

THIRD DIVISION

[G.R. No. 141536, February 26, 2001]

**GIL MIGUEL T. PUYAT, PETITIONER, VS. RON ZABARTE,
RESPONDENT.**

D E C I S I O N

PANGANIBAN, J.:

Summary judgment in a litigation is resorted to if there is no genuine issue as to any material fact, other than the amount of damages. If this verity is evident from the pleadings and the supporting affidavits, depositions and admissions on file with the court, the moving party is entitled to such remedy as a matter of course.

The Case

Before us is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, challenging the August 31, 1999 Decision^[1] of the Court of Appeals (CA), which affirmed the Regional Trial Court (RTC) of Pasig City, Branch 67 in Civil Case No. 64107; and the January 20, 2000 CA Resolution^[2] which denied reconsideration.

The assailed CA Decision disposed as follows:

"WHEREFORE, finding no error in the judgment appealed from, the same is AFFIRMED."^[3]

The Facts

The facts of this case, as narrated by the Court of Appeals, are as follows: ^[4]

"It appears that on 24 January 1994, [Respondent] Ron Zabarte commenced [an action] to enforce the money judgment rendered by the Superior Court for the State of California, County of Contra Costa, U.S.A. On 18 March 1994, [petitioner] filed his Answer with the following special and affirmative defenses:

x x x x x x x x

`8) The Superior Court for the State of California, County of Contra Costa[,] did not properly acquire jurisdiction over the subject matter of and over the persons involved in [C]ase #C21-00265.

`9) The Judgment on Stipulations for Entry in Judgment in Case #C21-00265 dated December 12, 1991 was obtained without the assistance of counsel for [petitioner] and without sufficient notice to him and therefore, was rendered in clear

violation of [petitioner's] constitutional rights to substantial and procedural due process.

`10) The Judgment on Stipulation for Entry in Judgment in Case #C21-00265 dated December 12, 1991 was procured by means of fraud or collusion or undue influence and/or based on a clear mistake of fact and law.

`11) The Judgment on Stipulation for Entry in Judgment in Case #C21-00265 dated December 12, 1991 is contrary to the laws, public policy and canons of morality obtaining in the Philippines and the enforcement of such judgment in the Philippines would result in the unjust enrichment of [respondent] at the expense of [petitioner] in this case.

`12) The Judgment on Stipulation for Entry in Judgment in Case #C21-00265 dated December 12, 1991 is null and void and unenforceable in the Philippines.

`13) In the transaction, which is the subject matter in Case #C21-00265, [petitioner] is not in any way liable, in fact and in law, to [respondent] in this case, as contained in [petitioner's] `Answer to Complaint' in Case #C21-00265 dated April 1, 1991, Annex `B' of [respondent's] `Complaint' dated December 6, 1993.

'14) [Respondent] is guilty of misrepresentation or falsification in the filing of his `Complaint' in this case dated December 6, 1993. Worse, [respondent] has no capacity to sue in the Philippines.

'15) Venue has been improperly laid in this case.'

(Record, pp. 42-44)

"On 1 August 1994, [respondent] filed a [M]otion for [S]ummary [J]udgment under Rule 34 of the Rules of Court alleging that the [A]nswer filed by [petitioner] failed to tender any genuine issue as to the material facts. In his [O]pposition to [respondent's] motion, [petitioner] demurred as follows:

`2) [Petitioner] begs to disagree[;] in support hereof, [he] wishes to mention that in his `Answer with Special and Affirmative Defenses' dated March 16, 1994 [petitioner] has interposed that the `Judgment on Stipulations for Entry in Judgment' is null and void, fraudulent, illegal and unenforceable, the same having been obtained by means of fraud, collusion, undue influence and/or clear mistake of fact and law. In addition, [he] has maintained that said `Judgment on Stipulations for Entry in Judgment' was obtained without the assistance of counsel for [petitioner] and without sufficient notice to him and therefore, was rendered in violation of his

constitutional rights to substantial and procedural due process.'

"The [M]otion for [S]ummary [J]udgment was set for hearing on 12 August 1994 during which [respondent] marked and submitted in evidence the following:

- Exhibit - x x x Judgment on Stipulation For Entry In
'A' Judgment of the Supreme Court of the State of California[,] County of Contra Costa[,] signed by Hon. Ellen James, Judge of the Superior Court.
- Exhibit - x x x Certificate of Authentication of the
'B' [O]rder signed by the Hon. Ellen James, issued by the Consulate General of the Republic of the Philippines.
- Exhibit - [R]eturn of the [W]rit of [E]xecution (writ
'C' unsatisfied) issued by the sheriff/marshall, County of Santa Clara, State of California.
- Exhibit - [W]rit of [E]xecution
'D'
- Exhibit - [P]roof of [S]ervice of copies of [W]rit of
'E' [E]xecution, [N]otice of [L]evy, [M]emorandum of [G]arnishee, [E]xemptions from [E]nforcement of [J]udgment.
- Exhibit - Certification issued by the Secretary of
'F' State, State of California that Stephen Weir is the duly elected, qualified and acting [c]ounty [c]lerk of the County of Contra Costa of the State of California.
- Exhibit - Certificate of [A]uthentication of the [W]rit
'G' of [E]xecution.

"On 6 April 1995, the court a quo issued an [O]rder granting [respondent's] [M]otion for [S]ummary [J]udgment [and] likewise granting [petitioner] ten (10) days to submit opposing affidavits, after which the case would be deemed submitted for resolution (Record, pp. 152-153). [Petitioner] filed a [M]otion for [R]econsideration of the aforesaid [O]rder and [respondent] filed [C]omment. On 30 June 1995, [petitioner] filed a [M]otion to [D]ismiss on the ground of lack of jurisdiction over the subject matter of the case and *forum-non-conveniens* (Record, pp. 166-170). In his [O]pposition to the [M]otion (Record, pp. 181-182) [respondent] contended that [petitioner could] no longer question the jurisdiction of the lower court on the ground that [the latter's] Answer had failed to raise the issue of jurisdiction. [Petitioner] countered by asserting in his Reply that jurisdiction [could] not be fixed by agreement of the parties. The lower court dismissed [his] [M]otion for

[R]econsideration and [M]otion [to] [D]ismiss (Record, pp. 196-198), x x x."

The RTC^[5] eventually rendered its February 21, 1997 Decision,^[6] which disposed as follows:

"WHEREFORE, judgment is hereby rendered, ordering [petitioner] to pay [respondent] the following amounts:

- "1. The amount of U.S. dollars \$241,991.33, with the interest of legal rate from October 18, 1991, or its peso equivalent, pursuant to the [J]udgment of [S]tipulation for [E]ntry in [J]udgment dated December 19, 1991;
- "2. The amount of P30,000.00 as attorney's fees;
- "3. To pay the costs of suit.

"The claim for moral damages, not having been substantiated, it is hereby denied."^[7]

Ruling of the Court of Appeals

Affirming the trial court, the Court of Appeals held that petitioner was estopped from assailing the judgment that had become final and had, in fact, been partially executed. The CA also ruled that summary judgment was proper, because petitioner had failed to tender any genuine issue of fact and was merely maneuvering to delay the full effects of the judgment.

Citing *Ingenohl v. Olsen*,^[8] the CA also rejected petitioner's argument that the RTC should have dismissed the action for the enforcement of a foreign judgment, on the ground of *forum non conveniens*. It reasoned out that the recognition of the foreign judgment was based on comity, reciprocity and *res judicata*.

Hence, this Petition.^[9]

Issue

In his Memorandum, petitioner submits this lone but all-embracing issue:

"Whether or not the Court of Appeals acted in a manner x x x contrary to law when it affirmed the Order of the trial court granting respondent's Motion for Summary Judgment and rendering judgment against the petitioner."^[10]

In his discussion, petitioner contends that the CA erred in ruling in this wise:

1. That his Answer failed to tender a genuine issue of fact regarding the following:
 - (a) the jurisdiction of a foreign court over the subject matter

(b) the validity of the foreign judgment

(c) the judgment's conformity to Philippine laws, public policy, canons of morality, and norms against unjust enrichment

2. That the principle of *forum non conveniens* was inapplicable to the instant case.

This Court's Ruling

The Petition has no merit.

First Question: Summary Judgment

Petitioner vehemently insists that summary judgment is inappropriate to resolve the case at bar, arguing that his Answer allegedly raised genuine and material factual matters which he should have been allowed to prove during trial.

On the other hand, respondent argues that the alleged "genuine issues of fact" raised by petitioner are mere conclusions of law, or "propositions arrived at not by any process of natural reasoning from a fact or a combination of facts stated but by the application of the artificial rules of law to the facts pleaded."^[11]

The RTC granted respondent's Motion for Summary Judgment because petitioner, in his Answer, admitted the existence of the Judgment on Stipulation for Entry in Judgment. Besides, he had already paid \$5,000 to respondent, as provided in the foreign judgment sought to be enforced.^[12] Hence, the trial court ruled that, there being no genuine issue as to any material fact, the case should properly be resolved through summary judgment. The CA affirmed this ruling.

We concur with the lower courts. Summary judgment is a procedural device for the prompt disposition of actions in which the pleadings raise only a legal issue, and not a genuine issue as to any material fact. By *genuine issue* is meant a question of fact that calls for the presentation of evidence. It should be distinguished from an issue that is sham, contrived, set in bad faith and patently unsubstantial.^[13]

Summary judgment is resorted to in order to avoid long drawn out litigations and useless delays. When affidavits, depositions and admissions on file show that there are no genuine issues of fact to be tried, the Rules allow a party to pierce the allegations in the pleadings and to obtain immediate relief by way of summary judgment. In short, since the facts are not in dispute, the court is allowed to decide the case summarily by applying the law to the material facts.

Petitioner contends that by allowing summary judgment, the two courts *a quo* prevented him from presenting evidence to substantiate his claims. We do not agree. Summary judgment is based on facts directly proven by affidavits, depositions or admissions.^[14] In this case, the CA and the RTC both merely ruled that trial was not necessary to resolve the case. Additionally and correctly, the RTC specifically ordered petitioner to submit opposing affidavits to support his contentions that (1) the Judgment on Stipulation for Entry in Judgment was