

THIRD DIVISION

[G.R. No. 149322, November 28, 2008]

JAIME L. YANEZA, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, MANUEL A. DE JESUS AND WILHELMINA M. MANZANO, RESPONDENTS.

DECISION

NACHURA, J.:

In this petition for *certiorari* and prohibition under Rule 65, Jaime L. Yaneza, petitioner, assails the Court of Appeals' denial of his Motion for Extension of Time to File Petition for Review on the ground that it was filed after the lapse of the reglementary period for filing the appeal.

Petitioner is the owner of a 603-square-meter parcel of land, denominated as Lot 2730-A and situated along Calle Kay Rumagit, Sitio Haligionan, Brgy. San Juan, Baras, Rizal. He purchased the property from a certain Rudy Llagas on June 19, 1990.

Respondents, Manuel A. de Jesus and Wilhelmina M. Manzano, are the owners of Lot 2732 which is adjacent to Lot 2730-A. The respondents' lot has no access to the nearest road except through a road which they constructed over a portion of Lot 2730-A.

On September 26, 1995, petitioner sent a letter to respondents informing them that he is the owner of Lot 2730-A and that he does not agree with the use of the portion of his lot as an access road because it will affect the configuration of his property. As an option, petitioner offered to sell to the respondents the entire property.^[1]

Apparently, respondents did not agree to the proposition because two days later, petitioner wrote another letter to them, offering instead a perpetual easement of right of way (4 meters wide) and stating that he will prepare the necessary document to facilitate the transaction.^[2]

Instead of a deed of perpetual easement, it appears that petitioner and respondents executed a Deed of Absolute Sale^[3] on October 20, 1995 over a 175-sq m portion of Lot 2730-A, to be used as an access road 5-meters wide, for a consideration of P20,000.00. The Deed of Absolute Sale contained the following terms and conditions:

1] The portion subject of this sale agreement is as per the sketch plan attached herein as Annex "A" and made as an integral part of this instrument;

2] The total purchase for the aforesaid portion of lot shall be in the sum

of TWENTY THOUSAND (P20,000.00) PESOS, Philippine Currency, payable on cash basis upon the signing and execution of this deed, the signature of the VENDOR being his acknowledgment that he already received the said amount satisfactorily;

3] The realty taxes and assessments on the lot subject of this sale agreement, costs of preparation of the document of sale, all other taxes, cost of subdivision survey to segregate the portion of lot, and all the incidental expenses to facilitate issuance of the individual transfer certificate of titles for the resulting lots shall be for the sole account and expense of the VENDEE;

4] The use of the aforesaid portion of lot sold shall be for ... the purpose of the ... right of way of and for the abovesaid property of the VENDEE, whereby the VENDOR, by virtue whereof, shall have the perpetual right and/or privilege to use the same as right of way for his own purposes.

Almost a year later, or on September 12, 1996, petitioner informed respondents that he is canceling the deed of sale by way of a Deed of Cancellation^[4] which he executed on his own.^[5]

When respondents refused to honor the cancellation, petitioner filed a Complaint^[6] for Cancellation of Contract with the Municipal Circuit Trial Court (MCTC) of Teresa-Baras on April 22, 1997. The complaint alleged that, contrary to what was stated in the Deed of Absolute Sale, respondents constructed an access road 8-m wide (with an area of 280 sq m); that the respondents have not complied with the conditions stated in the Deed of Absolute Sale and the Deed of Undertaking attached thereto; and that respondents have been dumping high piles of gravel, sand and soil along the access road in violation of the condition in the deed of sale that the access road will be used only for the purpose of a right of way. The complaint prayed for the court to declare as canceled the grant of right of way to respondents and to order them to pay moral and exemplary damages and attorney's fees.

In their Answer with Counterclaims, respondents averred that they purchased the disputed 280-sq m portion of Lot 2730-A from its previous owner, Rudy Llagas, as early as March 2, 1994. After the sale, they immediately constructed a 7 by 35-m road with a total area of 245 sq m, leaving a 1 by 35-m strip along the western portion as an easement along the irrigation canal. However, to buy peace and avoid any conflict with the petitioner, who was claiming to be the new owner, respondents agreed to pay P20,000.00 in consideration of the petitioner's desistance from further pursuing his claim over the 280 sq m area. Petitioner prepared the Deed of Absolute Sale and respondents agreed to sign it without prejudice to the resolution of the civil case (Civil Case No. 777-M), filed by Llagas against the petitioner, on the issue of the ownership of the property.^[7]

Respondents narrated that, after they signed the Deed of Absolute Sale but before they could deliver the P20,000.00, they discovered that it covered only 175 sq m, not 280 sq m. There was an immediate renegotiation between the parties and, for an additional consideration of P40,000.00, petitioner agreed to sell the entire 280 sq m. Relying on the petitioner's assurance that he will prepare a new deed of sale to reflect the new agreement, respondents paid him the additional P40,000.00 as

evidenced by an Acknowledgment Receipt. Despite several demands, petitioner failed to present the new deed of sale.^[8]

According to the respondents, petitioner initially allowed them peaceful possession and use of the area even when he started constructing his house adjacent to the access road. However, while petitioner was constructing his house, a serious misunderstanding took place between petitioner and respondents' caretaker, Benjamin Manzano, brought about by the latter's refusal to allow petitioner to tap water and electricity from the respondents' property. Petitioner allegedly retaliated and took possession of the eastern half portion of the 280-sq-m area by constructing a fence along the length of the access road, which reduced it to a narrow passage that could not allow trucks to pass through. On account of this dispute, Manzano, upon respondents' authority, filed a complaint before the *Barangay Lupon* to compel the petitioner to remove the fence but the petitioner did not attend the conciliation proceedings. Respondents obtained from the *barangay* a certification to file an action in court, but petitioner preempted them by filing the instant case. Respondents pointed out that the petitioner did not seek the intervention of the *Barangay Lupon* before he filed the instant case; hence, the petitioner's complaint should be dismissed for failure to state a cause of action.^[9]

In claiming damages, respondents alleged that the construction of the fence caused them difficulties when they started developing their property because the trucks that carried the necessary materials could not pass through the access road. They purportedly incurred additional costs since they had to hire laborers to manually carry the construction materials from the *barangay* road to the construction site.^[10]

Respondents further asserted that what was agreed upon was a sale and not only an easement of right of way. They denied the existence of the Deed of Undertaking which does not even bear their signatures. And respondents argued that the deed of sale may not be canceled unilaterally by the petitioner since they already acquired full ownership over the property by virtue thereof.^[11]

Finally, respondents stressed that it is the petitioner who is actually enjoying a right of way along the access road in compliance with the condition stated in the Deed of Absolute Sale. It is the petitioner who violated the terms of the contract when he obstructed the access road with the concrete fence he built thereon. For this violation, petitioner should be denied his right of way over the access road. Moreover, petitioner's property abuts the *barangay* road; hence, there is actually no need for him to be granted a right of way.

During trial, petitioner testified for himself and presented his brother, Cesar Yaneza, as witness. Petitioner narrated that Cesar handed to him the P20,000.00 and that he constructed the iron fence during the latter part of 1996 because respondents did not comply with the conditions set out in the Deed of Undertaking. Cesar Yaneza testified that he was the one who delivered the Deed of Absolute Sale to the office of respondent Manuel de Jesus in Manila and that the latter requested that he leave the Deed of Undertaking so that his wife can also sign the same, but he never returned the document despite several demands.

For the respondents, respondent Manuel de Jesus, Rudy Llagas and Benjamin Manzano testified. Rudy Llagas admitted that he indeed sold to the respondents the

subject property which is on the western side; what he sold to the petitioner was on the eastern side of his property.^[12] Respondent Manuel de Jesus swore that he and petitioner agreed on a price of P20,000.00 for the 5-m by 35-m area and an additional P40,000.00 to increase the area to 8-m by 35-m, so that the total consideration was P60,000.00. He claimed he had to agree to the additional amount because by then he had already constructed the gate to, and trucks could not enter, their property.^[13] And finally, Benjamin Manzano attested that when petitioner started constructing his house, petitioner asked him if he could tap water and electricity from respondents' property, but he did not agree. He said that, after a few days from said incident, petitioner constructed the low level iron fence in the middle of the road right of way.^[14]

On September 6, 1999, the MCTC promulgated its decision dismissing the complaint and granting the respondents' counterclaims, thus:

In view of the foregoing considerations, this Court hereby resolves to order the following:

1. To dismiss the complaint as well as the plaintiff's claim for damages and attorney's fees;
2. For plaintiff to execute a new deed of absolute sale covering the access road or road right of way of 8 meters wide by 35 meter long, including the meter easement beside the irrigation canal; with a total area of 280 sq. m. from the northwest portion of Lot 2730, now covered by TCT No. 50181 of the Register of Deeds of Rizal, Morong Branch, without prejudice to the outcome of Civil Case No. 777-M filed by Rudy Llagas against plaintiff Jaime Yaneza;
3. To cancel and declare as null and void the plaintiff's right of way over the access road of defendants;
4. For plaintiff to remove at his expense, the steel fence or structure he caused to be constructed at about the middle of defendants' access road or found within the 280 sq.m. area that obstruct, impede or alter the full and peaceful use by defendants of subject realty;
5. To restore defendants to the full, adequate and peaceful possession and use of subject realty;
6. For plaintiff to pay to the defendants the following:
 - a. P1,000,000.00 as actual damages;
 - b. P1,300,000.00 as moral damages;
 - c. P300,000.00 as exemplary damages;
 - d. P300,000.00 as attorney's fees;
 - e. P30,000.00 as reimbursement for incidental litigation expenses;
 - f. 6% interest on the actual damages from the time they were incurred up to the time of finality of the decision;