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3 On March 17, 2010, this Court denied Plaintiff's motion to remand. Docket # 15. In the
4 *interim*, Defendants moved for judgment on the pleadings. Docket # 10. Plaintiff then opposed,
5 and Defendants replied.

6 **Standard of Review**

7 FED. R. CIV. P. 12 (c) states that "[a]fter the pleadings are closed but within such time
8 as not to delay the trial, any party may move for judgment on the pleadings." A judgment on the
9 pleadings is not proper "unless it appears beyond a doubt that the nonmoving party can prove
10 no set of facts in support of her claim which would entitle her to relief." Martinez v. Puerto
11 Rico, 594 F. Supp. 2d 181, 184 (D.P.R. 2009). A motion for judgment on the pleadings uses the
12 same standard as a motion to dismiss under FED. R. CIV. P. 12(b)(6). See Medina Pérez v.
13 Fajardo, 257 F. Supp. 2d 467, 470-71 (D.P.R. 2003); see also Ad-Hoc Committee of Baruch
14 Black & Hispanic Alumni Assoc. v. Bernard M. Baruch, 835 F. 2d 980, 982 (2nd Cir. 1987).

15 To survive a Rule 12(b)(6) motion, Plaintiffs' "well-pleaded facts must possess enough
16 heft to show that [they are] entitled to relief." Clark v. Boscher, 514 F. 3d 107, 112 (1st Cir.
17 2008).¹ In evaluating whether Plaintiffs are entitled to relief, the court must accept as true all
18 of their "well-pleaded facts [and indulge] all reasonable inferences therefrom" in the plaintiff's
19 favor. Bell Atlantic Corp. v. Twombly, 127 S. Ct. 1955, 1964 (2007). The First Circuit has held
20 that "dismissal for failure to state a claim is appropriate if the complaint fails to set forth factual
21 allegations, either direct or inferential, respecting each material element necessary to sustain
22 recovery under some actionable legal theory." Gagliardi v. Sullivan, 513 F. 3d 301, 305(1st Cir.
23 2008). Courts "may augment the facts in the complaint by reference to documents annexed to

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25 ¹ FED. R. CIV. P. 8(a)(2) requires only "a short and plain statement of the claim showing that the
26 pleader is entitled to relief," in order to allow the defendant fair notice of what the claim is and the
grounds upon which it rests. Bell Atlantic Corp. v. Twombly, 127 S. Ct. 1955, 1964 (2007).

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3 the complaint or fairly incorporated into it, and matters susceptible to judicial notice.” Id. at
4 305-306. However, in judging the sufficiency of a complaint, courts must “differentiate
5 between well-pleaded facts, on the one hand, and ‘bald assertions, unsupportable conclusions,
6 periphrastic circumlocution, and the like,’ on the other hand; the former must be credited, but
7 the latter can safely be ignored.” LaChapelle v. Berkshire Life Ins., 142 F.3d 507, 508 (quoting
8 Aulson v. Blanchard, 83 F.3d 1, 3 (1st Cir.1996)); Buck v. American Airlines, Inc., 476 F. 3d
9 29, 33 (1st Cir. 2007); see also Rogan v. Menino, 175 F.3d 75, 77 (1st Cir. 1999). Thus Plaintiffs
10 must rely on more than unsupported conclusions or interpretations of law, as these will be
11 rejected. Berner v. Delahanty, 129 F.3d 20, 25 (1st Cir. 1997) (citing Gooley v. Mobil Oil Corp.,
12 851 F.2d 513, 515 (1st Cir. 1988)).

13 Therefore, “even under the liberal pleading standards of Federal Rule of Civil Procedure
14 8, the Supreme Court has recently held that to survive a motion to dismiss, a complaint must
15 allege ‘a plausible entitlement to relief.’” Rodríguez-Ortíz v. Margo Caribe, Inc., 490 F.3d 92
16 (1st Cir. 2007) (citing Twombly, 127 S. Ct. at 1965). Although complaints do not need detailed
17 factual allegations, the “plausibility standard is not akin to a ‘probability requirement,’ but it
18 asks for more than a sheer possibility that a defendant has acted unlawfully.” Twombly, 127
19 S. Ct. At 1965; see also Ashcroft v. Iqbal, 129 S. Ct. 1937, 1949 (2009). A plaintiff’s obligation
20 to “provide the ‘grounds’ of his ‘entitle[ment] to relief” requires more than labels and
21 conclusions, and a formulaic recitation of the elements of a cause of action will not do.”
22 Twombly, 127 S. Ct. At 1965. That is, “factual allegations must be enough to raise a right to
23 relief above the speculative level, on the assumption that all allegations in the complaint are
24 true.” Parker v. Hurley, 514 F. 3d 87, 95 (1st Cir. 2008).

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3 The Court “may augment the facts in the complaint by reference to documents annexed
4 to the complaint or fairly incorporated into it, and matters susceptible to judicial notice.”
5 Gagliardi v. Sullivan, 513 F. 3d 301, 305-06 (1st Cir. 2008).

6 **Applicable Law and Analysis**

7 In their motion, Defendants argue that judgment on the pleadings is proper because the
8 lease agreement signed by the parties on January 8, 2008 expired on December 31, 2009.
9 According to Defendants, although the first page of the agreement has a typographical error
10 which provides that the lease ends on “12/31/2010,” the “actual terms of the document clearly
11 shows that the contract expires on December 31, 2009, including the schedule of payments,
12 which unequivocally shows that it ends on 12/31/2009.” Docket # 10, p. 2. They argue that
13 notwithstanding the agreement’s clear language, Plaintiff failed to vacate the premises by
14 December 31, 2009. As such, Defendants sent a letter on January 2, 2010, informing Plaintiff
15 that the lease was terminated effective February 6, 2010, and to vacate the premises by said
16 date. See Docket # 4-3. They argue that Plaintiff failed to vacate the premises, and continues
17 to occupy the same despite the agreement’s termination.

18 In opposition, Plaintiff posits that there are material issues of fact that preclude a
19 judgment on the pleadings, such as the parties’ intentions in determining whether the end date
20 is a typographical error. Plaintiff further notes that in the January 4, 2010 letter, Defendants did
21 not cite a typographical error in the lease agreement’s expiration date, and instead terminated
22 the same under the early termination clause.

23 Defendants replied, arguing that even if the lease agreement expired on December 31,
24 2010, paragraph 3 recognizes the landlord’s right to early termination upon thirty days written
25 notice to tenant. They contend that insofar as the letter sent on January 4, 2010 served as a
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3 written notice under paragraph 3 of the lease agreement, Plaintiff should have vacated the
4 premises by February 6, 2010.

5 In analyzing the present motion, this Court accepts as true all of the complaint's well-
6 pleaded facts, and draws all reasonable inferences in Plaintiff's favor. According to the
7 complaint, the parties executed a lease agreement on January 8, 2008, for a total of \$90,000.
8 Plaintiff avers that said agreement was set to expire on December 31, 2010, notwithstanding,
9 Defendants unilaterally terminated the same prior to the end date.

10 Upon reviewing the lease agreement, this Court notes that paragraph 3 expressly provides
11 that "...the Landlord may, at any time during the term of this Lease, in its sole discretion and
12 with or without cause, elect to terminate this Lease upon thirty (30) days advance written notice
13 to Tenant...Tenant understands and agrees that it is receiving terms and conditions which have
14 been requested by and are advantageous to Tenant in return for granting Landlord flexibility
15 with regard to the Space on account of the short term of this Lease, the Landlord's right to
16 terminate the Lease on short notice provided herein..." Docket # 4-2, p. 3. It further states that
17 the tenant acknowledges that no one has made any representations or promises regarding
18 renewal or extension of the lease, "or limiting or eliminating the Landlord's right to terminate
19 on short notice..." Id. In the letter dated January 4, 2010, Defendants notified Plaintiff that "[i]n
20 accordance to [the lease agreement] under paragraph 3, Landlord's Right to Early Termination,
21 Landlord hereby notified tenant that it has elected to terminate the lease effective 02/06/10 and
22 demands possession of the demised Space by no later than the Termination Date." Docket # 4-3.

23 As Defendants correctly point out, paragraph 3 of the lease agreement unambiguously
24 allows for the early termination of the lease with thirty days' written notice to tenant.
25 Additionally, said clause is not conditioned upon cause for the termination other than the
26 landlord's will. Plaintiff does not contest the early termination clause's validity, nor does it

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3 allege error, violence, intimidation or deceit that would invalidate its consent. Instead, Plaintiff
4 focuses on the alleged termination date of the lease agreement, which Defendants contest is a
5 typographical error.

6 Article 1233 of the Puerto Rico Civil Code, P.R. Laws Ann. tit. 31, § 1233, “determines
7 the manner in which courts should interpret contracts under dispute as to the meaning of their
8 terms.” Borschow Hosp. & Medical Supplies v. Cesar Castillo Inc., 96 F.3d 10, 15 (1st Cir. P.R.
9 1996) (citing Hopgood v. Merrill Lynch, Pierce, Fenner & Smith, 839 F. Supp. 98, 104 (D.P.R.
10 1993)). Said article provides that “[i]f the terms of a contract are clear and leave no doubt as to
11 the intentions of the contracting parties, the literal sense of its stipulations shall be observed.”
12 “Under Puerto Rico law, an agreement is ‘clear’ when it can ‘be understood in one sense alone,
13 without leaving any room for doubt, controversies or difference of interpretation . . .”
14 Executive Leasing Corp. v. Banco Popular de P.R., 48 F.3d 66, 69 (1st Cir. P.R. 1995) (citing
15 Catullo v. Metzner, 834 F.2d 1075, 1079 (1st Cir. 1987)).

16 In analyzing Article 1233’s scope, the First Circuit has held that the “Puerto Rico Civil
17 Code and parol evidence rule² both preclude reference to extrinsic evidence where contract
18 terms are clear.” Graphics Supply v. Polychrome Corp., No. 96-1888, slip. op. at 8 (1st Cir. P.R.
19 June 23, 1997) (citing Borschow Hosp., 96 F.3d at 15-16; see also Executive Leasing, 48 F.3d

21 ² Puerto Rico’s parol evidence rule, P.R. Laws Ann. tit. 32, App. IV, R. 69(B) (1983) provides
22 that “[w]hen in an oral or written agreement, either public or private, all the terms and conditions
23 constituting the true and final intention of the parties have been included, such agreement shall be
24 deemed as complete, and therefore, there can be between the parties, or successors in interest, no
25 evidence extrinsic to the contents of the same, except in the following cases: (1) Where a mistake or
26 imperfection of the agreement is put in issue by the pleadings; (2) Where the validity of the agreement
is the fact in dispute. This rule does not exclude other evidence of the circumstances under which the
agreement was made or to which it is related such as the situation of the subject matter of the instrument
or that of the parties, or to establish illegality or fraud.

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3 at 69 (finding that the admissibility of “other evidence” under Puerto Rico law depends in the
4 first instance on the clarity of the written contract); Mercado-Garcia v. Ponce Fed. Bank, 979
5 F.2d 890, 894 (1st Cir. 1992) (holding that even where both parties offered extrinsic evidence
6 contradicting the clear terms of a promissory note, court is nonetheless “bound to look no
7 further than the note itself”). Thus Article 1233 “obliges us to abide by the literal meaning of
8 the terms of the contract when, as in the present case, they leave no doubt as to the intention of
9 the contracting parties.” Borschow Hosp., 96 F.3d at 16 (citing Marina Ind. Inc. v. Brown
10 Boveri Corp., 114 P.R. Dec. 64 (1983) (official translation)); see also Hopgood, 839 F. Supp.
11 At 106 (under Article 1233 the clear terms of the contract are the “embodiment of the
12 indisputable intent of the parties as they entered into the contract”).

13 Insofar as the lease agreement clearly and unambiguously allows for the early
14 termination of the lease upon landlord’s request, without more, Plaintiff’s arguments regarding
15 the alleged end date are irrelevant. More so considering that the Supreme Court of Puerto Rico
16 has long-recognized the validity of these types of clauses, where one party unilaterally ends the
17 contractual relationship. Flores v. Mun. de Caguas, 14 P.R. Offic. Trans. 674 (1983); Casanova
18 v. P.R. Amer. Ins. Co., 6 P.R. Offic. Trans. 960 (1978). Therefore, this Court need not delve
19 into whether the expiration date was December 31, 2009 or December 31, 2010.

20 Because the lease agreement’s early termination clause granted the landlord the right to
21 end the contractual relationship without cause as a matter of law, judgment on the pleadings is
22 proper in this case. In light of the foregoing, Plaintiff is ordered to vacate the premises, and shall
23 pay Defendants holdover tenancy rent calculated at one thirtieth of 250% of the minimum rent
24 during the last full calendar month of the lease agreement.
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3 **Conclusion**

4 Based on the above, Defendants' motion for judgment on the pleadings is **GRANTED**,
5 and the instant case is **DISMISSED with prejudice**.

6 **IT IS SO ORDERED.**

7 In San Juan, Puerto Rico, this 20th day of April, 2010.

8 *S/ Salvador E. Casellas*
9 **SALVADOR E. CASELLAS**
U.S. Senior District Judge

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