

## SECOND DIVISION

[ G.R. No. 193919, June 15, 2015 ]

**BIÑAN RURAL BANK, PETITIONER, VS. JOSE WILLELMINO G. CARLOS AND MARTINA ROSA MARIA LINA G. CARLOS-TRAN, REPRESENTED BY THEIR ATTORNEY-IN-FACT, ATTY. EDWIN D. BALLESTEROS, RESPONDENTS.**

### DECISION

**BRION, J.:**

We resolve the present petition for review on *certiorari*<sup>[1]</sup> assailing the January 28, 2010 decision<sup>[2]</sup> and September 30, 2010 resolution<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 109157.

The CA dismissed the appeal filed by Binan Rural Bank (*petitioner*) from the Regional Trial Court's (RTC) denial of its motion to dismiss the complaint for reconveyance (and annulment of absolute sale, real estate mortgage, certificate of sale, title, with damages) filed by Jose Willelmino G. Carlos and Martina Rosa Maria Lina G. Carlos-Tran (*respondents*<sup>[4]</sup>).

#### **Brief Statement of Facts**

The respondents filed a complaint<sup>[5]</sup> for reconveyance, annulment of absolute sale, real estate mortgage, certificate of sale, title, with damages against the petitioner-bank and its co-defendants, Purita A. Sayo, Elmar G. Cristobal, the Register of Deeds of Quezon City, and Notary Public Atty. Al Harith D. Sali, before the RTC, Branch 83, Quezon City.

The petitioner moved to dismiss<sup>[6]</sup> the complaint alleging that: (a) the bank is not a real-party-in-interest in the case, (b) in so far as the bank was concerned, the complaint failed to state a cause of action, and (c) the respondents' cause of action against the bank was barred by the equitable principle of estoppel.

In an order<sup>[7]</sup> dated August 26, 2008, the RTC denied the petitioner's motion to dismiss:

Section 2, Rule 3 of the 1997 Rules of Civil Procedure require (sic) that every action must be prosecuted and defended in the name of the real party in interest. A "*real party in interest*" is one who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. "*Interest*" within the meaning of the rule means material interest, an interest in issue and to be affected by the decree, as distinguished from mere interest in the question involved, or a mere incidental interest. A cursory reading of the complaint will readily show

that defendant bank herein is a real party in interest since complainants seek to annul, among others, the certificate of sale in the name of defendant bank and the title in the name of Purita Sayo and it is only in this action that the former can raise the defense of mortgagee in good faith.

As to defendant-bank's allegations that the complaint fails to state a cause of action for the averment of fraud or bad faith allegedly committed was not stated with particularity in the complaint, making it defective and that plaintiffs purported cause of action is barred by the equitable principle of estoppel hence, must be ignored for what is required by the rules for the sufficiency of the complaint are allegations of ultimate facts (Rule 8, Sec. 1 Civil Procedure). Hence, details of probative matters should not be alleged. The defense of defendant bank that it acted in good faith are matters of defense that should be threshed out in a full-blown trial. [Footnote omitted.]

x x x x<sup>[8]</sup>

The petitioner moved for the reconsideration of the ruling,<sup>[9]</sup> but the RTC denied its motion in a subsequent order<sup>[10]</sup> dated May 26, 2009.

The petitioner then filed a petition for *certiorari*<sup>[11]</sup> before the CA assailing the RTC's orders dated August 26, 2008, and May 26, 2009.

In its decision, the CA dismissed the petitioner's *certiorari* petition for lack of merit. It found that the RTC did not gravely abuse its discretion when it issued the assailed orders; that the respondent judge, in fact, clearly stated in his orders the reasons for denying the petitioner's motion to dismiss.

The CA denied the petitioner's subsequent motion for reconsideration,<sup>[12]</sup> opening the way for the petitioner's present petition for review on *certiorari* with this Court. The petition presents the same issues raised before the RTC and the CA.

### **Our Ruling**

#### **We DENY the petition for lack of merit.**

An order denying a motion to dismiss is interlocutory and neither terminates nor finally disposes of a case; it is interlocutory as it leaves something to be done by the court before the case is finally decided on the merits.

The denial of a motion to dismiss generally cannot be questioned in a special civil action for *certiorari*, as this remedy is designed to correct only errors of jurisdiction and not errors of judgment.<sup>[13]</sup> Neither can a denial of a motion to dismiss be the subject of an appeal which is available only after a judgment or order on the merits has been rendered.<sup>[14]</sup> Only when the denial of the motion to dismiss is tainted with grave abuse of discretion can the grant of the extraordinary remedy of *certiorari* be justified.<sup>[15]</sup>