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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

HEIRS OF PIO TEJADA AND
SOLEDAD TEJADA, represented
by PIO DOMINGO TEJADA,
Petitioners,

G.R. No. 250542

Present:

- versus -

LEONEN, S.A.J., Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,
DIMAAMPAO,** and
KHO, JR., JJ.

GARRY B. HAY, in substitution of
MYRNA L. HAY, represented by his
Attorney-in-Fact, GOMERCINDO*
LITONG,
Respondent.

Promulgated:

OCT 10 2022

X-----X

DECISION

LOPEZ, M., J.:

Bona fide amendments to pleadings are allowed at any stage of the proceedings so that every case may, as much as possible, be determined on its real facts, affording complete relief to all the parties involved in the case.¹ Thus, as a matter of judicial policy, courts are impelled to treat motions for leave to file amended pleadings with liberality, the paramount consideration being that it does not appear that the motion for leave was with intent to delay the proceedings.²

* "Gomersindo" in some parts of the *rollo*.

** Designated additional member vice J. J. Lopez per Raffle dated September 6, 2022.

¹ *Spouses Tallonghari v. Bangko Kabayon-Ibaan Rural Bank, Inc.*, 792 Phil. 509, 516 (2016) [Per J. Perlas-Bernabe, First Division]; and *Yujico v. United Resources Asset Management, Inc.*, 762 Phil. 198, 207 (2015) [Per J. Ferez, First Division].

² *Id.*

This Petition for Review on *Certiorari*³ under Rule 45 of the Rules of Court assails the Decision⁴ dated August 7, 2019 and the Resolution⁵ dated November 20, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 159049, which dismissed petitioners Heirs of Pio Tejada (Pio) and Soledad Tejada's (petitioners) Petition for *Certiorari*.⁶ The petition dismissed by the CA questioned the Orders dated August 17, 2018⁷ and December 3, 2018⁸ of the Regional Trial Court of Virac, Catanduanes, Branch 43 (RTC) in Civil Case No. 2471, denying petitioners' Motion for Leave and to Admit Attached Amended Answer with Counterclaim⁹ (Motion for Leave).

The present controversy finds its roots from the Complaint for Quieting of Title¹⁰ filed by Myrna L. Hay (Myrna) against petitioners. Myrna averred that petitioners' father, Pio, sold the disputed parcel of land to Haru Gen Beach Resort and Hotel Corporation (Haru Gen) on November 12, 1988 as evidenced by a Deed of Absolute Sale.¹¹ The property later found its way to her when Haru Gen sold it on March 5, 1992 as evidenced by another Deed of Absolute Sale.¹² Curiously, Myrna also presented another Deed of Absolute Sale,¹³ purporting to show that Pio sold the same property to her on May 28, 1997.

Petitioners, *on their own*, filed an Answer¹⁴ dated August 26, 2016, which sought for the dismissal of Myrna's Complaint on the ground that the deeds of sale which purportedly conveyed title over the property to Myrna was falsified, as their father's signature thereon was forged.¹⁵

The case was initially set for pre-trial on September 28, 2016. But due to several postponements, pre-trial ensued only on June 28, 2017.¹⁶ On even date, the RTC issued the Pre-Trial Order,¹⁷ which states that the trial was scheduled to begin on October 25, 2017.¹⁸ However, the initial trial was likewise postponed several times at Myrna's or her counsel's instance for several reasons.¹⁹ Eventually, instead of proceeding to trial, the RTC issued an Order²⁰ dated June 27, 2018 referring the case to undergo mediation on July 19, 2018.

³ *Rollo*, pp. 24-47.

⁴ *Id.* at 8-14. Penned by Associate Justice Jane Aurora C. Lauton, with the concurrence of Associate Justices Jhosep Y. Lopez (now a member of this Court) and Ruben Reynaldo G. Roxas.

⁵ *Id.* at 17-18.

⁶ *Id.* at 252-278.

⁷ *Id.* at 211-212. Penned by Presiding Judge Lelu P. Contreras.

⁸ Not attached to the *rollo*; see *id.* at 11.

⁹ *Id.* at 174-190.

¹⁰ *Id.* at 87-91.

¹¹ *Id.* at 93.

¹² *Id.* at 94.

¹³ *Id.* at 95.

¹⁴ *Id.* at 118-124.

¹⁵ *Id.* at 120-123.

¹⁶ *Id.* at 10.

¹⁷ *Id.* at 141-145.

¹⁸ *Id.* at 144.

¹⁹ See *id.* at 146-168.

²⁰ *Id.* at 169-170.

On July 6, 2018, petitioners, *through counsel this time*, filed a Motion for Leave²¹ for their Amended Answer to be admitted for the purpose of “clarify[ing] several matters and [to] hasten the determination of the actual merits of the controversy[.]”²² Specifically, petitioners averred that the Amended Answer: (1) specifies with particularity which of the allegations in the complaint are admitted and denied; and (2) asserts compulsory counterclaims such as the nullification of the deeds of absolute sale that Myrna invoked for being falsified, declaration of petitioners’ ownership over the property, and grant of damages.²³ Petitioners argued that the admission of the Amended Answer was warranted because there was no responsive pleading filed for the original Answer, and the case has not yet gone to trial nor has it been called for preliminary conference. Finally, the Motion stated that the leave sought and amendments made were not dilatory, but will aid the court to resolve the case speedily and based on its real facts.²⁴

In an Order²⁵ dated August 17, 2018, the RTC denied the Motion for Leave because the case had already gone through preliminary and pre-trial conference, contrary to petitioners’ claim. In addition, petitioners’ counsels were ordered to show cause why they should not be cited in contempt for erroneously asserting that the case had not yet gone through preliminary conference/pre-trial.²⁶

In compliance with the show cause order, petitioners’ counsels filed an Explanation,²⁷ stating that their misconception regarding the stage of the proceedings was due to the RTC Order dated June 27, 2018, which referred the case to mediation. They averred to have believed in good faith that the case was still on pre-trial stage since Sections II and XII, Part Three of A.M. No. 11-1-6-SC-PHILJA,²⁸ otherwise known as the Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation and Judicial Dispute Resolution, provides that mediation proceedings are part of the pre-trial stage. Hence, they maintained that the amendment of the Answer remains warranted. Petitioners, through counsel, also filed a Motion for Reconsideration²⁹ of the denial of their Motion for Leave, but was denied in an Order³⁰ dated December 3, 2018.

²¹ *Id.* at 174–190.

²² *Id.* at 174.

²³ *Id.* at 180–190.

²⁴ *Id.* at 176–177.

²⁵ *Id.* at 211–212.

²⁶ *Id.* at 212.

²⁷ Dated September 5, 2018. *Id.* at 216–223.

²⁸ Approved on January 11, 2011.

²⁹ Dated September 7, 2018. *Rollo*, pp. 224–233.

³⁰ Not attached to the *rollo*; see *id.* at 11.

On grounds of grave abuse of discretion, petitioners challenged the denial of their Motion for Leave before the CA through a Petition for *Certiorari* under Rule 65 of the Rules of Court.³¹

In a Decision³² dated August 7, 2019, the CA found no grave abuse of discretion on the part of the RTC in denying petitioners' Motion for Leave considering that the records show that the case had, indeed, already gone through the preliminary conference/pre-trial stage. Besides, according to the CA, the Amended Answer is not necessary since all the material elements of petitioners' defense, *i.e.*, the deeds of absolute sale that respondent Garry B. Hay, in substitution of Myrna (respondent), invoked were falsified, had already been stated in their original Answer.³³ The CA disposed, thus:

WHEREFORE, the *Petition* is **DISMISSED**. The Orders dated 17 August 2018 and 3 December 2018 of the Regional Trial Court of Virac, Catanduanes, Branch 43, in *Civil Case No. 2471* are hereby **AFFIRMED**.

SO ORDERED.³⁴ (Emphasis and italics in the original)

Subsequently, petitioners' Motion for Reconsideration was denied in a Resolution³⁵ dated November 20, 2019. Hence, this petition.

Petitioners argue that the CA erred in affirming the disallowance of the Amended Answer because: (1) amendments to pleadings are favored at any stage of the proceedings; (2) the Motion for Leave was filed before initial trial and the case was still pending for mediation; and (3) the amendment was aimed neither to delay the proceedings nor to prejudice respondent but to clarify certain matters.³⁶ Respondent, on the other hand, maintains that the allowance of the Amended Answer will only cause further delay in the proceedings as it contains arguments already stated in the original Answer, albeit written "in a more scholarly, formal and well[-]researched manner[.]"³⁷

The petition is meritorious.

It is undisputed that petitioners filed their original Answer back in August 26, 2016, and they sought its amendment only after the trial court had concluded the pre-trial conference, wherein "[t]he necessity or desirability of amendments to the pleadings"³⁸ should have been considered. Aptly so,

³¹ *Id.* at 252–278.

³² *Id.* at 8–14.

³³ *Id.* at 11–14.

³⁴ *Id.* at 14.

³⁵ *Id.* at 17–18.

³⁶ *Id.* at 34.

³⁷ *Id.* at 339.

³⁸ See Section 2, Rule 18 of the Rules of Court which provides:

Section 2. *Nature and Purpose*. — The pre-trial is mandatory. The court shall consider:

x x x x

(c) The necessity or desirability of amendments to the pleadings.

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petitioners moved for leave of court to admit their Amended Answer, recognizing that its filing was no longer a matter of right, but subject to the trial court's discretion.³⁹ In the exercise of such discretion, trial courts may grant leave and allow the filing of an amended pleading so long as it does not appear that the motion for leave was made in bad faith or with intent to delay the proceedings.⁴⁰

Apropos are Sections 1⁴¹ and 3,⁴² Rule 10 of the Rules of Court, which allow amendments to pleadings "by adding [to] or striking out an x x x inadequate allegation or description in any other respect, so that the actual merits of the controversy may speedily be determined, without regard to technicalities, and in the most expeditious and inexpensive manner." The **only limitation** under the rules was that the leave to amend the pleading "may be refused if it appears to the court that the motion was made with intent to delay." Thus, "[a]s a matter of judicial policy, courts are impelled to treat motions for leave to file amended pleadings with liberality[,]"⁴³ especially when such motion "is filed during the early stages of [the] proceedings or, at least, before trial."⁴⁴

In this case, the RTC, as affirmed by the CA, denied the Motion for Leave essentially because the case had already gone through preliminary/pre-trial conference, and a Pre-Trial Order had already been issued. The RTC ruled:

[Petitioners] claimed that this case "*has not proceeded to trial and has not even called on preliminary conference stage*", hence, "*the admission of the instant amended answer is more than warranted.*"

This case had not only gone through preliminary conference but had already issued a Pre-Trial Order, which simply means that it has gone through both preliminary and pre-trial conference, which was actively participated in by [petitioners], through Atty. Loreto S. Ponti, who filed a Pre-Trial Brief for [petitioners].

x x x x

WHEREFORE, the Motion for Leave and to Admit Attached Amended Answer with Counterclaim is, hereby, DENIED for lack of merit.

³⁹ See *Valenzuela v. CA*, 518 Phil. 68, 76 (2006) [Per J. Azcuna, Second Division].

⁴⁰ *Spouses Tatlonghari v. Bangko Kayan-Ibayan Rural Bank, Inc.*, 792 Phil. 509, 516 (2016) [Per J. Perlas-Bernabe, First Division].

⁴¹ Section 1. *Amendments in General*. — Pleadings may be amended by adding or striking out an allegation or the name of any party, or by correcting a mistake in the name of a party or a mistaken or inadequate allegation or description in any other respect, so that the actual merits of the controversy may speedily be determined, without regard to technicalities, and in the most expeditious and inexpensive manner.

⁴² Section 3. *Amendments by Leave of Court*. — Except as provided in the next preceding section, substantial amendments may be made only upon leave of court. But such leave may be refused if it appears to the court that the motion was made with intent to delay. x x x

⁴³ *Yujuico v. United Resources Asset Management, Inc.*, 762 Phil. 198, 207 (2015) [Per J. Perez, First Division].

⁴⁴ *Id.*; emphasis supplied.

MOREOVER, the movant-counsels, Atty. Loreto S. Ponti and Atty. Santiago T. Gabionza, Jr., Atty. Justin James D. Francisco, are, hereby, ORDERED to show cause, within seventy-two (72) hours from receipt, why they should not be cited in contempt of court for lying and misleading this Court by asserting that this case “*has not even called on (sic) preliminary conference stage*” when, in fact, a Pre-Trial Order has already been issued way back June 28, 2017.

Finally, since this case is covered by mediation, let this case be referred to a mediator.

SO ORDERED.⁴⁵ (Emphasis and italics in the original)

Conspicuously, the RTC Orders, as well as the assailed CA Decision and Resolution, omitted determining whether the Motion for Leave was interposed, only to delay the proceedings. We stress that, in the furtherance of justice, amendments to pleadings are favored and should be liberally allowed⁴⁶ **at any stage of the lawsuit**⁴⁷ as long as they are not dilatory. In the exercise of the discretion to grant or deny leave of court to admit amended pleadings, the primordial consideration is not when the motion was filed, but rather whether the amendments sought to be admitted would aid the court to decide the case on the merits based on real facts without unnecessary delay, and help avoid multiplicity of suits.⁴⁸ Thus, the filing of the Motion for Leave after the issuance of the Pre-Trial Order is not reason enough to deny it⁴⁹ and to discredit the Amended Answer as a sheer dilatory tactic.⁵⁰ Instead, the Motion for Leave and the Amended Answer it seeks to be admitted should be examined with circumspection, keeping in mind the purpose of the rules in allowing amendments to pleadings, and the general policy that rules of procedure are mere tools designed to facilitate the attainment of justice.⁵¹

A perusal of the Amended Answer readily shows that it specifies with particularity which of the allegations in the complaint are admitted and denied, and it clearly sets forth the truth of the matter upon which they rely to support any denial as required under Section 10,⁵² Rule 8 of the Rules of Court as opposed to the original Answer. Further, unlike the original Answer, the Amended Answer specifies special affirmative defenses, as well as counterclaims, to wit: the nullification of the alleged falsified deeds of absolute sale; and the grant of damages and attorney’s fees. Under these

⁴⁵ *Rollo*, p. 212.

⁴⁶ *Quirao v. Quirao*, 460 Phil. 605, 611 (2003) [Per J. Puno, Third Division].

⁴⁷ *Id.* See also *Chong v. CA*, 554 Phil. 43, 51 (2007) [Per J. Ynares-Santiago, Third Division].

⁴⁸ *Yujuico v. United Resources Asset Management, Inc.*, 762 Phil. 198, 207 (2015) [Per J. Perez, First Division]. See also *Chong v. CA*, *id.*

⁴⁹ See *Quirao v. Quirao*, 460 Phil. 605, 612 (2003) [Per J. Puno, Third Division]. See also *Yujuico v. United Resources Asset Management, Inc.*, *id.* at 209.

⁵⁰ *Yujuico v. United Resources Asset Management, Inc.*, *id.*

⁵¹ *Quirao v. Quirao*, 460 Phil. 605, 612 (2003) [Per J. Puno, Third Division].

⁵² 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.

conditions, the admission of the Amended Answer is not only more prudent, but in fact warranted, as it contains allegations which are crucial for the complete and proper disposition of the case to prevent multiplicity of suits and afford relief to all parties involved in the case, and also to aid the trial court in determining the real controversies for resolution and thereby expedite the proceedings.⁵³ All of these form the very bases for the liberality of the rules in allowing amendments to pleadings.⁵⁴ Besides, the admission of the Amended Answer will cause no prejudice to respondent since petitioners' defense was not substantially altered as the CA and respondent himself pointed out. Hence, we see no basis for respondent's accusation that the Amended Answer was interposed only to delay the proceedings. Truth be told, respondent and counsel themselves admit that the delay is attributable to their repeated motions to postpone the hearings for several reasons.⁵⁵

In sum, we find that the RTC gravely abused its discretion in denying the Motion for Leave on the ground that the case had already gone through preliminary/pre-trial conference. The attendant circumstances demonstrate that the RTC had no cause to deny the leave sought for the admission of petitioners' Amended Answer. Rather, its grant would be in keeping with the time-honored judicial policy of favoring and affording liberal treatment to amendments to pleadings, **especially those made before the conduct of the trial**⁵⁶ as in this case. In this regard, we reiterate the Court's constant reminder:

We should always bear in mind that rules of procedure are mere tools designed to facilitate the attainment of justice. Their strict and rigid application especially on technical matters, which tends to frustrate rather than promote substantial justice, must be avoided. Technicality, when it deserts its proper office as an aid to justice and becomes its great hindrance and chief enemy, deserves scant consideration from the courts.⁵⁷

ACCORDINGLY, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated August 7, 2019 and the Resolution dated November 20, 2019 of the Court of Appeals in CA-G.R. SP No. 159049 are **REVERSED**. The Regional Trial Court of Virac, Catanduanes, Branch 43, is **DIRECTED** to admit the Amended Answer and continue with the proceedings with utmost dispatch.

⁵³ See *Chong v. CA*, 554 Phil. 43, 50-51 (2007) [Per J. Ynares-Santiago, Third Division].

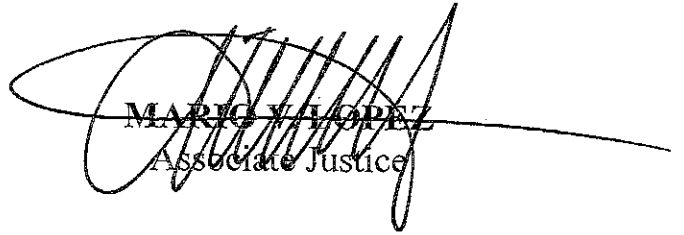
⁵⁴ See *id.* at 51.

⁵⁵ See *rollo*, pp. 146-168 and 339-340.

⁵⁶ *Yujuico v. United Resources Asset Management, Inc.*, 762 Phil. 198, 209 (2015) [Per J. Perez, First Division].

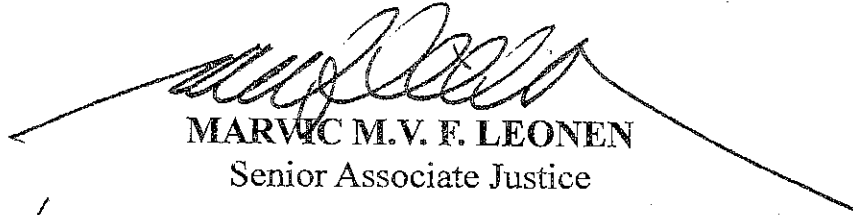
⁵⁷ *Quirao v. Quirao*, 460 Phil. 605, 612 (2003) [Per J. Puno, Third Division].

SO ORDERED.

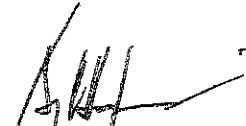


MARIO V. LOPEZ
Associate Justice

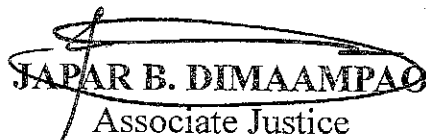
WE CONCUR:



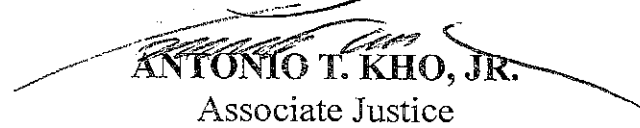
MARVIC M.V. F. LEONEN
Senior Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice



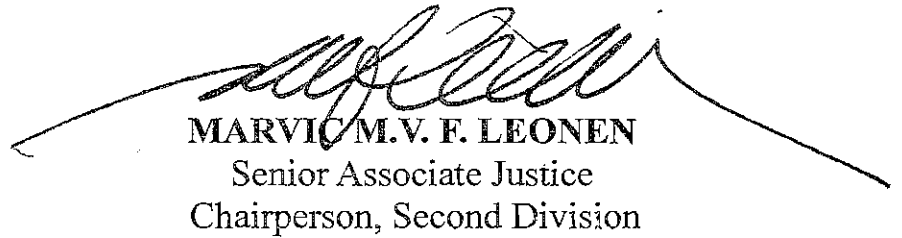
JAPAR B. DIMAAMPAO
Associate Justice



ANTONIO T. KHO, JR.
Associate Justice

ATTESTATION

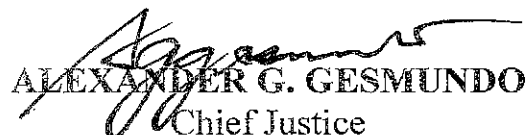
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M.V. F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify 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.



ALEXANDER G. GESMUNDO
Chief Justice