



Republic of the Philippines  
**Supreme Court**  
Manila

CERTIFIED TRUE COPY  
*Wife Lopez*  
WILSON LOPES  
Division Clerk of Court  
Third Division

JUN 15 2016

**THIRD DIVISION**

**GABRIEL YAP, SR.** duly  
represented by **GILBERT YAP** and  
also in his personal capacity,  
**GABRIEL YAP, JR.,** and **HYMAN**  
**YAP,**

**G.R. No. 212493**

Petitioners,

*-versus-*

**LETECIA SIAO, LYNEL SIAO,**  
**JANELYN SIAO, ELEANOR FAYE**  
**SIAO, SHELETT SIAO** and  
**HONEYLET SIAO,**

Respondents.

X-----X  
**CEBU SOUTH MEMORIAL**  
**GARDEN, INC.,**

**G.R. No. 212504**

Petitioner,

Present:

**VELASCO, JR., J.,**  
*Chairman,*

**PERALTA,**  
**PEREZ,**  
**REYES,** and  
**JARDELEZA,\* JJ.**

*-versus-*

**LETECIA SIAO, LYNEL SIAO,**  
**JANELYN SIAO, ELEANOR FAYE**  
**SIAO, SHELETT SIAO** and  
**HONEYLET SIAO,**

Promulgated:

**June 1, 2016**

Respondents.

*Wilson Lopez*

X-----X

**DECISION**

**PEREZ, J.:**

*R*

Before this court are two consolidated cases involving two petitions for Review on *Certiorari*. These petitions assail the Decision<sup>1</sup> dated 9 October 2013 and Resolution<sup>2</sup> dated 26 March 2014 of the Court of Appeals in CA-G.R. CV No. 02037.

Petitioners in G.R. No. 212493 are deceased Gabriel Yap, Sr., represented by his son and the President of Cebu South Memorial Garden, Inc., Gilbert Yap; Gabriel Yap, Jr., in his capacity as Treasurer; and Hyman Yap, as one of the directors, while petitioner in G.R. No. 212504 is Cebu South Memorial Garden, Inc. Respondents in both cases are Letecia Siao and her children, Lynel, Janelyn, Eleonor, Shellett and Honeylet.

These consolidated cases arose from a Complaint for Specific Performance filed by petitioners Cebu South Memorial Gardens, Inc. and Gabriel Yap, Sr., both represented by Gilbert Yap against respondents Honeylet Siao and Letecia Siao on 27 April 1999. Gilbert Yap, in his own behalf, Gabriel Yap, Jr. and Hyman Yap joined the plaintiffs in their Supplemental Complaint. In their Second Amended Complaint, the petitioners alleged that Gabriel Yap, Sr. and Letecia Siao entered into a Certificate of Agreement where the parties agreed on the following terms:

1. To convert the parcels of land covered by TCT Nos. 66716, 66714 and 66713, registered in the names of Spouses Sergio and Letecia Siao, into memorial lots;
2. To organize themselves into a corporation;
3. To transfer ownership of the parcels of land to Gabriel Yap who will transfer ownership thereof to the corporation;
4. To give advance payment to Letecia Siao in the amount of ₱100,000.00 per month until Letecia Siao is financially stable to support herself and her family.<sup>3</sup>

As a backgrounder, respondent Letecia Siao's husband Sergio Siao was indebted to petitioner Gabriel Yap, Sr. Petitioners claim that the titles to the subject parcels of land were in the possession of Gabriel Yap, Sr. as collateral for the loan. In consideration of condoning the loan, Gabriel Yap,

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\* On Wellness Leave.

<sup>1</sup> *Rollo* (G.R. No. 212493), pp. 68-81; Penned by Associate Justice Maria Elisa Sempio Diy with Associate Justices Edgardo Delos Santos and Pamela Ann Abella Maxino concurring.

<sup>2</sup> *Id.* at 111-121.

<sup>3</sup> *Rollo* (G.R. No. 212504), p. 154.

Sr. returned the titles to Letecia Siao on the condition that the parcels of land covered by the titles would be developed into memorial lots.<sup>4</sup>

Petitioners claimed that respondents refused to transfer the ownership of the three parcels of land to Cebu South Memorial Garden, Inc., causing them to be exposed to numerous lawsuits from the buyers of the burial plots.

Respondents argued that Letecia Siao was coerced to sign the Certificate of Agreement, rendering it null and void.

A panel of commissioners was appointed to determine the financial standing of petitioner corporation and the actual money received by Letecia Siao.

On 31 January 2000 and during the pendency of the case before the commissioners, respondents filed a Motion for Payment of Monthly Support<sup>5</sup> for Letecia Siao's family and herself. Respondents relied on the agreement made by the parties during the preliminary conference to abide by the terms of the Certificate of Agreement. In a Resolution<sup>6</sup> dated 5 April 2000, the RTC granted the motion for monthly support and ordered Gabriel Yap, Sr. to pay immediately Letecia Siao the amount of ₱1,300,000.00. Resultantly, petitioners filed a Motion for Summary Judgment<sup>7</sup> on 24 May 2002 alleging that respondents had abandoned their defense of the nullity of the Certificate of Agreement when they agreed to implement its provisions. Petitioners submitted that the trial court may render a summary judgment or judgment on the pleadings based on the admitted facts.

On 1 August 2002, Judge Generosa G. Labra of Branch 23 of the Regional Trial Court (RTC) of Cebu City issued an Order denying the motion and holding that there were no existing admissions or admitted facts by respondents to be considered. Petitioners filed a Motion for Reconsideration but it was denied on 11 September 2002. Petitioners elevated the matter to the Court of Appeals.

On 10 October 2003, the Court of Appeals in CA-G.R. SP No. 73850,<sup>8</sup> through Associate Justice Eugenio S. Labitoria, reversed the trial court's decision and ordered its judge to render summary judgment in favor

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<sup>4</sup> Id. at 157.

<sup>5</sup> Id. at 135-136.

<sup>6</sup> Id. at 137-141.

<sup>7</sup> Id. at 174-180.

<sup>8</sup> Id. at 187-195.

of petitioners. The appellate court ruled that by claiming benefits arising from the Certificate of Agreement, respondents had invoked the validity and effectiveness of the Agreement.

Respondents sought for reconsideration but it was denied by the appellate court. Respondents did not file an appeal before the Supreme Court within the reglementary period. Thus, the Decision became final and executory on 7 June 2004 and the same had been recorded in the Book of Entries of Judgment.<sup>9</sup>

In compliance with the Order that had become final, on 7 February 2006, RTC Branch 13 of Cebu City Judge Meinrado P. Paredes rendered a Summary Judgment, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered directing defendants to transfer to the plaintiff-movant the three (3) parcels of land covered by TCT Nos. 66714, 66713 and 66716 after this judgment shall have become final and executory.

Should defendants fail to do so, the Branch Clerk of Court is directed to prepare a deed of conveyance or transfer of the said titles to the plaintiff CSMG, Inc. at the expense of defendants.<sup>10</sup>

The motion for reconsideration filed by respondents was denied. Once again, respondents filed an appeal under Rule 41 of the Rules of Court seeking to reverse and set aside the Summary Judgment rendered by the RTC.

On 9 October 2013, the Court of Appeals set aside the Summary Judgment on a technicality. The appellate court found that the certification against forum-shopping appended to the complaint is defective because there was no board resolution and special power of attorney vesting upon Gilbert Yap the authority to sign the certification on behalf of petitioner corporation and individual petitioners. The appellate court added that the procedural defects affected the jurisdiction of the court in that the court never acquired jurisdiction over the case because the complaints are considered not filed and are ineffectual. Petitioners filed their separate motions for reconsideration but they were denied by the appellate court.

The following errors are grounds for the allowance of these petitions:

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<sup>9</sup> Id. at 198-216.

<sup>10</sup> Id. at 216.



1. The Honorable Court of Appeals made an error in applying the law when the same resolved to reverse the decision the [c]ourt a quo on the ground that even if Gilbert Yap is the president of petitioner corporation the same had no authority to institute the complaint unless he can produce a board resolution showing his authority.
2. The Honorable Court of Appeals also erred when it entertained the issue on lack of Certificate of Non-forum shopping when the raising of said grounds is already barred by the Rules on Pleading and Omnibus Motion Rule.<sup>11</sup>
3. The Court of Appeals gravely erred and acted contrary to law in reversing the summary judgment and dismissing the complaints filed by petitioner on ground that the RTC Cebu had no jurisdiction over the complaint and plaintiff because the verification and certification of non-forum shopping signed by the president of the corporation was not accompanied by a board resolution considering that:
  - 3.1 Gilbert Yap, as President of petitioner, can sign the verification and certification even without a board resolution. Hence, his verification and certification is valid. Consequently, the complaint and second amended complaint are likewise valid.
  - 3.2 The Court of Appeals gravely erred and acted contrary to law in ruling that the subsequent submission of petitioner's board resolution cannot be deemed as substantial compliance to the rule on verification and certificate of non-forum shopping.
  - 3.3 The execution of a verification and certification of non-forum [shopping] is a formal, not a [jurisdictional] issue. It may be waived if not raised on time. In the instant case, respondents waived the alleged [defect] when they failed to raise it in a motion to dismiss or answer.
  - 3.4 The assailed decision resolved an issue beyond its jurisdiction. Thus, it is void under the principle of coram non iudice.
  - 3.5 The validity of the complaints have been settled with finality. In its decision dated 10 October 2013, the Court of Appeals thru the another division (nineteenth division) directed RTC Cebu to render summary judgment there being no genuine issues to be tried. The Court of Appeals (Fifth Division) in the present case violated the doctrine of immutability of judgment when it dismissed the complaints, thereby effectively directing the trial court not to render any summary judgment.

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<sup>11</sup> *Rollo* (G.R. No. 212493), pp. 49 and 58.

4. The Court of Appeals gravely erred in reversing the summary judgment despite the fact the same is consistent with the Certificate of Agreement.<sup>12</sup>

Petitioner Yaps, in G.R. No. 212493 maintain that the signature of the President of the corporation is sufficient to vest authority on him to represent the corporation sans a board resolution. Petitioners stress that the Special Power of Attorney categorically granted Gilbert Yap the full authority to appear and represent Gabriel Yap, Sr. With respect to the failure of Gabriel Yap, Jr. and Hyman Yap to sign the certificate of non-forum shopping, petitioners assert that while the two men share a common interest with petitioner corporation and Gabriel Yap, Sr., these are not indispensable parties, thus their signatures are not necessary. Petitioners also submit that the issue of a defective certification of non-forum shopping was belatedly raised, thus should not have been considered.<sup>13</sup>

Petitioner in G.R. No. 212504 adds that the appellate court should have considered the subsequent submission of the board resolution as substantial compliance with the Rules. Petitioner also argues that the appellate court violated the doctrine of immutability of judgment when it dismissed the complaints thereby effectively directing the trial court not to render any summary judgment.<sup>14</sup>

Respondents filed one Comment on both petitions. They argue that petitioners, except for Gabriel Yap, Sr. are not parties to the Certificate of Agreement, thus the petitions should be dismissed because as against them no rights were violated. Respondents insist that the Certificate of Agreement is void because it involved unliquidated community properties. Respondents further claim that petitioners, other than Cebu South Memorial Garden, did not appeal the Summary Judgment before the Court of Appeals, hence, they are all bound by the denial of their Motion for Summary Judgment by the RTC. With respect to the alleged defect in the Certification of Non-forum shopping, respondents echoed the ruling of the Court of Appeals.<sup>15</sup>

We will first discuss the procedural aspect of this case where the Court of Appeals wholly based its decision. The appellate court ruled that the certification against forum-shopping is defective because it was signed by Gilbert Yap without a valid board resolution. In the leading case of

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<sup>12</sup> *Rollo* (G.R. No. 212504), pp. 41-43.

<sup>13</sup> *Rollo* (G.R. No. 212493), pp. 50-55.

<sup>14</sup> *Rollo* (G.R. No. 212504), pp. 41-43.

<sup>15</sup> *Rollo* (G.R. No. 212493), pp. 210-232.

*Cagayan Valley Drug Corporation v. Commission on Internal Revenue*,<sup>16</sup> the Court, in summarizing numerous jurisprudence, rendered a definitive rule that the following officials or employees of the company can sign the verification and certification without need of a board resolution: (1) the Chairperson of the Board of Directors, (2) the President of a corporation, (3) the General Manager or Acting General Manager, (4) Personnel Officer, and (5) an Employment Specialist in a labor case. The rationale behind the rule is that these officers are “in a position to verify the truthfulness and correctness of the allegations in the petition.”<sup>17</sup>

In *Cebu Metro Pharmacy, Inc v. Euro-Med Laboratories, Pharmacy, Inc.*,<sup>18</sup> the President and Manager of Cebu Metro was held by the Court as having the authority to sign the verification and certification of non-forum shopping even without the submission of a written authority from the board. The Court went on to say:

As the corporation’s President and Manager, she is in a position to verify the truthfulness and correctness of the allegations in the petition. In addition, such an act is presumed to be included in the scope of her authority to act within the domain of the general objectives of the corporation’s business and her usual duties in the absence of any contrary provision in the corporation’s charter or by-laws.<sup>19</sup>

*Cebu Metro* also cited cases wherein the Court allowed officers of a corporation to sign the verification and certification of non-forum shopping even without a board resolution, to wit:

x x x x

In *Ateneo de Naga University v. Manalo*, we held that the lone signature of the University President was sufficient to fulfill the verification requirement, because such officer had sufficient knowledge to swear to the truth of the allegations in the petition.

In *People’s Aircargo and Warehousing Co., Inc. v. CA*, we held that in the absence of a charter or by-law provision to the contrary, the president of a corporation is presumed to have the authority to act within the domain of the general objectives of its business and within the scope of his or her usual duties. Moreover, even if a certain contract or undertaking is outside the usual powers of the president, the corporation’s ratification of the contract or undertaking and the acceptance of benefits

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<sup>16</sup> 568 Phil. 572, 581 (2008).

<sup>17</sup> Id. at 582.

<sup>18</sup> 647 Phil. 642 (2010).

<sup>19</sup> Id. at 653.

therefrom make the corporate president's actions binding on the corporation.<sup>20</sup>

Bolstering our conclusion that the certification of non-forum shopping is valid is the subsequent appending of the board resolution to petitioners' motion for reconsideration. The Board Resolution reads:

BOARD RESOLUTION NO. 01  
Series of 2013

WHEREAS, the corporation is presently facing a Civil Case entitled Cebu South Memorial Garden, Inc. versus Letecia Siao, Lynel Siao, Janelyn Siao, Eleanor Faye Siao, Shelett Siao and Honeylet Siao, and docketed as Civil Case No. CEB-23707 before the Regional Trial Court of Cebu City, Branch 13, and is mostly like to [raise] to the Court of Appeals and the Supreme Court by our corporation or by the opposing party depending on the outcome of the said case.

WHEREAS, the corporation needs to appoint its authorized representative who will be vested with the authority to sign the Verification and Certificate of Forum Shopping for any and all pleadings to be filed before the Court of Appeals and the Supreme Court as the need of the case requires.

WHEREAS, the corporation also needs to ratify the action taken by the president of the corporation in the person of Gilbert Yap who signed the Verification and the Certificate of Non-Forum Shopping in the Complaint filed by this corporation before the Regional Trial Court of Cebu City last April 27, 1999 and docketed as [Civil Case No. CEB-23707].

WHEREFORE, it is hereby resolved that:

1. The action of the president Gilbert Yap in signing the Verification and Certificate of Non-forum Shopping in [Civil Case No. CEB-23707] filed before the Regional Trial Court of Cebu City on April 27, 1999 is hereby ratified/affirmed by this Board with all legal effects and consequences.
2. The corporate president Gilbert Yap is given full authority to sign the Verification and Certificate on Non-forum Shopping for all pleadings to be filed with the Court of Appeals and after with the Supreme Court of the Philippines.<sup>21</sup>

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<sup>20</sup> Id. at 651-652 citing *Hutama RSEA/Supermax Phils., J.V. v. KCD Builders Corp.*, 628 Phil. 52, 61 (2010).

<sup>21</sup> *Rollo* (G.R. No. 212493), pp. 104-105.



The Board of Directors of Cebu South Memorial Garden, through a Board Resolution, not only authorized the President of the corporation to sign the Certificate of Forum-Shopping but it ratified the action taken by Gilbert Yap in signing the forum-shopping certificate.

In *Swedish Match Philippines, Inc. v. The Treasurer of the City of Manila*,<sup>22</sup> we held that the belated submission of a Secretary's certification constitutes substantial compliance with the rules, thus:

Clearly, this is not an ordinary case of belated submission of proof of authority from the board of directors. Petitioner-corporation ratified the authority of Ms. Beleno to represent it in the Petition filed before the RTC, particularly in Civil Case No. 03-108163, and consequently to sign the verification and certification of non-forum shopping on behalf of the corporation. This fact confirms and affirms her authority and gives this Court all the more reason to uphold that authority.<sup>23</sup>

In *Cosco Philippine Shipping, Inc. v. Kemper Insurance*,<sup>24</sup> we cited instances wherein the lack of authority of the person making the certification of non-forum shopping was remedied through subsequent compliance by the parties therein:

In *China Banking Corporation v. Mondragon International Philippines, Inc.*, the CA dismissed the petition filed by China Bank, since the latter failed to show that its bank manager who signed the certification against non-forum shopping was authorized to do so. We reversed the CA and said that the case be decided on the merits despite the failure to attach the required proof of authority, since the board resolution which was subsequently attached recognized the pre-existing status of the bank manager as an authorized signatory.

In *Abaya Investments Corporation v. Merit Philippines*, where the complaint before the Metropolitan Trial Court of Manila was instituted by petitioner's Chairman and President, Ofelia Abaya, who signed the verification and certification against non-forum shopping without proof of authority to sign for the corporation, we also relaxed the rule. We did so taking into consideration the merits of the case and to avoid a re-litigation of the issues and further delay the administration of justice, since the case had already been decided by the lower courts on the merits. Moreover, Abaya's authority to sign the certification was ratified by the Board.<sup>25</sup>

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<sup>22</sup> G.R. No. 181277, 3 July 2013, 700 SCRA 428.

<sup>23</sup> Id. at 437.

<sup>24</sup> 686 Phil. 327 (2012).

<sup>25</sup> Id. at 338-339 citing *Rep. v. Coalbrine Int'l. Phils., Inc.*, 631 Phil. 487, 499 (2010).

In *Lim v. Court of Appeals, Mindanao Station*<sup>26</sup> it was ruled that the Assistant Vice-President for BPI Northern Mindanao, who was then the highest official representing the bank in the Northern Mindanao area, is in a position to verify the truthfulness and correctness of the allegations in the subject complaint, signifying his authority in filing the complaint and to sign the verification and certification against forum shopping.

In *Fuji Television Network v. Espiritu*,<sup>27</sup> we highlighted two rules relative to certification against forum-shopping:

x x x x

4) As to certification against forum shopping, non-compliance therewith or a defect therein, unlike in verification, is generally not curable by its subsequent submission or correction thereof, unless there is a need to relax the Rule on the ground of “substantial compliance” or presence of “special circumstances or compelling reasons.”

5) The certification against forum shopping must be signed by all the plaintiffs or petitioners in a case; otherwise, those who did not sign will be dropped as parties to the case. Under reasonable or justifiable circumstances, however, as when all the plaintiffs or petitioners share a common interest and invoke a common cause of action or defense, the signature of only one of them in the certification against forum shopping substantially complies with the Rule.

x x x x

Clearly, a defect in the certification is allowed on the ground of substantial compliance as in this case.

Applying the above-mentioned rule, the signatures of petitioners Gabriel Yap, Jr. and Hyman Yap are not indispensable for the validity of the certification. These petitioners indeed share a common cause of action with Gilbert Yap in that they are impleaded as officers and directors of Cebu South Memorial Garden, the very same corporation represented by Gilbert Yap.

At any rate, any objection as to compliance with the requirement of verification in the complaint should have been raised in the proceedings below, and not in the appellate court for the first time.<sup>28</sup>

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<sup>26</sup> G.R. No. 192615, 30 January 2013, 689 SCRA 705, 712-713.

<sup>27</sup> G.R. No. 204944-45, 3 December 2014.

In *Young v. John Keng Seng*,<sup>29</sup> it was also held that the question of forum shopping cannot be raised in the Court of Appeals and in the Supreme Court, since such an issue must be raised at the earliest opportunity in a motion to dismiss or a similar pleading.

The Court of Appeals relied on procedural rules rather than on the merits of the case. On this score, we can remand the case to the Court of Appeals for an opportunity to rule on the substance of the case. The Court, in the public interest and expeditious administration of justice, has resolved action on the merits, instead of remanding them for further proceedings, as where the ends of justice would not be sub-served by the remand of the case or where the trial court had already received all the evidence of the parties. Briefly stated, a remand of the instant case to the Court of Appeals would serve no purpose save to further delay its disposition contrary to the spirit of fair play.<sup>30</sup>

Considering that this case has dragged on for 15 years with no concrete solution in sight, we shall proceed to discuss the merits.

We reiterate the ruling penned by Justice Labitoria of the Court of Appeals in CA-G.R. SP No. 73850<sup>31</sup> directing the trial court to render a summary judgment. The issues and arguments posed by respondents have already been passed upon and resolved by the Court of Appeals. By appealing the summary judgment, respondents are in effect asking the Court of Appeals to revisit the same issues. We cannot allow this under the principle of the “law of the case.”

The “law of the case” doctrine applies in a situation where an appellate court has made a ruling on a question on appeal and thereafter remands the case to the lower court to effect the ruling; the question settled by the appellate court becomes the law of the case at the lower court and in any subsequent appeal. It means that whatever is irrevocably established as the controlling legal rule or decision between the same parties in the same case continues to be the law of the case, whether correct on general principles or not, so long as the facts on which the legal rule or decision was predicated continue to be the facts of the case before the court.<sup>32</sup>

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<sup>28</sup> *S.C. Megaworld Construction and Development Corporation v. Parada*, G.R. No. 183804, 11 September 2013, 705 SCRA 584, 596.

<sup>29</sup> 446 Phil. 823, 826 (2003).

<sup>30</sup> *Apo Fruits Corporation v. Court of Appeals*, 543 Phil. 497, 516-517 (2007).

<sup>31</sup> *Rollo* (G.R. No. 212504), pp. 187-195.

<sup>32</sup> *Export Processing Zone v. Pulido, et al.*, 671 Phil. 834, 843 (2011).



The rationale behind this rule is to enable an appellate court to perform its duties satisfactorily and efficiently, which would be impossible if a question, once considered and decided by it, were to be litigated anew in the same case upon any and every subsequent appeal. Without it, there would be endless litigation. Litigants would be free to speculate on changes in the personnel of a court, or on the chance of having propositions rewritten once gravely ruled on solemn argument and handed down as the law of a given case.<sup>33</sup>

In the Labitoria decision, the Court of Appeals directed the trial court to render a summary judgment on the ground that there was no longer any legal controversy regarding the Certificate of Agreement when respondents relied on the same agreement to ask for support. This ruling became the law of the case between the parties which cannot be disturbed. Respondents cannot raise this same issue in another petition.

In any case, we affirm the summary judgment rendered by the trial court, as directed by the Court of Appeals. A summary judgment is permitted only if there is no genuine issue as to any material fact and a moving party is entitled to a judgment as a matter of law. A summary judgment is proper if, while the pleadings on their face appear to raise issues, the affidavits, depositions, and admissions presented by the moving party show that such issues are not genuine.<sup>34</sup>

A “genuine issue” is an issue of fact which requires the presentation of evidence as distinguished from a sham, fictitious, contrived or false claim. When the facts as pleaded appear uncontested or undisputed, then there is no real or genuine issue or question as to the facts, and summary judgment is called for. The party who moves for summary judgment has the burden of demonstrating clearly the absence of any genuine issue of fact, or that the issue posed in the complaint is patently unsubstantial so as not to constitute a genuine issue for trial. Trial courts have limited authority to render summary judgments and may do so only when there is clearly no genuine issue as to any material fact. When the facts as pleaded by the parties are disputed or contested, proceedings for summary judgment cannot take the place of trial.<sup>35</sup>

Petitioners’ complaint seeks for specific performance from respondents, *i.e.* to transfer ownership of the subject properties to petitioner

<sup>33</sup> *Sy v. Young*, G.R. No. 169214, 19 June 2013, 699 SCRA 8, 14.

<sup>34</sup> *Spouses Ong v. Roban Lending Corp.*, 579 Phil. 769, 779 (2008).

<sup>35</sup> *Cotabato Timberland Co., Inc. v. C. Alcantara and Sons, Inc.*, 474 Phil. 259, 267 (2004) citing *Evadel Realty and Development Corp. v. Spouses Soriano*, 409 Phil. 450, 461 (2001).



corporation based on the Certificate of Agreement. As their defense, respondents challenge the validity of the Agreement. However, respondents filed a motion for support relying on the same Agreement that they are impugning. In view of this admission, respondents are effectively banking on the validity of the Agreement. Thus, there are no more issues that need to be threshed out. As aptly explained by the appellate court:

Clearly, there is no longer any legal controversy in this case which would justify trial. By claiming benefits arising from the Certificate of Agreement, private respondents had invoked the validity and effectiveness of the Certificate of Agreement which according to them is the law between the parties.

After invoking the validity and effectiveness of the Certificate of Agreement, private respondents cannot now be heard claiming that they could not be required to perform their obligations under the Certificate of Agreement because the said contract is void or that because private respondent Leticia Siao had no authority to bind the other private respondents.

The application of the principle of estoppel is proper and timely in heading off private respondents efforts at renouncing their previous acts to the prejudice of petitioner. The principle of equity and natural justice, as expressly adopted in Article 1431 of the Civil Code, and pronounced as one of the CONCLUSIVE presumption under rule 131, Section 3 (a) of the Rules of Court, as follows: “Whenever a party has, by his own declaration, act or omission, intentionally and deliberately led another to believe a particular thing to be true, and to act upon such a belief, he cannot, in any litigation arising out of such declaration, act or omission, be permitted to falsify it.”

Private respondents, having performed affirmative acts upon which the petitioner and public respondent based their subsequent actions, cannot thereafter refute their acts or renege on the effects of the same, to the prejudice of the latter. To allow private respondents to do so would be tantamount to conferring upon them the liberty to limit their liability at their whims and caprices, which is against the very principles of equity and natural justice.<sup>36</sup> (Emphasis Supplied)

Considering the foregoing, we grant the petition.

**WHEREFORE**, the petition is **GRANTED**. The Court of Appeals’ Decision dated 9 October 2013 and Resolution dated 26 March 2014 in CA-G.R. CV No. 02037 are **REVERSED and SET ASIDE**. The Summary Judgment in Civil Case No. CEB-23707 rendered by the Regional Trial Court, Branch 13, Cebu City is **AFFIRMED**.


<sup>36</sup> *Rollo* (G.R. No. 212493), pp. 126-129.

**SO ORDERED.**

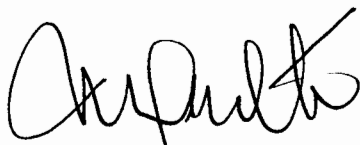


**JOSE PORTUGAL PEREZ**  
Associate Justice


WE CONCUR:



**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson



**DIOSDADO M. PERALTA**  
Associate Justice

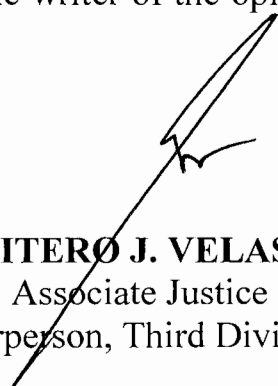


**BIENVENIDO L. REYES**  
Associate Justice

(On Wellness Leave)  
**FRANCIS H. JARDELEZA**  
Associate Justice

**ATTESTATION**

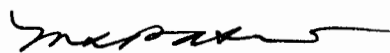
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



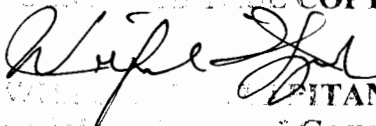
**PRESBITERO J. VELASCO, JR.**  
Associate Justice  
Chairperson, Third Division

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARIA LOURDES P. A. SERENO**  
Chief Justice

EXHIBIT COPY  
  
DIVISION  
of Court  
Division

JUN 15 2016