

THIRD DIVISION

[G.R. No. 189311, December 06, 2010]

**DENNIS R. MANZANAL AND BAGUIO COUNTRY CLUB
CORPORATION, PETITIONERS, VS. RAMON K. ILUSORIO,
RESPONDENT.**

D E C I S I O N

CARPIO MORALES, J.:

The only issue presented in this case is whether the complaint for damages filed by Ramon K. Ilusorio (respondent) against petitioners Dennis R. Manzanal and Baguio Country Club Corporation (BCCC) states a cause of action.

On July 7, 1994, a penthouse unit (PH-1) at the BCCC building in Baguio was assigned to respondent by one Felix Adolfo B. Lopez, Jr., with the conformity of BCCC.

By respondent's claim, he, for a period of five (5) years since the assignment, enjoyed the use of the unit and the club's facilities, along with his business colleagues and friends but that when conflict within the family arose in 1998 and escalated to great proportions, he was barred from using the unit and was almost expelled as member of the club. Hence, spawned his filing of multiple suits against BCCC before the courts and SEC.

Respondent sent a May 31, 2001 letter to BCCC requesting for his current statement of account. Replying, BCCC charged him the amount of P102,076.74 which he paid under protest. He, however, requested a breakdown of the amount which BCCC, thru Manzanal, complied with, via letter of November 26, 2001 to which was attached respondent's Statement of Account itemizing the amount which in fact totaled P2,928,223.26. The letter reads:

Attached herewith please find Statement of Account with total amount of P2,928,223.26.

Our records also show that from April 1995 to July 1999, you sponsored an estimated ninety-seven guests, many of whom are Multinational Investment Bancorporation partners and personnel, Club charges for which amount to Two Million Four Hundred Thirty One thousand Pesos (P2,431,000.00) for guest room charges exclusive of interest, guest fees and penalties.

This is also to follow-up payment due from you regarding our letter of December 20, 2000^[1], copy attached herewith for your reference.

In light of the foregoing, please remit in full the amount of P2,928,223.26. to BCCC within seven (7) days from receipt hereof, otherwise we shall be constrained to take the appropriate action and remedies to enforce payment of your obligation.^[2]

BCCC subsequently sent a final demand letter dated December 19, 2001 to respondent for the immediate payment of the unpaid charges, failing which, BCCC stated, it "shall be constrained to take the necessary action available under the club's rules to protect the interests of the club."

Respondent questioned, by reply letter of January 18, 2002, Manzanal's authority as an Assistant Vice President, as well as the billing for P2,431,000 and P599,300 as bereft of bases, thus:

I understand you are one of the lawyers of my estranged siblings (Sylvia, Lin, and Max) and now you claim to be the Assistant Vice-President of Baguio Country Club. Under what authority are you holding the said position in the Club? Please present the proof of your authority.

You claim that I have incurred charges from April 1995 to July 1999 amounting to P2,431,000.00. There is no basis for your claim. It is highly irregular for a member to be billed for charges allegedly incurred 6 years ago.

With regard to your claim pertaining to the alleged Penthouse rectification works amounting to P599,300.00, the same has no basis in fact and in law.

It is obvious that you and your principals are using the Club to harass me. Please refrain from dragging the Club into the family feud.^[3]

Taking the demand letters letter as a form of harassment from his family who was utilizing Manzanal and BCCC (petitioners) for that purpose, respondent filed in 2002 a complaint for damages against petitioners before the Makati Regional Trial Court (RTC), alleging:

x x x x

FIRST CAUSE OF ACTION

20. The recent act of BCCC and MANZANAL to collect the amount of P2,928,223.26 is another form of harassment against the plaintiff. To be precise, it is part of the series of harassment, characterized with bad faith and malice, being done by BCCC, MANZANAL, and plaintiff's estranged siblings.

21. Plaintiff has no obligation to pay the amount of P2,928,223.26 to BCCC. It bears to note that under Article 1157 of the Civil Code of the Philippines, obligations arise from law; contracts; quasi-contracts; acts or omissions punished by law; and quasi-delicts. In the present case, it is

quite clear that the collection of the amount of P2,928,223.26 is clearly without legal or factual basis. Corollary thereto, BCCC and MANZANAL have no right to collect the amount of P2,928,223.26 from the plaintiff.

22. Collecting room charges purportedly incurred as far as six (6) years ago, aside from the fact that it is baseless, is also dubious and scheming. As owner of the subject UNIT, plaintiff should not be held liable for its use and enjoyment considering that use and enjoyment of the UNIT are incidence of ownership.

23. Assuming without conceding that BCCC has the right to collect the amount of P2,928,223.26 from the plaintiff the same had already prescribed.

24. Assuming without conceding that BCC has the right to collect the amount P2,928,223.26 from the plaintiff, the latter is already guilty of laches and estoppel to effect collection thereof.

25. Moreover, it is improper for BCCC and MANZANAL to collect the amount pertaining to the rectification works regarding a purported encroachment on BCCC common areas because the matter is still subject of a pending case before the Regional Trial Court of Baguio City entitled "*Baguio Country Club vs. Ramon K. Ilusorio*" docketed as Civil Case No. 4750-R.

26. Under the foregoing circumstances, BCCC and MANZANAL should be enjoined from collecting from the plaintiff or in any way extra-judicially enforcing the payment of said claim or imposing any sanction against the plaintiff on account of said claim.

SECOND CAUSE OF ACTION

27. As a consequence of the unlawful act of MANZANAL and BCCC in initiating collection of the amount of P2,928,223.26 from the plaintiff, characterized with utter malice and gross and evident bad faith, plaintiff has suffered moral damages, consisting of mental anguish, social humiliation, anxiety and the like, which, considering his business and social standing in the community, is reasonably estimated in the amount of One Million Pesos (P1,000,000.00).^[4]

x x x x (emphasis and underscoring in the original)

Respondent averred that, *inter alia*, he should not be charged for the use of the unit as he, as owner, is entitled to its use and enjoyment. And he cast doubt on billing him for charges dating back to 1995.

In lieu of an Answer, Manzanal filed a Motion to Dismiss the complaint for failure to state a cause of action, he alleging that being merely an officer who signed on behalf of BCCC, he should not be personally liable. He explained that the act of sending a demand letter does not constitute a cause of action against the obligee/creditor. Alternatively, Manzanal claimed that respondent's asseverations