

**\*\*Title: Jaime D. Ang v. Court of Appeals and Bruno Soledad\*\***

**\*\*Facts:\*\***

The case revolves around a “car-swapping” arrangement between Jaime D. Ang and Bruno Soledad on July 28, 1992. Ang traded his 1988 Mitsubishi Lancer for Soledad’s 1982 Mitsubishi GSR Sedan, with Soledad additionally paying Ang PHP 55,000 due to the newer model of Ang’s car. Ang, who operated a business involving the sale of used vehicles, offered the GSR for sale and eventually it was bought by Paul Bugash for PHP 225,000. However, before the sale could be finalized, the vehicle was seized under a writ of replevin due to a previous owner’s (Ronaldo Panes) failure to settle a mortgage debt with BA Finance Corporation. Ang paid PHP 62,038.47 to BA Finance to release the vehicle, yet Soledad, upon request, refused to reimburse Ang for this amount. This led Ang to initially file an Estafa charge against Soledad which was dismissed for insufficiency of evidence. Consequently, Ang filed three civil damages complaints, with the final one filed with the Municipal Trial Court in Cities (MTCC) identified as the subject of this petition, which ultimately dismissed the complaint on the grounds of prescription.

**\*\*Issues:\*\***

The supreme court was confronted with the key issue of determining the nature of warranty in the Deed of Absolute Sale executed between Ang and Soledad, whether it was an express or implied warranty, to ascertain the applicable prescriptive period for filing the action for damages. Moreover, the court examined whether Ang could recover the amount he paid to BA Finance Corporation under the principle of solutio indebiti.

**\*\*Court’s Decision:\*\***

Analyzing the warranty stated in the Deed of Absolute Sale, the Court identified that Soledad provided an implied warranty rather than an express one, making the applicable prescriptive period six months from the delivery of the vehicle, as per Article 1571 of the Civil Code. The Court found that Ang’s action had prescribed since the filing occurred beyond this six-month period. Furthermore, the Court determined Ang could not recover the amount paid to BA Finance under the principle of solutio indebiti because Soledad did not benefit from this payment, as he was not the one who had mortgaged the vehicle. Consequently, the Supreme Court denied the petition, holding that no reimbursement was due to Ang from Soledad.

**\*\*Doctrine:\*\***

This case reiterated the difference between express and implied warranties in the sale of

goods, highlighting that the prescriptive period for actions based on an implied warranty is six months from the delivery of the goods, as per Article 1571 of the Civil Code. It also illustrated the application of the principle of solutio indebiti, emphasizing that for a claim under this principle to succeed, the defendant must have been enriched at the plaintiff's expense.

**\*\*Class Notes:\*\***

**Key Elements:**

- **\*\*Implied Warranty (Civil Code Art. 1546, 1571):\*\*** A warranty not explicitly stated but is inferred from the nature of the transaction or relations of the parties.
- **\*\*Express Warranty (Civil Code Art. 1546):\*\*** An explicit promise or affirmation by the seller regarding the quality or nature of the product.
- **\*\*Prescriptive Periods:\*\*** Six months for implied warranties from delivery of goods. Ten years for actions based upon written contracts unless specific contract states otherwise.
- **\*\*Solutio Indebiti Principle:\*\*** Enrichment of one party at the expense of another without just cause.

**\*\*Historical Background:\*\***

This case illustrates the intricacies of warranties in the sale of goods within the Philippine legal framework, demonstrating the judiciary's interpretation of express and implied warranties and their consequential effects on the rights and obligations of the parties involved in such transactions. It emphasizes the necessity for buyers, especially those in commercial enterprises, to diligently verify the status of goods being purchased to protect their interests.