227.

b.) the sum of ONE HUNDRED SIXTEEN THOUSAND THREE HUNDRED NINETY SIX PESOS and EIGHTY SEVEN CENTAVOS ([P]116,396.87), Philippine Currency, as attorney's fees;

c.) the sum of FIFTY FOUR THOUSAND SIX HUNDRED NINE PESOS and SIXTY FIVE CENTAVOS ([P]54,609.65), Philippine Currency, as litigation expenses;

d.) the sum of EIGHTEEN THOUSAND SEVEN HUNDRED TWELVE PESOS and NINETY EIGHT CENTAVOS ([P]18,712.98), Philippine Currency, as unpaid electric bill;

e.) the sum of FORTY FIVE THOUSAND NINE HUNDRED PESOS ([P]45,900.00), Philippine Currency, for expenses incurred for security services; and

f.) to pay the costs.

SO ORDERED.¹²

On appeal, the CA affirmed the RTC's Decision with modification, as follows:

WHEREFORE, premises considered, the Decision dated April 24, 2009 of the Regional Trial Court, Branch 33, Butuan City, in Civil Case No. 5310, is **AFFIRMED with MODIFICATION**. The award of legal interest on the amount of unpaid rentals, the expenses incurred for security services rendered by Visa Security Services, the litigation expense as well as attorney's fees are hereby **DELETED**.

SO ORDERED.¹³

Petitioner's motion for partial reconsideration was denied by the CA in its July 21, 2014 Resolution, *viz.*:

ACCORDINGLY, the Motion for Reconsideration is **DENIED**.

SO ORDERED.¹⁴

Petitioner now questions the CA's Decision only with regard to matters raised on appeal but were not addressed therein.¹⁵ Petitioner avers that the CA neglected to rule on its claim for refund of the advanced rental and deposit it allegedly paid to respondent amounting to a total of One Hundred Nine Thousand Four Hundred Forty Pesos (P109,440.00).¹⁶

Petitioner also argues that the electric bills should likewise be deleted for the same reason used by the CA in ruling for the deletion of the unpaid

¹² Id. at 226-227.

¹³ Id. at 32.

¹⁴ Id. at 43.

¹⁵ Id. at 16.

¹⁶ Id. at 16-18.

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security fees. According to petitioner, since the electric bills were allegedly for the month of March 2003 and the CA found that it already ceased operations on February 28, 2003, it cannot be made liable therefor for the same reason that it was adjudged not responsible for the security bills from February 2003 to July 2003.¹⁷

Petitioner likewise claims for the proceeds of the alleged auction sale of its attached goods, as well as its garnished funds, which “per [petitioner’s] recollection from its previous inquiry with the lower court” amounts to Three Million, Three Hundred Seventy Five Thousand, One Hundred Sixty One Pesos, and Twelve Centavos (₱3,375,161.12).¹⁸

In fine, petitioner prays for the deduction of the advanced rental and deposit amounting to ₱109,440.00 and the electric bills amounting to ₱18,712.98 from the adjudged unpaid rentals; and after such deductions, the satisfaction of the resulting unpaid rentals from the proceeds of the garnished properties allegedly valued at ₱3,375,161.12 and the release of the balance thereof to the petitioner.¹⁹

We deny the petition.

At the outset, it must be stressed that the issues raised herein are purely factual in nature, the determination of which is generally beyond this Court’s judicial review under Rule 45 of the Rules of Court. A petition for review under Rule 45 should only cover questions of law. It is only in exceptional circumstances²⁰ that the Court admits and reviews questions of fact considering that this Court is not a trier of facts; and the determination of factual issues is best left to the courts below, especially the trial courts.²¹ We do not find such exceptional circumstances herein.

The instant petition requires this Court to determine the following underlying questions, to wit: (1) whether or not there was an advanced rental and deposit amounting to ₱109,440.00; (2) if there was, whether or not this amount was already refunded or considered in the computation of the unpaid rentals; and (3) whether or not the electric bills amounting to ₱18,712.98 pertain only to March 2003. Clearly, a judicious determination of these issues necessitates an examination of available evidence on record, making them factual in nature, beyond the coverage of Rule 45.

Further, at this juncture, it must be remembered that the complaint herein was decided on the basis of the evidence presented by respondent *ex*

¹⁷ Id. at 19.

¹⁸ Id. at 18.

¹⁹ Id. at 19-20.

²⁰ (1) where the conclusion is a finding grounded entirely on speculation, surmise, and conjectures; (2) where the inference made is manifestly mistaken; (3) where there is grave abuse of discretion; (4) where the judgment is based on misapprehension of facts; and (5) the findings of fact are premised on the absence of evidence and are contradicted by evidence on record. (Citation omitted) *Heirs of Teresita Villanueva v. Heirs of Petronila Syquia Mendoza*, 810 Phil. 172, 178-179 (2017).

²¹ Id. at 177-178.

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parte considering that petitioner was declared non-suited for failure to file a pre-trial brief and to appear in the pre-trial conference.

However, before proceeding to its point, this Court takes the occasion to clarify that while it was correct to allow respondent to present his evidence *ex parte* for petitioner's failure to file a pre-trial brief and to appear in the pre-trial conference, it was not proper for petitioner, being the defendant in the case *a quo*, to be declared "non-suited" under the Rules of Court. The failure of a party to appear at the pre-trial has adverse consequences. Section 5,²² Rule 18 of the Rules of Court provides that if the absent party is the plaintiff, then he may be declared non-suited and his case dismissed; if it is the defendant who fails to appear, then the plaintiff may be allowed to present his evidence *ex parte* and the court to render judgment on the basis thereof.²³

At any rate, proceeding to our point, such declaration of non-suit against petitioner was already upheld by this Court with finality. Hence, due to its failure to file a pre-trial brief and to appear in the pre-trial conference, petitioner lost its right to present evidence to support its allegations.²⁴

It is, thus, bad enough for petitioner's case that the questions posed before us are purely factual matters that this Court, generally, cannot review as explained above. The fact that petitioner, for being declared non-suited, was not able to present evidence to support its claims is surely fatal to its case. The records are bereft of any evidence to support petitioner's claim that it paid advanced rental and deposit and that the same have not yet been refunded or utilized; nor was there any record to definitely show that the subject electric bills pertain only to a month when petitioner was not occupying the premises anymore.

Therefore, for lack of basis, this Court finds no cogent reason to deviate from the findings of the RTC, as affirmed by the CA, on the matters of rentals and electric bills.

With regard to the alleged proceeds of the auction sale of the attached properties, we find that the same is not the proper subject of this review. For one, matters with regard to the fact of the sale of the attached properties and the amount of its proceeds are likewise factual in nature, which this Court cannot judiciously determine for lack of evidence. Notably, petitioner without support alleges ₱3,375,161.12 as the value of said proceeds, while respondent alleges, also, without support except an allegation that it is on

²² Section 5. *Effect of failure to appear*. — The failure of the plaintiff to appear when so required pursuant to the next preceding section shall be cause for dismissal of the action. The dismissal shall be with prejudice, unless otherwise ordered by the court. A similar failure on the part of the defendant shall be cause to allow the plaintiff to present his evidence *ex parte* and the court to render judgment on the basis thereof. RULES OF COURT, Rule 18.

²³ *Daaco v. Yu*, 761 Phil. 161, 168 (2015).

²⁴ *Social Security System v. Hon. Chavez*, 483 Phil. 292, 301 (2004).

record, that the sheriff turned over to the RTC Clerk of Court the proceeds of such sale amounting only to Three Hundred Fifty Two Thousand Twenty Eight Pesos and Five Centavos (P352,028.05). Clearly, these are matters which should be presented before, and determined by the trial court in the execution of the final judgment.

That being said, while the proceeds of the sale of the attached properties may indeed be considered by the sheriff in the satisfaction of judgment pursuant to Section 15, Rule 57 of the Rules of Court, it is unwarrantedly premature for this Court to rule on the matter when no writ of execution had been issued and referred to the sheriff yet. There is no breach of the procedure in the execution which this Court may evaluate at this point. The court's intervention may, if at all, eventuate only if the sheriff should refuse to follow the outlined procedure in the execution of judgment under the Rules.²⁵

Besides, contrary to petitioner's position, the satisfaction of judgment out of property attached is not mandatory to warrant this Court to unconditionally order the satisfaction of the judgment against petitioner out of the attached properties. Section 15, Rule 57 of the Rules of Court provides:

SEC. 15. *Satisfaction of judgment out of property attached; return of officer.* — If judgment be recovered by the attaching party and execution issue thereon, **the sheriff may cause the judgment to be satisfied out of the property attached, if it be sufficient for that purpose** in the following manner: (Emphasis supplied)

(a) By paying to the judgment obligee the proceeds of all sales of perishable or other property sold in pursuance of the order of the court, or so much as shall be necessary to satisfy the judgment;

(b) If any balance remain due, by selling so much of the property, real or personal, as may be necessary to satisfy the balance, if enough for that purpose remain in the sheriff's hands, or in those of the clerk of the court;

(c) By collecting from all persons having in their possession credits belonging to the judgment obligor, or owing debts to the latter at the time of the attachment of such credits or debts, the amount of such credits and debts as determined by the court in the action, and stated in the judgment, and paying the proceeds of such collection over to the judgment obligee.

The sheriff shall forthwith make return in writing to the court of his proceedings under this section and furnish the parties with copies thereof.

The use of the word *may* clearly makes the procedure directory, in which case, the sheriff may disregard the properties attached and proceed against other properties of the judgment debtor, if necessary.²⁶


²⁵ *Maceda, Jr. v. Moreman Builders Company, Inc.*, 280 Phil. 319, 329 (1991).

²⁶ *Id.*

The proper procedure, therefore, is for the prevailing party, respondent in this case, to move for the execution of the judgment upon finality before the RTC, wherein the proper satisfaction thereof should be addressed.²⁷

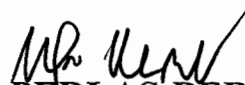
WHEREFORE, premises considered, the petition is **DENIED**. The Decision dated July 31, 2013, and the Resolution dated July 21, 2014 of the Court of Appeals-Cagayan De Oro City in CA-G.R. CV No. 02154-MIN, are **AFFIRMED**.


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

²⁷ Section 1. *Execution upon judgments or final orders.* — Execution shall issue as a matter of right, or motion, upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

If the appeal has been duly perfected and finally resolved, the execution may forthwith be applied for in the court of origin, on motion of the judgment obligee, submitting therewith certified true copies of the judgment or judgments or final order or orders sought to be enforced and of the entry thereof, with notice to the adverse party.

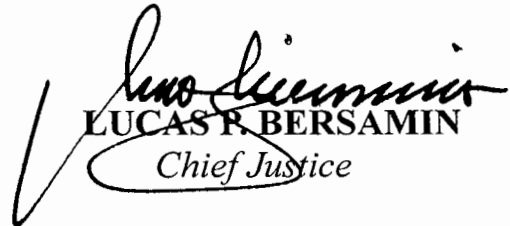
The appellate court may, on motion in the same case, when the interest of justice so requires, direct the court of origin to issue the writ of execution. RULES OF COURT, Rule 39.

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 R. BERSAMIN***Chief Justice*