

## FIRST DIVISION

[ G.R. No. 126584, November 15, 2001 ]

**VALLEY LAND RESOURCES, INC., GALICANO C. CAPATRIA, JR.,  
AND NOLASCO M. BONDOC, PETITIONERS, VS. VALLEY GOLF  
CLUB, INC., RESPONDENT.**

### DECISION

**PARDO, J.:**

In this case, petitioner seeks to set aside the decision of the Court of Appeals<sup>[1]</sup> reversing the decision of the trial court, and rendering new judgment, as follows:

"WHEREFORE, premises considered, the appeal is GRANTED. The appealed decision is hereby REVERSED and SET ASIDE and new judgment is hereby rendered:

"(1) Ordering plaintiff-appellee Valley Land to return to defendant-appellant Valley-Golf the amount of One Million Five Hundred Eighty Five Thousand Nine Hundred Sixty Two Pesos & Ninety Six Centavos (P1,585,962.96) representing the proceeds of a previous grant of right-of-way, with legal interest thereon from March 14, 1990, the time when demand letter for the return of the erroneous payment made was served upon the former, until fully paid.

"(2) There being bad faith on the part of plaintiff Valley Land, knowing fully well that it can no longer fulfill its reciprocal obligation with defendant Valley Golf, yet still proceeded against the latter, and there being evidence that damages to the good name of Valley Golf had been caused, this Court orders Valley Land to pay moral damages in the amount of Five Hundred Thousand (P500,000.00) Pesos to defendant Valley Golf.

"(3) Plaintiff is hereby further ordered to pay attorney's fees in the amount of Two Hundred Thousand (P200,000.00) pesos and the cost of suit.

"SO ORDERED."<sup>[2]</sup>

#### The Facts

The facts, as found by the Court of Appeals, are as follows:

"Victoria Valley Blvd. (the Boulevard" for brevity) is composed of road lots which connects Ortigas Avenue and Sumulong Highway (Exh. "L" [marked with red ink], Main Folder of Exhibits). Half of the Boulevard is made up of road lots owned by defendant-appellant Valley Golf. The

other half is supposed to be owned by Hacienda Benito with whom Valley Golf entered into an agreement (Exh. "A") whereby it was agreed that Hacienda Benito and Valley Golf will own jointly Victoria Valley Blvd. Thereafter, a supplementary agreement (Exh. "B") was executed by the parties where one of the provisions provide that the right of way shall be owned and maintained jointly by Hacienda Benito and Valley Golf.

"Thereafter, Hacienda Benito transferred ownership and all its rights and interests over the road lots covering half of the Victoria Valley Blvd. to herein plaintiff-appellee Valley Land by virtue of a Mutual Agreement (Exh. "C"). Said agreement made reference to the road title allegedly covering its half of Victoria Valley Blvd. and attached therein as Annex "C" (p.2 of Mutual Agreement; *ibid.*), but a perusal of the agreement reveals that the aforementioned annex is not attached thereto. At any rate, from then on, Valley Golf treated and recognized Valley Land as its alleged new co-owner over Victoria Valley Blvd., sharing half of all the proceeds of the grant of right of way over the boulevard.

"However, in a subsequent review of the agreement between Valley Golf and Hacienda Benito, Valley Golf discovered that there is actually no existing co-ownership between them over Victoria Valley Blvd. Valley Golf retained exclusive ownership over the road lots forming part of Victoria Valley Blvd. notwithstanding their agreement, and that the other half of the boulevard is no longer under the name of either Hacienda Benito or Valley Land as the same has been disposed of already and is registered in favor of the Active Realty & Dev't. Corp. under TCT No. 187838 and with Filipinas Bank under TCT Nos. 166692 and 166678."

"Based on said discovery, Valley Golf sought to recover the sum of money which it allegedly remitted by mistake to Valley Land which represents the supposed share of the latter in the grant of right of way. Valley Land in turn sought the cancellation of Valley Golf's titles over the road lots forming half of Victoria Valley Blvd. The cases were filed before the Regional Trial Court of Antipolo and consolidated therein. In due time, the assailed decision was rendered and brought to this Court on appeal by Valley Golf.<sup>[3]</sup>

On September 27, 1996, the Court of Appeals promulgated its decision as set out in the opening paragraph of this decision.

Hence, this appeal.<sup>[4]</sup>

### The Issues

The issues raised are: (a) whether respondent is the sole owner of the subject road lots, or petitioner Valley Land Resources, Inc. (VLR, Inc., for brevity), is a co-owner thereof; (b) if respondent is the sole owner of the road lots, whether individual petitioners should return the sum of P1,585,962.96 and pay damages to respondent; (c) whether the petition is now moot and academic in light of the decision in Civil Case No. 90-1748 of the Regional Trial Court, Antipolo, Branch 73; (d) whether the instant petition is premature in so far as the individual petitioners