



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

**EUFEMIA ABAD and SPS.
 FLORDELIZA ABAD-CEZAR
 and POLLIE CEZAR* who are Heirs
 of ENRIQUE ABAD,**
 Petitioners,

G.R. No. 229070

Present:

**PERALTA, C.J., Chairperson,
 CAGUIOA,
 CARANDANG,
 ZALAMEDA, and
 GAERLAN, JJ.**

- versus -

**HEIRS OF JOSE EUSEBIO ABAD
 GALLARDO namely: DOLORES
 LOLITA J. GALLARDO,
 JOCELYN A. GALLARDO,
 JUDITH A. GALLARDO and
 JONAH GALLARDO, all
 represented by DOLORES LOLITA
 J. GALLARDO and JONAH
 GALLARDO,**
 Respondents.

Promulgated:

NOV 10 2020

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RESOLUTION

CAGUIOA, J.:

Before the Court is a petition for review on *certiorari*¹ (Petition) under Rule 45 of the Rules of Court (Rules) filed by petitioners, assailing the Resolutions dated September 27, 2016² and December 9, 2016³ of the Regional Trial Court (RTC) of Santiago City, Branch 36⁴ in Civil Case No. 36-4014. The RTC Resolution rendered a judgment on the pleadings in favor of respondents.

The case involves a parcel of land, Lot 5826-B (subject lot), consisting of 5,000 square meters situated in Capiddigan, Cordon, Isabela, which is a portion of a bigger parcel of land with an area of 22,618 square meters covered by Original Certificate of Title No. (OCT) P-2769 registered

* Also "Paulino A. Cezar" and "Paullie Cezar" in some parts of the records.

¹ *Rollo*, pp. 3 to 25-A, excluding Annexes.

² *Id.* at 56-66. Penned by Presiding Judge Anastacio D. Anghad.

³ *Id.* at 103-115.

⁴ For brevity, RTC Branch 36 is referred to as RTC.

in the names of Spouses Miguel Abad and Agueda de Leon (Sps. Miguel and Agueda). Subsequently, OCT P-2769 was cancelled and Transfer Certificate of Title No. (TCT) T-131684 was issued in the name of Enrique Abad (Enrique).⁵

In their complaint (for specific performance, surrender of title, redemption and consignation with damages), the Heirs of Jose Eusebio Abad Gallardo, namely: Dolores Lolita Gallardo, Jocelyn Gallardo, Judith Gallardo and Jonah Gallardo (respondents or Heirs of Jose Eusebio) averred that upon the death of Sps. Miguel and Agueda, the land covered by OCT P-2769 was inherited by their three children Dionisio, Isabel⁶ and Enrique. They all took possession of the land as co-owners.⁷

On January 15, 1988, said land became the subject of Civil Case No. 0591 filed before the RTC Branch 21 in Santiago City entitled *Dionisio Abad and Isabel Abad v. Enrique Abad* for annulment of deed and TCT T-131684 with damages. Dionisio and Isabel alleged that an Extrajudicial Settlement and Waiver of Rights was executed, adjudicating the land to Enrique, and by virtue thereof, OCT P-2769 was cancelled and TCT T-131684 was issued in Enrique's name.⁸

On May 17, 1988, Enrique manifested before RTC Branch 21 that he had entered into a compromise agreement with his siblings Dionisio and Isabel. Said court gave Enrique a period to file his answer, pending the approval of the compromise agreement. Since no answer was received from Enrique within the period granted, said court concluded that a compromise agreement was forged among the parties and dismissed Civil Case No. 0591⁹ on December 27, 1988. However, on February 3, 1989, said case was reinstated upon motion for reconsideration filed by Dionisio and Isabel on the ground that there had yet been no compromise agreement.¹⁰

On August 25, 1989, Civil Case No. 0591 was finally dismissed on the manifestation of Dionisio and Isabel that a compromise agreement had been forged between them and Enrique. A deed of partition was notarized and executed whereby said land was divided as follows:

1. Share of Dionisio: that western portion of 7,500 square meters, more or less, to be segregated from the western portion of Lot No. 5826 of the Santiago Cadastre;

⁵ *Rollo*, pp. 56-57.

⁶ Referred to as "Isabel Abad" and "Isabel Abad Gallardo" in some parts of the *rollo*.

⁷ *Rollo*, p. 57.

⁸ *Id.*

⁹ Also appears as "Civil Case No. XXI-0591" in some parts of the *rollo*.

¹⁰ *Rollo*, pp. 57-58.

2. Share of Isabel: that middle portion of 5,000 square meters, more or less, to be segregated from the middle portion of Lot No. 5826 of the Santiago Cadastre;
3. Share of Enrique: that eastern portion of 10,000¹¹ square meters, more or less, to be segregated from the eastern portion of Lot No. 5826 of the Santiago Cadastre.¹²

The said portions were never actually segregated nor partitioned, leaving intact TCT T-131684 registered in Enrique's name. But, on May 15, 2003, an approved subdivision plan reflecting the partition agreement identified the 5,000 square meters portion as Lot 5826-B (subject lot).¹³

On July 4, 2004, Isabel died leaving Lot 5826-B to his son Jose Eusebio Abad Gallardo (Jose Eusebio), married to Dolores Lolita Gallardo (Dolores Lolita), by virtue of a Deed of Donation earlier executed by Isabel in favor of Jose Eusebio.¹⁴ The subject lot was tenanted by Furtunato Abad, who on April 30, 2008, relinquished tenancy over the same in exchange of ₱50,000.00. On the same date, Dolores Lolita, then widowed, obtained a ₱75,000.00 loan from Eufemia Abad (Eufemia), which was secured by Lot 5826-B or the subject lot. Said transaction was evidenced by a *Kasunduan* dated April 30, 2008.¹⁵ On November 15, 2015, Jonah Gallardo, one of respondents/Heirs of Jose Eusebio, caused the recording of a blotter at the Philippine National Police, Cordon Police Station stating that his uncle, Pollie Cezar, entered and cultivated the subject lot.¹⁶

The complaint further alleged that: Eufemia, an heir of Enrique, was in possession of TCT T-131684; out of the ₱75,000.00 loan obtained by Dolores Lolita from Eufemia, ₱25,000.00 was incurred for the payment of the processing fee for the segregation of the title of the subject lot; Eufemia processed the segregation of the respective titles; upon demand, Eufemia refused to give the title of the subject lot unless the loan was paid; sometime in February 2015, Eufemia refused to receive the payment of the loan and demanded instead ₱350,000.00, and would return only one-fourth of the subject lot; Spouses Larry and Evelyn Gallardo claimed the subject lot; and Spouses Flordeliza Abad Cezar and Pollie Cezar continuously disturbed the peaceful possession and control of the possession of the Heirs of Jose Eusebio over the subject lot.¹⁷

¹¹ Per the RTC Resolution, *id.* at 58. However, it is stated as 10,110 in the Complaint, *id.* at 28.

¹² *Id.* at 58. The Court notes that the total of the segregated portions is only 22,500 square meters per the RTC Resolution or 22,610 square meters based on the Complaint, but the total area of the land covered by OCT P-2769 is 22,618 square meters.

¹³ *Id.*

¹⁴ See *id.* at 28.

¹⁵ See *id.* at 29.

¹⁶ *Id.* at 59.

¹⁷ *Id.* at 59-60.

In the answer submitted by the Heirs of Enrique (petitioners) dated January 15, 2016, they admitted that TCT T-131684 was registered in the name of Enrique and averred that the subject lot is exclusively owned by them through hereditary succession. They denied the rest of the allegations in the complaint for want of knowledge sufficient to form a belief with respect to the truth or falsity thereof. As to Spouses Larry and Evelyn Abad, they also averred that no cause of action was alleged against the former because they are not heirs of Enrique.¹⁸

On January 26, 2016, respondents filed a motion for judgment on the pleadings, which was heard by the RTC on March 1, 2016. In the hearing, the counsel for petitioners interposed no opposition to the motion. Thereafter, the parties submitted their respective memoranda.¹⁹

In its September 27, 2016 Resolution,²⁰ the RTC found that judgment on the pleadings was proper and *res judicata* attached in the present case in view of the proceedings in the earlier Civil Case No. 0591, which the RTC took judicial notice of.²¹ The dispositive portion of the RTC Resolution states:

WHEREFORE, from the foregoing Judgment on the Pleadings is hereby rendered in favor of the plaintiffs [(respondents)] and against the defendants [(petitioners)]. Accordingly, this Court is hereby

1) ORDERING the defendant Heirs of Enrique Abad and Eufemia Abad and Sps. Flordeliza Abad Cezar and Pollie Cezar, to comply with the Deed of Partition and approved subdivision plan Psd-(af)-02-024846 as well as to honor the Deed of Donation executed by Isabel Abad in favour of Jose Eusebio Abad Gallardo;

2) ORDERING the defendant Eufemia Abad to Surrender the title of the plaintiffs Heirs of Jose Eusebio Abad Gallardo over Lot No. 5826-B consisting of 5,000 square meters OR, in the alternative, TO SURRENDER the mother title Transfer Certificate of Title N[o]. T-131684 of the Registry of Deeds of Santiago City and ORDER the latter to issue the title to the plaintiffs;

3) ORDERING ALL THE DEFENDANTS to cease and desist from all acts of threatening the peaceful possession, occupation, and cultivation of the plaintiffs over the subject lot;

4) ORDERING the defendant EUFEMIA ABAD to accept the payment of the plaintiff Dolores Lolita Gallardo deposited in Court thru consignment in the amount of P75,000.00 and declare the plaintiffs to have legally redeemed the subject property;

5) ORDERING THE DEFENDANTS to pay P30,000.00 as Attorney's fees, and P2,500.00 per appearance fee, and costs of litigation.

¹⁸ Id. at 60.

¹⁹ Id. at 60-61.

²⁰ Supra note 2.

²¹ Id. at 62-64.

SO ORDERED.²²

Petitioners filed a motion for reconsideration, which was denied by the RTC in its Resolution²³ dated December 9, 2016.

Hence, the present Petition. Respondents filed a Comment²⁴ dated June 28, 2017 to which petitioners filed a Reply²⁵ dated November 12, 2017.

The Court's Ruling

In the main, petitioners argue that the RTC erred in granting respondents' motion for judgment on the pleadings because the answer raised the genuine issue of the exclusive ownership of the subject lot, which they claim as theirs by virtue of TCT T-131684 which is registered in the name of Enrique, their predecessor-in-interest.²⁶ They also contend that: the answer had numerous specific denials on respondents' causes of action,²⁷ the due execution, genuineness and authenticity of the Deed of Donation, which Isabel executed and attached to the complaint as Annex "I," and the Deed of Partition, which was executed by Dionisio, Isabel and Enrique pursuant to the amicable settlement dated May 17, 1988 that they entered into relative to Civil Case No. 0591 and attached to the complaint as Annex "L," needed to be proved to be given any legal effect; and they never were privies to such documents.²⁸ Furthermore, petitioners claim that the RTC erred in its application of *res judicata* or "bar by prior judgment" because there was no final decision on the merits in Civil Case No. 0591, the amicable settlement not having been submitted to the court (RTC Branch 21).²⁹

The Petition is meritorious.

The Court will no longer discuss respondents' objection to petitioners' direct recourse to the Court since the determination of the propriety of the RTC's resolution of respondents' motion for judgment on the pleadings basically involves legal questions. If factual issues are tendered by the answer, then judgment on the pleadings is not proper.

The RTC resolved the issue on the propriety of judgment on the pleadings in this wise:

It is proper to cite that the [plaintiffs' (respondents)] thru counsel on January 26, 2016 filed a Motion for Judgment on the Pleadings. No written opposition was filed by the defendants [(petitioners)]. When [said]

²² Id. at 65-66.

²³ Supra note 3.

²⁴ Id. at 85-93.

²⁵ Id. at 121-132.

²⁶ Id. at 12.

²⁷ Id. at 14.

²⁸ Id. at 15.

²⁹ See id. at 15-18.



motion x x x was heard on March 1, 2016, the counsel for the defendants interposed no objections [thereto].

With that scenario, plaintiffs' Motion for Judgment on the Pleadings was given due course. Aside from that ground, herein principles/and doctrines are likewise cited to wit:

First, while the defendant[s'] denied knowledge sufficient to form a belief with respect to the truthfulness or falsity of the proceedings x x x before the [RTC] Branch 21 of Santiago[,] Isabela in 19[8]8, this Court takes judicial notice of the said proceedings and the result thereof under Rule 129, [Section] 1 of the Rules of Court.

Second, the doctrine of Res Judicata attaches in the present case.

Res judicata embraces two concepts: (1) bar by prior judgment as enunciated in Rule 39, Section 47(b) of the Rules of Civil Procedure; and (2) conclusiveness of judgment in Rule 39, Section 47(c).

x x x x

The requisites for res judicata under the concept of bar by prior judgment are:

- (1) The former judgment or order must be final;
- (2) It must be a judgment on the merits;
- (3) It must have been rendered by a court having jurisdiction over the subject matter and the parties; and
- (4) There must be between the first and second actions, identity of parties, subject matter, and cause of action.

Res judicata is present in this instant case.

x x x x

In the present case, the defendants and the plaintiffs both raised the issue of ownership over the said 5,000 square meter[s] portion of land, although this Court notes that the defendants did not present evidence to prove their defense of exclusive ownership other than their assertion of inheritance of the land traceable to Enrique Abad. The same issue was directly involved in the case filed in RTC Branch 21 which ended in a compromise agreement executed between Enrique Abad and Isabel Abad and Dionisi[o] Abad. Pertinent portion of the said agreement was reflected in the Deed of Partition (exh. "F") which reads:

"xxx. That this partition made is in accordance with the Deed of Amicable Settlement we have executed on May 17, 1989, at Santiago, Isabela, and before Atty. Eufren Changale relative to Civil Case No. XXI-0591 RTC [of] Santiago, Isabela. xxx"



It cannot again be ventilated, and litigated between the parties and their privies, whether or not the claim, demand, purpose, or subject matter of the two actions is the same.³⁰

As correctly pointed out by petitioners, the RTC erred in ruling that *res judicata* attaches in the instant case.

Section 47, Rule 39 of the Rules provides:

SEC. 47. Effect of judgments or final orders. — The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

(a) In case of a judgment or final order against a specific thing or in respect to the probate of a will, or the administration of the estate of a deceased person, or in respect to the personal, political, or legal condition or status of a particular person or his relationship to another, the judgment or final order, is conclusive upon the title to the thing, the will or administration, or the condition, status or relationship of the person; however, the probate of a will or granting of letters of administration shall only be *prima facie* evidence of the death of the testator or intestate;

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto. (49a)

The judgment or final order rendered by a Philippine court or judge, having jurisdiction to render the judgment or order, has the effect of *res judicata* or bar by prior judgment and conclusiveness of judgment.³¹ Paragraph (a) of Section 47 is the rule on *res judicata* in judgments *in rem*; paragraph (b) is the rule on *res judicata* in judgments *in personam*; and paragraph (c) is the rule on conclusiveness of judgments.³²

In *Bardillon v. Barangay Masili of Calamba, Laguna*,³³ the Court observed:

Res judicata literally means a matter adjudged, judicially acted upon or decided, or settled by judgment. It provides that a final judgment on the merits rendered by a court of competent jurisdiction is conclusive

³⁰ Id. at 62-65. Citations omitted.

³¹ See Florenz D. Regalado, REMEDIAL LAW COMPENDIUM, 1982 Second Rev. Ed., p. 241.

³² See id.

³³ 450 Phil. 521 (2003).

as to the rights of the parties and their privies; and constitutes an absolute bar to subsequent actions involving the same claim, demand or cause of action.

The following are the requisites of *res judicata*: (1) the former judgment must be final; (2) the court that rendered it had jurisdiction over the subject matter and the parties; (3) it is a judgment on the merits; and (4) there is — between the first and the second actions — an identity of parties, subject matter and cause of action.³⁴

The RTC erred in finding that *res judicata* attached in the instant case because there was no judgment on the merits in Civil Case No. 0591 (the prior case).

As aptly observed by petitioners, the prior case was dismissed twice, the first dismissal based on the Order dated December 27, 1988 on the assumption that a compromise agreement had been forged among the parties: “To date no answer was filed such that the court can safely conclude that a Compromise Agreement was forged between him [(the defendant)] and the plaintiffs because neither of them has done anything to prosecute the complaint.”³⁵ This first Order of dismissal was reconsidered in the Order dated February 3, 1989 and the complaint was reinstated “on the ground that [c]ontrary to the presumption of the Court, no compromise [agreement] was entered into by them [(the plaintiffs)] and the [defendant] and that they are ready and willing to pursue their complaint.”³⁶ The second Order of dismissal was dated August 25, 1989 with the RTC Branch 21 noting that:

x x x NO answer was filed. Subsequently a Manifestation was filed by the plaintiffs submitting an amicable settlement which was not however attache[d] to the Manifestation and no such amicable settlement was ever submitted. For this reason the Court is convinced that the parties chose to settle their controversy between themselves.³⁷

Since no compromise agreement was filed with the RTC Branch 21 and formed part of the records of the prior case, there was no compromise agreement that was ever judicially approved and no judgment thereon was entered in the prior case.³⁸ Thus, there was no judgment on the merits in the prior case. Without a judgment on the merits in the prior case, the rule of *res judicata* was incorrectly applied by the RTC in this case.

Besides, there is also no identity of causes of action in the prior case and in the present case. While the prior case concerned the ownership of the subject lot, the present case does not only involve said cause of action, but also possession and consignation.

³⁴ Id. at 528-529. Citations omitted.

³⁵ *Rollo*, p. 15.

³⁶ Id. at 16.

³⁷ Id.

³⁸ See id. at 18.

Since *res judicata* may not be applied to bar petitioners from questioning respondents' alleged ownership of the subject lot, may the RTC's grant of respondents' motion for judgment on the pleadings be upheld on the ground that petitioners' answer did not tender an issue or otherwise admitted the material allegations of the complaint?

Regarding judgment on the pleadings, the Court in *Asian Construction and Development Corporation v. Sannaedle Co., Ltd.*³⁹ stated:

Judgment on the pleadings is governed by Section 1, Rule 34 of the 1997 Rules of Civil Procedure which reads:

Sec. 1. *Judgment on the pleadings.* – Where an answer fails to tender an issue, or otherwise admits the material allegations of the adverse party's pleading, the court may, on motion of that party, direct judgment on such pleading. However, in actions for declaration of nullity or annulment of marriage or for legal separation, the material facts alleged in the complaint shall always be proved.

Judgment on the pleadings is proper when an answer fails to tender an issue, or otherwise admits the material allegations of the adverse party's pleading. An answer fails to tender an issue if it does not comply with the requirements of a specific denial as set out in Sections 8 and 10, Rule 8 of the 1997 Rules of Civil Procedure, resulting in the admission of the material allegations of the adverse party's pleadings.

This rule is supported by the Court's ruling in *Mongao v. Pryce Properties Corporation* wherein it was held that "judgment on the pleadings is governed by Section 1, Rule 34 of the 1997 Rules of Civil Procedure, essentially a restatement of Section 1, Rule 19 of the 1964 Rules of Court then applicable to the proceedings before the trial court. Section 1, Rule 19 of the Rules of Court provides that where an answer fails to tender an issue, or otherwise admits the material allegations of the adverse party's pleading, the court may, on motion of that party, direct judgment on such pleading. The answer would fail to tender an issue, of course, if it does not comply with the requirements for a specific denial set out in Section 10 (or Section 8) of Rule 8; and it would admit the material allegations of the adverse party's pleadings not only where it expressly confesses the truthfulness thereof but also if it omits to deal with them at all."

Further, in *First Leverage and Services Group, Inc. v. Solid Builders, Inc.*, this Court held that where a motion for judgment on the pleadings is filed, the essential question is whether there are issues generated by the pleadings. In a proper case for judgment on the pleadings, there is no ostensible issue at all because of the failure of the defending party's answer to raise an issue. The answer would fail to tender an issue, of course, if it does not deny the material allegations in the complaint or admits said material allegations of the adverse party's pleadings by confessing the truthfulness thereof and/or omitting to deal with them at all.⁴⁰

³⁹ 736 Phil. 200 (2014).

⁴⁰ Id. at 205-206. Emphasis and citations omitted.

Rule 34 of the 2019 Proposed Amendments to the 1997 Rules of Civil Procedure⁴¹ (2019 Amendments) now provides:

RULE 34
JUDGMENT ON THE PLEADINGS

Section 1. *Judgment on the pleadings.* — Where an answer fails to tender an issue, or otherwise admits the material allegations of the adverse party's pleading, the court may, on motion of that party, direct judgment on such pleading. However, in actions for declaration of nullity or annulment of marriage or for legal separation, the material facts alleged in the complaint shall always be proved. (1)

Section 2. *Action on motion for judgment on the pleadings.* — The court may *motu proprio* or on motion render judgment on the pleadings if it is apparent that the answer fails to tender an issue, or otherwise admits the material allegations of the adverse party's pleadings. Otherwise, the motion shall be subject to the provisions of Rule 15 of these Rules.

Any action of the court on a motion for judgment on the pleadings shall not be subject of an appeal or petition for *certiorari*, prohibition or *mandamus*. (n)

Under the 2019 Amendments, the present appeal to the Court is not sanctioned because it is clear under Section 2, Rule 34, which is new, that any action of the court on a motion for judgment on the pleadings shall not be subject of an appeal. Rule 144 of the 2019 Amendments provides that the 2019 Amendments shall govern all cases filed after their effectivity on May 1, 2020, and also all pending proceedings, except to the extent that in the opinion of the court, their application would not be feasible or would work injustice, in which case the procedure under which the cases were filed shall govern. Since the application of the 2019 Amendments would work injustice in the present case, they will not be applied.

In the Comment of respondents, they argue for the denial of the Petition on the ground that their complaint contained allegations “of several documents such as:

1. Amicable Settlement executed by Enrique Abad, Dionisio Abad and Isabel Abad;
2. Deed of Partition executed by Enrique Abad, Dionisio Abad and Isabel Abad;
3. Subdivision plan of the subject [land] x x x;

⁴¹ A.M. No. 19-10-20-SC.



4. Kasunduan dated April 30, 2008 executed by [Eufemia] Abad and Dolores Lolita J. Gallardo;

[which in petitioners' answer], they did not specifically deny under oath any of these documents' genuineness and authenticity. x x x Thus, [t]he answer would fail to tender an issue x x x, if it does not comply with the requirements for a specific denial set out in Section 10 (or Section 8) of Rule 8; and it would admit the material allegations of the adverse party's pleadings not only where it expressly confesses the truthfulness thereof but also if it omits to deal with them at all."⁴²

In determining whether the answer tenders an issue or otherwise admits the allegations of the complaint, the denials contained in the answer must be scrutinized in the light of the pertinent Sections of Rule 8 of the Rules, which provide:

Section 7. Action or defense based on document. — Whenever an action or defense is based upon a written instrument or document, the substance of such instrument or document shall be set forth in the pleading, and the original or a copy thereof shall be attached to the pleading as an exhibit, which shall be deemed to be a part of the pleading, or said copy may with like effect be set forth in the pleading. (7)

Section 8. How to contest such documents. — When an action or defense is founded upon a written instrument, copied in or attached to the corresponding pleading as provided in the preceding section, the genuineness and due execution of the instrument shall be deemed admitted unless the adverse party, under oath, specifically denies them, and sets forth what he claims to be the facts; but the requirement of an oath does not apply when the adverse party does not appear to be a party to the instrument or when compliance with an order for an inspection of the original instrument is refused. (8a)

x x x x

Section 10. Specific denial. — A defendant must specify each material allegation of fact the truth of which he does not admit and, whenever practicable, shall set forth the substance of the matters upon which he relies to support his denial. Where a defendant desires to deny only a part of an averment, he shall specify so much of it as is true and material and shall deny only the remainder. Where a defendant is without knowledge or information sufficient to form a belief as to the truth of a material averment made in the complaint, he shall so state, and this shall have the effect of a denial. (10a)

Section 11. Allegations not specifically denied deemed admitted. — Material averment in the complaint, other than those as to the amount of unliquidated damages, shall be deemed admitted when not specifically denied. Allegations of usury in a complaint to recover usurious interest are deemed admitted if not denied under oath. (1a, R9)⁴³

⁴² *Rollo*, pp. 89-91. Emphasis omitted.

⁴³ Sections 8, 10 and 11 of Rule 8 of the 2019 Amendments state:

Respondents are mistaken in their contention that petitioners needed to specifically deny under oath the genuineness and authenticity of the documents that they adverted to, otherwise petitioners would be deemed to have admitted the same. Section 8 of Rule 8 expressly states that “the requirement of an oath does not apply when the adverse party does not appear to be a party to the instrument.”

The Court in *Toribio v. Bidin*⁴⁴ observed:

Moreover, the heirs of Olegario Toribio, his widow and minor children represented by their mother, are among the plaintiffs-petitioners. **They are not parties to the deeds of sale allegedly executed by their father, aunt, and uncle. They are not required to deny the deeds of sale under oath.** The private respondents will still have to introduce evidence to establish that the deeds of sale are genuine and that they were truly executed by the parties with authority to dispose of the disputed property.⁴⁵

Similarly, in this case, the Amicable Settlement and Deed of Partition was executed by petitioners’ father (Enrique), aunt (Isabel) and uncle (Dionisio). The *Kasunduan* was only between one of the plaintiffs and one of the defendants, the other parties not being privies thereto. The Court notes that the Deed of Donation (Annex “I” of the complaint)⁴⁶ wherein Isabel donated the subject lot to Jose Eusebio did not at all involve petitioners or their predecessor-in-interest, Enrique.

Clearly, Section 8 does not apply and respondents have to introduce evidence to establish that said documents are genuine and that they were truly executed by the parties thereto. With those allegations in the complaint having been denied, the answer tenders factual issues. Thus, the RTC’s grant

Section 8. *How to contest such documents.* - When an action or defense is founded upon a written instrument, or attached to the corresponding pleading as provided in the preceding section, the genuineness and due execution of the instrument shall be deemed admitted unless the adverse party, under oath specifically denies them, and sets forth what he or she claims to be the facts; but the requirement of an oath does not apply when the adverse party does not appear to be a party to the instrument or when compliance with an order for an inspection of the original instrument is refused. (8a)

x x x x

Section 10. *Specific denial.* — A defendant must specify each material allegation of fact the truth of which he or she does not admit and, whenever practicable, shall set forth the substance of the matters upon which he or she relies to support his or her denial. Where a defendant desires to deny only a part of an averment, he or she shall specify so much of it as is true and material and shall deny only the remainder. Where a defendant is without knowledge or information sufficient to form a belief as to the truth of a material averment made to the complaint, he or she shall so state, and this shall have the effect of a denial. (10a)

Section 11. *Allegations not specifically denied deemed admitted.* — Material averments in a pleading asserting a claim or claims, other than those as to the amount of unliquidated damages, shall be deemed admitted when not specifically denied. (11a)

⁴⁴ 219 Phil. 139 (1985).

⁴⁵ Id. at 147. Emphasis and underscoring supplied.

⁴⁶ See *rollo*, p. 126.

of respondents' motion for judgment on the pleadings may not be upheld because the judgment on the pleadings rendered by the RTC is not proper.

Moreover, justice is best served with a judgment based on a trial on the merits and not on technicalities, *viz.*:

It bears repeating that rules of procedure should be liberally construed to the end that substantial justice may be served. As stated in *Pongasi v. Court of Appeals* (71 SCRA 614):

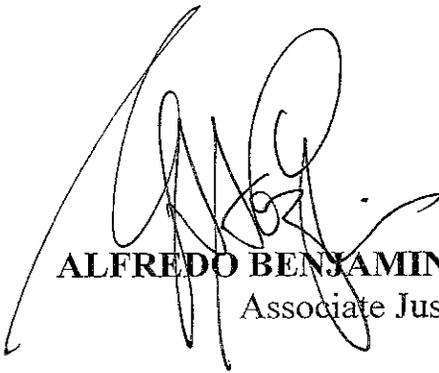
“We repeat what We said in *Obut v. Court of Appeals, et al., supra*, that ‘what should guide judicial action is the principle that a party-litigant is to be given the fullest opportunity to establish the merits of his complaint or defense rather than for him to lose life, liberty, honor or *property* on technicalities.’

“In dispensing justice Our action must reflect a deep insight into the failings of human nature, a capability for making allowances for human error and/or negligence, and the ability to maintain the scales of justice happily well-balanced between these virtues and the application of the law.”

An interpretation of a rule of procedure which would not deny to the petitioners their rights to their inheritance is warranted by the circumstances of this case.⁴⁷

WHEREFORE, the Petition is hereby **GRANTED**. Accordingly, the Resolutions dated September 27, 2016 and December 9, 2016 of the Regional Trial Court of Santiago City, Branch 36 in Civil Case No. 36-4014 are **REVERSED** and **SET ASIDE**. The motion for judgment on the pleadings filed by the defendants therein is **DENIED**. The Regional Trial Court is directed to hear and decide the case on the merits with dispatch.

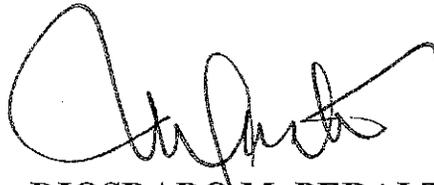
SO ORDERED.



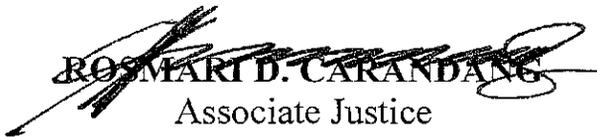
ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

⁴⁷ *Toribio v. Bidin*, *supra* note 44, at 147-148.

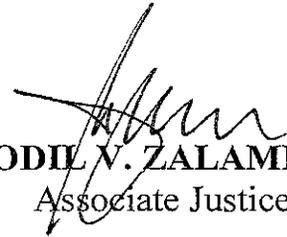
WE CONCUR:



DIOSDADO M. PERALTA
Chief Justice
Chairperson



ROSMARI D. CARANDANG
Associate Justice



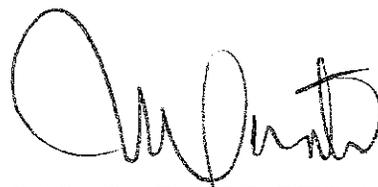
RODIL V. ZALAMEDA
Associate Justice



SAMUEL H. GAERLAN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice

