



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, Third Division, issued a Resolution dated November 20, 2019, which reads as follows:

“G.R. No. 196545 (Dra. Amanda T. Cruz v. Petron Corporation, Attys. Liberador Villegas, Eric Estoesta, Guillermo Hernandez and Charlie Bite). - Assailed in this Petition for Review on *Certiorari*¹ are the Decision² dated December 20, 2010 and Resolution³ dated April 14, 2011 of the Court of Appeals in (CA) in CA-G.R. CV No. 90615, which affirmed with modification the Decision⁴ dated November 28, 2007 of the Regional Trial Court of Manila, Branch 34 (RTC) in Civil Case No. 00-97736.

Antecedents

The factual background of this case dates back to 1977 when Petron Corporation (Petron) and Dra. Amanda T. Cruz (petitioner) executed three renewable five-year contracts: (1) Lease to Dealer Contract, whereby Petron leased to petitioner its service station located at No. 737 Altura St. corner Ramon Magsaysay Blvd., Sta. Mesa, Manila (Altura Service Station); (2) Retail Dealer Contract, whereby Petron agreed to sell to petitioner its petroleum products; and (3) Equipment Lease Agreement, whereby Petron leased its petroleum equipment to petitioner.⁵

The said contracts ended in 1982 and were renewed for another five years to conclude in 1987. Upon the expiration of the contracts in 1987 and without any extension having been executed by the parties, Petron continued delivering petroleum products to petitioner for three years.

Sometime in 1990, Petron terminated the Lease to Dealer Contract and immediately demanded that petitioner vacate the leased premises but the

¹ *Rollo*, pp. 3-15.

² Penned by Associate Justice Jose C. Reyes, Jr. (now a Member of this Court), with Associate Justices Antonio L. Villamor and Danton Q. Bueser, concurring; *id.* at 61-73.

³ *Id.* at 98-106.

⁴ Penned by Judge Romulo A. Lopez; *id.* at 43-60.

⁵ *Id.* at 30.

latter refused. This prompted Petron to file four consecutive ejectment suits against petitioner and her family.⁶

First, in May 1991, which was dismissed by the Metropolitan Trial Court (MeTC) for failure to prosecute.⁷ Second, in September 1991, which was dismissed on the ground of lack of cause of action. The MeTC ruled that Petron's continuous delivery of petroleum products to petitioner despite the expiration of the contract in 1987 amounted to an implied renewal of the contract for another five years or from 1987 to 1992, hence the filing of the ejectment case was premature.⁸ Third, on July 30, 1992, which was decided by both the MeTC and the RTC in favor of Petron.⁹ However, the trial courts' rulings were reversed and set aside by the CA, which was sustained by this Court in a Resolution¹⁰ dated September 8, 1999 in G.R. No. 134497. The Court dismissed the ejectment case for lack of cause of action declaring that notwithstanding the terms of the lease contract, the actions of Petron in continuously delivering petroleum products to petitioner despite the expiration of the contracts in 1987 constituted an implied renewal thereof until 1992.

Following the Court's Resolution of September 8, 1999, Petron, through its counsel, sent a Notice of Termination¹¹ dated November 25, 1999, demanding that petitioner vacate the leased premises within 60 days from notice, which went unheeded. On May 17, 2000, Petron informed petitioner that it will enter and repossess the leased premises, and it advised petitioner to remove their belongings.¹² However, Petron failed to repossess the property. Hence, it commenced the fourth ejectment case,¹³ which was affirmed by this Court in its Resolution dated January 24, 2005 in G.R. No. 166252 and became final and executory on June 1, 2005.

Meanwhile, the instant case spawned because of the events that transpired on May 17, 2000. Petitioner alleged that on the said date, at around 5:00 a.m., Petron's officials and legal officers, herein respondents Atty. Liberador Villegas, Eric Estoesta, Guillermo Hernandez and Charlie Bite, along with armed security guards of Lockheed Security Agency, forcibly drove out the service station's cashier and attendants. The Altura Service Station was barricaded with iron fences and barbed wires and the gasoline dispensing pumps were destroyed. Petitioner said that the forcible entry in the Altura Service Station was done without any court order. These incidents caused her sleepless nights, besmirched reputation, as well as psychological, physical, financial, social and economic damages.¹⁴

⁶ Id. at 30-37.

⁷ Id. at 30.

⁸ Id. at 30-31.

⁹ Id. at 31.

¹⁰ Id. at 107-108.

¹¹ Id. at 111-113.

¹² Id. at 32.

¹³ Id. at 36.

¹⁴ Id. at 19-21.

For their part, respondents averred that petitioner and her husband were unlawful possessors of Petron's Altura Service Station and ceased to be its operator since the expiration of their contracts in 1992. The respondents claimed that petitioner has no cause of action against them and the complaint was merely a harassment suit.

RTC Ruling

On November 28, 2007, the RTC rendered judgment¹⁵ ordering respondents to jointly and severally pay petitioner the following: (a) ₱200,000.00 as moral damages; (b) ₱50,000.00 as exemplary damages; (c) ₱100,000.00 as actual damages; (d) ₱50,000.00 as acceptance fee plus ₱50,000.00 as attorney's fees; and e) cost of suit.¹⁶

The RTC held that respondents must be held liable for damages because they tried to re-take possession of the Altura Service Station, barricaded the same and stopped its operation, without any court order.¹⁷

Consequently, respondents filed an appeal with the CA.

CA Ruling

In a Decision dated December 20, 2010, the CA granted the appeal and reversed and set aside the decision of the RTC. The CA directed petitioner to pay ₱20,000.00 to each of respondents as exemplary damages, and to pay ₱100,000.00 as attorney's fees.

According to the CA, the only issue in this case was whether respondents acted in bad faith when it took over the leased premises on May 17, 2000. The CA held that Petron, through its officers, was acting well within its rights as lessor and owner when it took over the leased premises. Petitioner failed to show that respondents' acts were done in bad faith with the sole intention of prejudicing and injuring her or her family.

The CA awarded exemplary damages because petitioner instituted the instant case despite the fact that she was the one who refused to comply with the provision of the lease to dealer contract, that upon expiration or termination of the lease, the lessee shall immediately vacate the leased premises and despite receipt of the notice of termination. Attorney's fees was also awarded because respondents were forced to litigate and defend their interests.

¹⁵ Supra note 4.

¹⁶ Id. at 60.

¹⁷ Id.

The petitioner filed a Motion for Reconsideration¹⁸ but it was denied in a Resolution¹⁹ dated April 14, 2011, hence, this petition.

In their Comment,²⁰ respondents averred that their act of taking over the Petron Altura Service Station on May 17, 2000 was legal and was not attended by bad faith. They claimed that the Court's Resolution dated September 8, 1999 clearly provides that the contracts were impliedly renewed until 1992. Hence, petitioner cannot complain that her contracts with Petron had not yet expired, since in 1999, they sent the notice of termination and in 2000, they took over the Petron Altura Service Station.

Ruling of the Court

The petition lacks merit.

There was nothing on record which would prove that respondents acted in bad faith or malice in trying to evict petitioner and her family from the leased premises. In the first place, there was ground for respondent Petron's actions since the Court's Resolution dated September 8, 1999 relative to the third ejectment case expressly declared that the contracts were impliedly renewed until 1992. There was neither evidence of any subsequent renewal nor of any payment or deposit of rental. Moreover, the acts of Petron clearly indicated its intent to terminate the contracts and it gave sufficient notice to the petitioner to vacate the leased premises.

Absent any evidence presented by petitioner, bad faith or malice cannot be attributed to respondents as they were only trying to protect their interests over the property. The records of the case clearly showed that the continued possession of petitioner was a consequence of the pendency of the ejectment cases. Petron's right over the leased property cannot be compromised and defeated after it gave due respect to the judicial process and allowed the matter regarding the lease contract to be threshed out properly without creating any disturbance on petitioner's possession.

Moreover, petitioner failed to show that respondents' acts were done with the sole intention of prejudicing and injuring her. The mental anguish, serious anxiety, besmirched reputation and sleepless nights that petitioner experienced because of the event that transpired on May 17, 2000, assuming them to be true, were facilitated by her own doing for deliberately and consciously ignoring the notice of termination and unreasonably refusing to vacate the leased property.

Respondents were acting well within their rights when they tried to take over the leased premises. They had to take all the necessary legal steps to enforce Petron's legal rights over the property occupied by petitioner and

¹⁸ Id. at 74-84.

¹⁹ Id. at 98.

²⁰ Id. at 145-184

her family. However, the law affords no remedy for damages resulting from an act which does not amount to a legal injury or wrong. One who makes use of his own legal right does no injury. Thus, whatever damages are suffered by petitioner should be borne solely by her. As explained in *Sps. Custodio v. Court of Appeals*:²¹

The proper exercise of a lawful right cannot constitute a legal wrong for which an action will lie, although the act may result in damage to another, for no legal right has been invaded. One may use any lawful means to accomplish a lawful purpose and though the means adopted may cause damage to another, no cause of action arises in the latter's favor. Any injury or damage occasioned thereby is *damnum absque injuria*. The courts can give no redress for hardship to an individual resulting from action reasonably calculated to achieve a lawful end by lawful means.²²

Accordingly, there is a veneer of truth in the allegation of the respondent lawyers that the instant complaint was a retaliatory action and a vindictive charge of the petitioner meant to vex, harass, humiliate and punish them in performing their duty as lawyers of Petron.

In addition, contrary to petitioner's claim that only the lease to dealer contract was terminated, the notice of termination expressly stated that the termination was for the three contracts. Petitioner was given 60 days from receipt to vacate the leased premises and to turn over the equipment subject of the equipment lease agreement. The CA aptly noted the fact that petitioner admitted the receipt of the notice of termination²³ which she blatantly ignored.

The Court, however, finds that respondents are not entitled to exemplary damages and attorney's fees. Pursuant to Articles 2229²⁴ and 2234²⁵ of the Civil Code, exemplary damages may be awarded only in addition to moral, temperate, liquidated, or compensatory damages. Since respondents are not entitled to either moral, temperate, liquidated, or compensatory damages, then the awarded exemplary damages is bereft of merit. Lastly, considering the absence of any of the circumstances under

²¹ 323 Phil. 575 (1996).

²² Id. at 588-589.

²³ *Rollo*, p. 69.

²⁴ Art. 2229. Exemplary or corrective damages are imposed, by way of example or correction for the public good, in addition to the moral, temperate, liquidated or compensatory damages.

²⁵ Art. 2234. While the amount of the exemplary damages need not be proved, the plaintiff must show that he is entitled to moral, temperate or compensatory damages before the court may consider the question of whether or not exemplary damages should be awarded. In case liquidated damages have been agreed upon, although no proof of loss is necessary in order that such liquidated damages may be recovered, nevertheless, before the court may consider the question of granting exemplary in addition to the liquidated damages, the plaintiff must show that he would be entitled to moral, temperate or compensatory damages were it not for the stipulation for liquidated damages.

Article 2208²⁶ of the Civil Code where attorney's fees may be awarded, the same cannot be granted to respondents.

WHEREFORE, the petition is **DENIED**. The Decision dated December 20, 2010 and Resolution dated April 14, 2011 of the Court of Appeals in CA-G.R. CV No. 90615 are hereby **AFFIRMED with MODIFICATION** in that the award of exemplary damages and attorney's fees are **DELETED**.

SO ORDERED." (Leonen, J., on official business; Gesmundo, J., designated as Acting Chairperson of the Third Division per Special Order No. 2737; Lazaro-Javier, J., designated as Additional Member of the Third Division per Special Order No. 2728, on official leave.)

Very truly yours,

Misael DC B-H
MISAELO DOMINGO C. BATTUNG III
Deputy Division Clerk of Court

[Signature]
11/20/19

²⁶ Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

- (1) When exemplary damages are awarded;
- (2) When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
- (3) In criminal cases of malicious prosecution against the plaintiff;
- (4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
- (5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
- (6) In actions for legal support;
- (7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
- (8) In actions for indemnity under workmen's compensation and employer's liability laws;
- (9) In a separate civil action to recover civil liability arising from a crime;
- (10) When at least double judicial costs are awarded;
- (11) In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered.

In all cases, the attorney's fees and expenses of litigation must be reasonable.

Atty. Francisco Galman Cruz
Counsel for Petitioner
12 Don Doroteo Street
Don Enrique Heights Subdivision
Diliman, 1101 Quezon City

COURT OF APPEALS
CA G.R. CV No. 90615
1000 Manila

BELO GOZON PAREL ASUNCION & LUCILA
LAW FIRM
Counsel for the Respondents
15th Floor, Sagittarius Building
H.V Dela Costa St., Salcedo Village
1227 Makati City

The Presiding Judge
REGIONAL TRIAL COURT
Branch 34, Manila
(Civil Case No. 00-97736)

PUBLIC INFORMATION OFFICE
Supreme Court, Manila
[For uploading pursuant to A.M. 12-7-1-SC]

LIBRARY SERVICES
Supreme Court, Manila

Judgment Division
JUDICIAL RECORDS OFFICE
Supreme Court, Manila

196545

len/



(213)
URES

