Supreme Court E-Library

SECOND DIVISION

[G.R. No. 142037. October 18, 2004]

Spouses EDGARDO and CECILIA GONZAGA, *petitioners, vs.* **COURT OF APPEALS and Spouses ALFONSO and LETICIA ABAGAT,** *respondents*.

SYNOPSIS

The respondents filed a complaint against the petitioners for the recovery of possession of a parcel of land to which they (respondents) acquired title thru a successful sales patent application with the Bureau of Lands. Petitioners were able to acquire possession of the said land thru spouses Gregorio to whom they purchased a two-storey house erected thereon. Respondents claimed that the petitioners surreptitiously occupied their abandoned make-shift house erected on the lot to which they had a pending application for sales patent. The spouses Gregorio were allowed to intervene in this case. The trial court ruled in favor of the respondents. The Court of Appeals affirmed the decision of the trial court. Dissatisfied, petitioners filed this petition before the Supreme Court.

The Supreme Court denied the petition. According to the Court, a trial court would be acting beyond its jurisdiction if it grants relief to a party beyond the scope of the pleadings. In this case, the petitioners failed to file any pleading against the spouses Gregorio for the enforcement of the deed of conditional sale, the deed of final and absolute sale and the memorandum of agreement executed by them. The petitioners did not raise in their pleadings the issue of their entitlement to the refund for the amount they paid the spouses Gregorio for the house.

SYLLABUS

REMEDIAL LAW; CIVIL PROCEDURE; PLEADINGS; A PARTY IS ENTITLED ONLY TO SUCH RELIEF CONSISTENT WITH AND LIMITED TO THAT SOUGHT BY THE PLEADINGS OR INCIDENTAL THERETO.— The Court is to dispose finally of the litigation so as to preclude further litigation between the parties on the same subject matter thereby avoiding a multiplicity

Supreme Court E-Library

of suits between the parties and their privies and successors-in-interests. However, the Court has no authority to roam at will and grant relief to the parties prescinding from their pleadings and prayers. The rule is that a party is entitled only to such relief consistent with and limited to that sought by the pleadings or incidental thereto. A trial court would be acting beyond its jurisdiction if it grants relief to a party beyond the scope of the pleadings. Moreover, the right of a party to recover depends, not on the prayer, but on the scope of the pleadings, the issues made and the law. A judgment which determines questions not within the court's jurisdiction, because not in issue, is, to that extent, void. There is no principle better established than that what is not juridically presented cannot be juridically decided. Also, where a party has prayed only for specific relief or reliefs as to a specific subject matter, usually no different relief may be granted. A judgment which grants reliefs of a character not sought is void. Where a prayer for general relief is added to the demand of specific relief, the court may grant such other appropriate relief as may be consistent with the allegations and proofs.

APPEARANCES OF COUNSEL

Laserna Cueva Mercader & Associates Law Offices for petitioners.

Diosdado V. Calonge for respondents.

D E C I S I O N

CALLEJO, SR., *J.*:

This is a petition for the review of the Decision[1] and resolution of the Court of Appeals in CA-G.R. CV No. 48687 filed by the Spouses Edgardo and Cecilia Gonzaga.

The Antecedents —

On October 22, 1991, the respondents, Spouses Abagat, filed a complaint against the petitioners, Spouses Gonzaga, for the

[1] Penned by Associate Justice Fidel P. Purisima (now a retired Associate Justice of the Supreme Court), with Associate Justices Corona Ibay Somera and Oswaldo D. Agcaoili (both retired), concurring.

Supreme Court E-Library

recovery of possession of a parcel of land identified as Lot 11, Block No. 15. The lot was located in Baclaran, Parañaque, Metro Manila, covered by Transfer Certificate of Title (TCT) No. 128186 issued in their names, as owners.

The respondents alleged, *inter alia* in their complaint that they were the owners of a small hut (*barong-barong*) constructed on the said lot, which was then owned by the government. On February 22, 1961, when he was still single, the respondent Alfonso Abagat filed an application for a sales patent over the said parcel of land. The hut was, however, gutted by fire on January 26, 1973. According to the respondents, after the fire the Spouses Miguel and Violeta Gregorio built a two-storey house on the property without their consent. As such, they filed a complaint for ejectment against the Spouses Gregorio but the complaint was dismissed for lack of jurisdiction because in their answer to the complaint, the petitioners therein claimed ownership over the house. Thereafter, the Spouses Gregorio sold the house to the petitioners for ₱100,000.00 under a deed of conditional sale, in which Spouses Gregorio undertook to secure an award of the land by the government in favor of the petitioners. On January 2, 1986, the Bureau of Lands granted the application of respondent Alfonso Abagat for a sales patent over the property on the basis of which TCT No. 128186 was issued by the Register of Deeds to and in his name. The respondents demanded that the petitioners vacate the property, but the latter refused to do so. The respondents prayed that judgment be rendered in their favor, thus:

> WHEREFORE, premises considered, it is respectfully prayed before this Honorable Court that judgment be rendered in favor of the plaintiffs —
>
> 1. Ordering the defendants and all persons claiming rights under them to vacate Lot 11, Block 15 located at 2063 Bagong Sikat Street, Baclaran, Parañaque, Metro Manila and to demolish at their own expense the house constructed thereon;
>
> Ordering the defendants:
>
> a) to pay ₱10,000.00 as attorney's fees, plus ₱500.00 as appearance fee for every court hearing;

Supreme Court E-Library

b) to pay ₱45,500.00 as compensatory damages representing the unearned rentals on the subject premises from March 1984 to October 1991, and ₱500.00 as land rental every month thereafter;

c) to pay ₱20,000.00 as exemplary damages;

d) to pay the costs of this suit.

PLAINTIFFS pray for such other and further reliefs as may deemed (*sic*) equitable in the premises.[2]

In their Answer to the complaint, the petitioners averred that they purchased the house from the Spouses Gregorio for ₱100,000.00 under a deed of conditional sale with the understanding that Miguel Gregorio would secure an award in their favor over the lot. However, the Spouses Gregorio failed to do so. Thereafter, they and the Spouses Gregorio executed a Deed of Final and Absolute Sale over the property. According to the petitioners, their refusal to vacate the property was justified in view of the Memorandum of Agreement executed between them and the Spouses Gregorio, whereby they agreed to rescind the deeds of conditional sale and final and absolute sale they earlier executed. The said agreement was made in consideration of the refund of the amount of ₱90,000.00 to take place on or before December 15, 1991, which amount was earlier paid by them to the Spouses Gregorio under the deed of conditional sale. Until then, the petitioners alleged, they had the right to remain in the property. The petitioners prayed that the court render judgment in their favor, thus:

1) Dismissing the complaint for lack of merit;

2) Awarding defendants moral damages in such amount as may be proven during the trial and exemplary damages in such amount as may be awarded by this Honorable Court;

3) Ordering plaintiff to pay the cost of suit.

Defendants likewise pray for such other relief just and equitable under the premises.[3]

---

[2] Records, pp. 4-5.

[3] *Id*. at 62-63.

Supreme Court E-Library

On September 29, 1992, the petitioners filed a motion for leave to file a third-party complaint against the Spouses Gregorio, appending thereto the said third-party complaint. They prayed that judgment be rendered in their favor, thus:

> WHEREFORE, Third-Party Plaintiffs pray for judgment ordering Third-Party Defendants to indemnify Third-Party Plaintiffs for whatever is adjudged, if any, against the latter in favor of Plaintiffs in the main case now pending with this court.
>
> FURTHER, praying for such and other reliefs as may be deemed just and equitable.[4]

The petitioners likewise appended a copy of the deed of conditional sale executed between them and the third-party defendants which contained the following terms, among others:

> 11. The VENDOR herein shall bear the costs of notarization of this deed of conditional sale.
>
> 12. The VENDOR herein warrants that he is the legal owner in full, without any lien and encumbrance, of such house, and the VENDOR herein warrants to defend his ownership over such house against unlawful claims by any third parties. The VENDOR herein further warrants to indemnify the VENDEE herein for any material damage that may be caused by any unlawful claims from third parties.[5]

Even before the Court could resolve the said motion, the Spouses Gregorio filed their Answer to the Third-Party Complaint, alleging that the petitioners were entitled to indemnify them for any award which may be adjudicated in favor of the respondents. Thus:

> WHEREFORE, herein third-party defendants voluntarily manifest their full admission of the truth and veracity of the entirety of Pars. 1 to 9 of the Third-Party Complaint, and that the defendants/third-party plaintiffs are entitled to the legal benefit of *indemnity or*

---

[4] *Id*. at 142.

[5] *Id*. at 145.

Supreme Court E-Library

subrogation, as against the herein third-party defendants, under Sec. 12, Rule 6 of the Rules of Court.[6]

Although he was already the counsel of the petitioners, Atty. Manuel J. Laserna, Jr. entered his appearance as counsel of the Spouses Gregorio.[7] The latter, with the assistance of Atty. Laserna, Jr., likewise, filed a motion for intervention and filed their Answer-In-Intervention in which they alleged that the respondents were able to secure a sales patent over the residential lot in question through fraud and deceit; and prayed that the complaint be dismissed.[8]

On November 12, 1992, the trial court issued an Order granting the motion of the Spouses Gregorio to intervene and admitting their Answer-in-Intervention. The trial court also granted the respondents' motion to strike off the appearance of Atty. Laserna, Jr. as counsel of the Spouses Gregorio as he was already the petitioners' counsel of record. The trial court, however, no longer resolved the motion of the petitioners for leave to file a third-party complaint against the Spouses Gregorio.

The Evidence for the Respondents

On February 22, 1961, respondent Alfonso Abagat, then single, filed a sales application patent over a residential lot, particularly Lot 11, Block 15, Bagong Isla Subd., Baclaran, Parañaque, Rizal, Philippines.[9] He built a house thereon and declared the house for taxation purposes beginning 1961.[10] He later paid the realty taxes for the house for the period of 1969 to 1970.[11]

Pending the processing of his sales patent application, respondent Alfonso Abagat leased the hut to the Spouses Miguel and Violeta

---

[6] *Id*. at 135.

[7] Records, pp. 132-133.

[8] *Id*. at 154-157.

[9] *Id*. at 7.

[10] *Id*. at 9.

[11] *Id*. at 11.

Supreme Court E-Library

Gregorio at a monthly rental of seventy pesos (₱70.00). On January 26, 1973, the house was destroyed by fire. The Spouses Gregorio, along with the other residents, near the area were evacuated to the Baclaran Elementary School.

In light of the certification of the Committee on Resettlement of Baclaran Fire Victims, on February 28, 1973, the respondents were allowed to return to the property and to build a make-shift house out of the ruins. They allowed his nephew, Roberto "Boy" Abagat, to occupy the said "house," but for some reason, he left and resettled somewhere.

In August 1973, the Spouses Gregorio, surreptitiously occupied the abandoned make-shift house of the respondents. The couple "remodeled" the make-shift structure into a two-storey house. On April 7, 1977, the respondents, thru counsel, demanded payment of rental for his house for the period from 1976 to March 1977 amounting to ₱350.00 but Miguel Gregorio offered to pay only the amount of ₱280.00 which the plaintiffs refused. On April 25, 1977, Miguel Gregorio wrote respondent Alfonso Abagat that, in view of his persistent refusal to accept the amount of ₱280 for the rent covering the period of January to April 1977, he would consign the amount to the court.[12]

Respondent Alfonso Abagat filed a complaint with the Municipal Trial Court of Parañaque for unlawful detainer against the Spouses Gregorio, docketed as Civil Case No. 3898. On January 14, 1983, the court rendered a decision dismissing the case for lack of jurisdiction.[13]

Unknown to Alfonso Abagat, the Spouses Gregorio, as vendors, and the Spouses Edgardo and Cecilia D. Gonzaga, as vendees, executed a Deed of Conditional Sale over the house for the price of ₱100,000.00 under the following terms and conditions:

. . . . . .

---

[12] Exhibit "F"; Records, p. 284.

[13] Records, p. 69.

Supreme Court E-Library

2 The VENDOR herein hereby acknowledges receipt of the amount of FIFTY THOUSAND PESOS (₱50,000.00), Philippine currency, in cash, from the VENDEE herein, as part and representing the FIRST DOWNPAYMENT.

3 The VENDEE herein shall remit and pay to the VENDOR herein the amount of TEN THOUSAND PESOS (₱10,000.00), Philippine Currency, in cash, within the month of May, 1984, as part of and representing the SECOND DOWNPAYMENT of this sale.

4 The VENDOR herein shall apply, file with and work for the issuance, approval and release of the government order, decree and award of the official ownership over the government land on which the said house now stands in favor of the VENDOR, after which, the VENDOR herein shall transfer such right over said government award to and in favor of the VENDEE herein.

5 Upon the approval, release and issuance of such government award, as mentioned in the immediately preceding paragraph, the VENDEE herein shall remit and pay to the VENDOR herein the amount of FORTY THOUSAND PESOS (₱40,000.00), Philippine Currency, in cash, as part of and representing the FINAL AND FULL PAYMENT in settlement in full of the obligation of the VENDEE.

6 The VENDOR herein shall see to it that such government award of ownership over the government land on which the said house now stands shall be made, done and processed by the concerned government agency with utmost speed and facility.

7 The VENDOR herein shall shoulder all the official and incidental costs and fees relative to the filing and application for, and the processing of, such government award.[14]

During the period of April 13, 1984 to July 11, 1985, Miguel Gregorio received from the petitioners the total amount of ₱55,00.00[15] thereby leaving a balance of ₱30,000.00. For Miguel

---

[14] *Id*. at 221-222.

[15] Exhibits "2" to "2-C".

Supreme Court E-Library

Gregorio's failure to secure an award from the government, as agreed upon, they further greed to reduce the balance of the purchase price of the house to ₱25,000.00. Petitioner Edgardo Gonzaga paid to Miguel Gregorio following the latter's execution on July 12, 1985 of a *Deed of Final and Absolute Sale* in favor of Edgardo Gonzaga, under the following terms and conditions:

1. That the VENDOR shall exert utmost effort, diligence and speed in securing a government award over the said property for subsequent transfer to the VENDEE within one (1) year from the execution hereof.

2. That all costs and expenses relative to such government award shall be for the account of the VENDOR;

3. That all costs and expenses relative to the execution of this Deed of Final and Absolute Sale shall be for the account of the VENDOR;

4. That all costs and expenses for the future or subsequent issuance of Torrens Title over the said property shall be for the account of the VENDEE;

5. That the VENDOR hereby grants and affords the VENDEE a WARRANTY AGAINST EVICTION, and that the VENDOR shall be liable to the VENDEE for damages that might arise from any false representations as to the prior validity of her rights, interest, or ownership over the said property.[16]

When Miguel Gregorio learned that respondent Alfonso Abagat had earlier filed an application for a sales patent over the property, he and petitioner Edgardo Gonzaga filed a protest in the Bureau of Lands. On January 2, 1986, the Bureau of Lands rendered a decision ordering the dismissal of the protest and granting the application of respondent Alfonso Abagat for a sales patent. The Spouses Gonzaga were, likewise, ordered to vacate the property. The decretal portion of the said decision reads:

WHEREFORE, it is ordered that the protest filed by spouses Miguel Gregorio and Violeta Gregorio against the Insular Government

---

[16] Records, pp. 228-229.

Supreme Court E-Library

Property Sales Application No. (IV-1) 191 of Alfonso Abagat be as hereby it is, dismissed and this once, dropped from the records. Protestants and their privies the spouses Edgardo Gonzaga and Cecilia Gonzaga, are hereby directed to vacate the land in question and removed whatever improvements introduced thereon within sixty (60) days from a receipt of a copy hereof. The I.C.P.S.A. No. (IV-1) 191 of Alfonso Abagat shall be given further due course.[17]

After the decision of the Bureau of Lands had become final and executory, respondent Alfonso Abagat filed motions for execution of the decision and the demolition of the house thereon on August 12, 1986 and February 17, 1987.

On May 22, 1987, the Bureau of Lands issued an Order of Execution directing the District Land Officer:

WHEREFORE, and pursuant to the provisions of Section 1844 of the Revised Administrative Code, as amended by Act No. 3077, you are hereby enjoined to repair to the premises of the land in question and enforce the aforementioned decision by ordering the claimants-protestants, their tenants, relatives and all those acting for and in their behalf to vacate the said land, remove their improvements therefrom and placing the applicant-respondent in peaceful possession thereof.

In complying herewith, you should set forth the whole proceeding in writing signed by the parties and witnesses, if possible, and submit the returns to this Office within sixty (60) days from this date to be used as evidence should it be necessary to institute action, criminal or otherwise, against any party who may refuse to obey the same.

SO ORDERED.[18]

The Director of Lands executed a Deed of Sale over the parcel of land in favor of respondent Alfonso Abagat[19] who also paid the realty taxes over the property.[20]

---

[17] Exhibit "2", Records, p. 17.

[18] Exhibit "E", Records, pp. 193-194.

[19] Exhibit "7", *Id*. at 195.

[20] Exhibit "H" to "H-5".

Supreme Court E-Library

Alfonso Abagat made demands to Edgardo Gonzaga to vacate the property in two Letters dated June 17, 1990 and August 8, 1991, but Edgardo Gonzaga refused. On August 19, 1991, Edgardo Gonzaga and Gregorio executed a Memorandum of Agreement in which they agreed to rescind the deed of conditional sale and the deed of final and absolute sale they had earlier executed, and that Miguel Gregorio would refund the amount of ₱90,000.00 on or before December 15, 1991, and that in the meantime, Edgardo Gonzaga would remain in the property until his receipt of the said amount.[21]

However, even before Miguel Gregorio could refund the ₱90,000.00 to petitioner Edgardo Gonzaga, Alfonso Abagat filed a complaint against the petitioners for recovery of possession with damages in the Regional Trial Court of Makati.

Evidence for the Petitioners

Unknown to the petitioners, the respondents had filed an application with the Bureau of Lands for a sales patent over the land. On March 30, 1984 the Spouses Gregorio, as vendors, and the petitioners as vendees, executed a deed of conditional sale over the house for ₱100,000.00, payable on installment basis.

The Decision of the Trial Court

On October 10, 1994, the trial court rendered judgment in favor of the respondents and against the petitioners and intervenors. The *fallo* of the decision reads:

WHEREFORE, judgment is hereby rendered as follows:

1. Ordering defendants-spouses Gregorios and Gonzagas and all persons claiming rights under them to vacate the premises at Lot 11, Block 15 located at No. 2063 Bagong Sikat, Parañaque, Metro Manila, and for defendants-spouses Gregorios to demolish at their own expense, the house constructed thereon;

2. Ordering defendants-Gregorios to pay plaintiffs the amount of ₱45,000.00 representing unearned rentals on subject premises

[21] Exhibit "5".

Supreme Court E-Library

from March, 1984 up to October 1991, and ₱500.00 land rental every month thereafter;

3. Ordering defendants-spouses Gonzagas and Gregorios jointly and severally to pay plaintiffs the amount of ₱10,000.00 as attorney's fees; and

4. Ordering defendants-spouses Gregorios and Gonzagas jointly and severally to pay plaintiffs the costs of suit.[22]

The intervenors did not appeal the decision. The petitioners appealed the decision to the Court of Appeals, contending that:

. . . . . .

e. Assuming *arguendo* that plaintiffs now have the right to compel defendants to remove their house on the questioned land, should not the third-party defendants spouses Gregorio be mandated to REFUND the purchase price paid by defendants/3rd-party plaintiffs plus damages arising out of this case to which defendants were implicated by reason of spouses Gregorio's failure to comply with their 1984 and 1985 agreements with defendants/3rd party plaintiffs?

In such a scenario, spouses Gregorio have the legal duty to refund spouses Gonzaga the purchase price the latter paid to the former in 1984 and to answer for all damages that spouses Gonzaga may sustain by reason of any judgment in favor of plaintiffs against defendants.

It will be noted that third-party defendants spouses Gregorio have filed a voluntary Appearance and a Manifestation admitting the truth and fairness of the Third-Party Complaint filed by defendants spouses Gonzaga against them.[23]

The CA affirmed the decision of the trial court on December 19, 1997. The dispositive portion of the decision reads:

WHEREFORE, finding no reversible error afflicting it, the appealed Decision is hereby AFFIRMED. No pronouncement as to costs.[24]

---

[22] Records, pp. 365-366.

[23] *Id*. at 119.

[24] *Id*. at 45.

Supreme Court E-Library

On the plea of the petitioners that the trial court should have ordered the intervenors to refund to them the ₱90,000.00 the latter had received as payment for the house, the appellate court ruled that a separate complaint should have been filed against the Spouses Gregorio, instead of appealing the decision of the trial court.

Dissatisfied, the Petitioners filed the instant petition, raising the sole question of whether or not the RTC and the CA erred in not ordering the intervenors to refund to them the ₱90,000.00 they had paid for the house and which the latter promised to do so under their Memorandum of Agreement.

The petitioners aver that in the light of the admission made by the intervenors in their pleadings in the trial court, including their Answer to the third-party complaint and their urgent motion for intervention, that they were liable to the petitioners for any judgment for damages adjudged by the trial court in favor of the respondents, the trial court should have ordered the intervenors to refund to them the aforesaid amount of ₱90,000.00. The petitioners assert that while the trial court did not rule on their motion for leave to file a third-party complaint against the Spouses Gregorio, the caption of the Order dated March 8, 1993, included the Spouses Gregorio as intervenors and third-party defendants.[25] The petitioners aver that the interest of substantial justice and the avoidance of multiplicity of suits should likewise be considered by the Court.

In their comment on the petition, the respondents aver that the liability of the intervenors to the petitioners in the Memorandum of Agreement is personal. Since they were not privies to the Agreement, the respondents contend that the claim for refund of the petitioners against the intervenors must be presented in a separate action against the latter. Moreover, the respondents insist that the petitioners did not pray, in their third-party complaint, for the refund by the Spouses Gregorio of the amount of ₱90,000.00. Hence, the respondents assert, even if the trial court had granted leave to the petitioners to file a third-party

[25] *Rollo*, p. 120.

Supreme Court E-Library

complaint against the Spouses Gregorio and admitted the said complaint, the petitioners would not have been entitled to a refund of the said amount.

The petition has no merit.

We agree with the petitioners that a judgment should be complete by itself. It should not leave open any judicial question to be determined by others.[26] The Court is to dispose finally of the litigation so as to preclude further litigation between the parties on the same subject matter thereby avoiding a multiplicity of suits between the parties and their privies and successors-in-interests. However, the Court has no authority to roam at will and grant relief to the parties prescinding from their pleadings and prayers. The rule is that a party is entitled only to such relief consistent with and limited to that sought by the pleadings or incidental thereto. A trial court would be acting beyond its jurisdiction if it grants relief to a party beyond the scope of the pleadings.[27] Moreover, the right of a party to recover depends, not on the prayer, but on the scope of the pleadings, the issues made and the law. A judgment which determines questions not within the court's jurisdiction, because not in issue, is, to that extent, void.[28] There is no principle better established than that what is not juridically presented cannot be juridically, decided.[29] Also, where a party has prayed only for specific relief or reliefs as to a specific subject matter, usually no different relief may be granted.[30] A judgment which grants reliefs of a character not sought is void.[31]

Where a prayer for general relief is added to the demand of specific relief, the court may grant such other appropriate relief as may be consistent with the allegations and proofs.[32]

---

26 *Berrybill v. Berrybill*, 23 So. 2d 889 (1945).

27 49 *Corpus Juris Secundum*, Judgment, p. 118.

28 *Petersen v. Dethlefs*, 298 N.W. 155 (1941).

29 *Cooke v. Cooke*, 248 P. 83 (1926).

30 *Corpus Juris Secundum*, Judgments, p. 112.

31 *Hurr v. Davis*, 193 N.W. 943.

32 49 *Corpus Juris Secundum*, Judgments, p. 114.

Supreme Court E-Library

In this case, the petitioners failed to file any pleading against the Spouses Gregorio for the enforcement of the deed of conditional sale, the deed of final and absolute sale, and the Memorandum of Agreement executed by them. The petitioners filed their motion for leave to file a third-party complaint against the intervenors, the Spouses Gregorio, and appended thereto their third-party complaint for indemnity for any judgment that may be rendered by the court against them and in favor of the respondents. However, the petitioners did not include in their prayer that judgment be rendered against the third-party defendants to refund the ₱90,000.00 paid by them to the Spouses Gregorio. Worse, the court denied the petitioners' motion. The petitioners failed to assail the trial court's order of denial in the appellate court. Even after the trial court had granted leave to the Spouses Gregorio to intervene as parties-defendants and the latter filed their Answer-in-Intervention, the petitioners failed to file a cross-claim against the intervenors for specific performance for the refund of the ₱90,000.00 they had received from the petitioners under their deed of conditional sale, the deed of final and absolute sale and the memorandum of agreement and pay filing and docket fees therefor. Hence, the trial court had no jurisdiction to render judgment in favor of the petitioners ordering the intervenors to refund the ₱90,000.00 to them. In fine, if the trial court had rendered judgment in favor of the petitioners by ordering the enforcement of the deeds executed by the parties and directing the intervenors to refund the ₱90,000.00 paid by the petitioners for the house on the subject property, the court *a quo* would have acted beyond its authority.

We agree that the intervenors admitted their liability for the payment of ₱90,000.00 in their Answer to the Third-Party Complaint of the petitioners. However, the said answer was of no legal consequence because the court denied the motion of the petitioners for leave to file a third-party complaint against the intervenors. Moreover, the intervenors, it appears, were inveigled by the petitioners to engage their lawyer, Atty. Laserna, Jr. as their counsel as intervenors, which the trial court rejected.

Supreme Court E-Library

The petitioners did not raise in their pleadings the issue of their entitlement to the said refund.[33] The only issues raised by the petitioners in their Pre-Trial Brief are the following:

1. Who owns the house constructed in 1973 by the Sps. Gregorio using their own funds and at their own expense at 2063 Bagong Sikat St., Baclaran, Parañaque, Metro Manila?
2. Who owns the parcel of lot located at 2063 Bagong Sikat St., Baclaran, Parañaque, Metro Manila?
3. Who has the right of possession of the house and/or lot mentioned above, or both?
4. May the plaintiff legally demand the defendants to vacate the lot in question and demolish the subject house at the latter's expense?
5. Was there gross bad faith and value on the part of the defendants in refusing to vacate the lot in question and to demolish the subject house?[34]

On the other hand, the reliefs prayed for by the petitioners are as follows:

X. *Reiteration of the Defendants' Prayer*:

In consideration of the foregoing, defendants respectfully pray for them:

1. Dismissal of the Complaint for lack of merit
2. Awarding in favor of the defendants moral damages for the undue harassment and loss of reputation continuously experienced by the defendants as well as the mental anguish suffered by the defendants because of the acts of the plaintiffs.
3. Order plaintiffs to pay costs of suit.[35]

---

[33] The trial court did not issue any Pre-Trial Order.

[34] *Id*. at 105-106.

[35] *Id*. at 109-110.

Supreme Court E-Library

The petitioners did not include in their Pre-Trial Brief a prayer for the refund of the amount of ₱90,000.00 to be made by the intervenors.

IN LIGHT OF ALL THE FOREGOING, the petition is *DENIED DUE COURSE*. The assailed decision and resolution of the Court of Appeals are *AFFIRMED*. Costs against the petitioners.

SO ORDERED.

Puno (*Chairman*), *Austria-Martinez,* and *Tinga, JJ.,* concur.

Chico-Nazario, J., on leave.

THIRD DIVISION

[G.R. No. 143233. October 18, 2004.]

SPOUSES TERESITA and BIENVENIDO KAKILALA, *petitioners, vs.* **CONRADO, NATIVIDAD, ILUMINADA, ROMEO and AZUCENA, ALL SURNAMED FARAON,** *respondents*.

SYNOPSIS

Respondents herein sold on installment basis a portion of their inherited land to herein petitioners, but after the latter failed to pay the balance despite repeated demands, respondents unilaterally rescinded their contract to sell and filed a complaint for unlawful detainer against petitioners. The trial court, however, dismissed the case. Meanwhile, the petitioners filed with the Housing and Land Use Regulatory Board (HLURB) an action for specific performance against respondents. The HLURB rendered a decision in favor of petitioners allowing them to suspend payment until such time that the project (subject land) was fully developed. Feeling aggrieved, respondents filed