

Title:

Tan v. Court of Appeals, G.R. No. 133184

Facts:

1. **Initial Transaction and Agreement:**

- **January 22, 1981:** Jaime C. Tan executed a deed of absolute sale for a parcel of land (Lot No. 645-C, Bunawan, Davao City) in favor of spouses Jose and Estrella Magdangal for Php 59,200.00. An agreement allowed Tan to redeem or repurchase the property within one year.

2. **Failure to Redeem and Subsequent Events:**

- **Tan's Death:** Tan failed to redeem the property until his death on January 4, 1988.
- **May 2, 1988:** Tan's heirs filed a suit for reformation of the instrument, arguing the sale was effectively an equitable mortgage.

3. **Procedural History:**

- **RTC Decision (June 4, 1991):** RTC Davao City declared the transaction as an equitable mortgage, ordering Tan's heirs to pay Php 59,200 plus interest at 12% per annum within 120 days after the finality of the decision.
- **CA Decision (September 28, 1995):** The Court of Appeals affirmed RTC's decision in toto.

4. **Execution Phase:**

- **March 13, 1996:** Clerk of the Court of Appeals made an Entry of Judgment indicating the decision became final on October 21, 1995.
- **March 21, 1996:** Magdangals filed a motion for consolidation and writ of possession, claiming the 120-day period had expired.
- **April 17, 1996:** Tan, Jr. deposited the redemption price.

5. **RTC Orders and Appeals:**

- **RTC Order (June 10, 1996):** Allowed redemption, ruling the redemption period started from the CA's entry of judgment.
- **CA Decision (July 15, 1998) and Resolution (November 9, 1998):** The CA set aside the RTC's decisions, leading to the petition to the Supreme Court.

Issues:

1. **Due Process:**

- Whether the petitioner's right to due process was violated when the Court of Appeals

rendered judgment without granting the petitioner an opportunity to respond.

2. **Appropriate Remedy:**

- Whether certiorari, rather than an appeal, was the appropriate remedy for the private respondents.

3. **Applicable Doctrine:**

- Whether the Cueto vs. Collantes doctrine, which states the redemption period begins from the date of the entry of judgment, should apply.

4. **Alternative Jurisprudence:**

- Applicability of other jurisprudence, specifically between St. Dominic vs. Intermediate Appellate Court and Gutierrez Hermanos vs. de La Riva.

5. **Equity Considerations:**

- Whether equity considerations justify giving due course to the petition.

Court's Decision:

1. **Due Process:**

- The Court ruled no due process violation as petitioner was allowed to file several motions during the trial.

2. **Appropriate Remedy:**

- The Supreme Court held that respondents should have pursued an appeal rather than a certiorari since the RTC's decision did not contain any allegations of grave abuse of discretion.

3. **Cueto vs. Collantes Doctrine:**

- The Court affirmed the continued validity of Cueto vs. Collantes. The period for redemption starts from the date of entry of judgment, making Tan's redemption timely under this doctrine.

4. **Applicability of Jurisprudence:**

- The Court found that St. Dominic ruling was inapplicable, and instead Cueto vs. Collantes (which applies directly to redemption periods) was more appropriate.

5. **Equity Considerations:**

- Equity favored the petitioner since retroactive application of the new rule would unjustly strip the petitioner of a vested right to redemption.

Doctrine:

****Doctrine of Finality from Entry of Judgment:****

- The Cueto vs. Collantes principle establishes that the redemption period begins upon the entry of judgment.

****Equity Override in Procedural Transitions:****

- Procedural rules generally apply retroactively unless such application results in manifestly unfair outcomes or undermines vested rights.

Class Notes:

- ****Elements of Equitable Mortgage:**** Key indicators include inadequate consideration, possession retained by original owner, and the existence of a right to repurchase.

- ****Rule 39, 1997 Revised Rules of Civil Procedure (Finality and Execution):**** Provides for execution upon the finality of judgment without waiting for remand from appellate courts.

- ****1927 Rule 51, Sections 10 and 11 (Finality and Entry of Judgment):**** Period for redemption post-judgment starts from the date of entry in the Book of Entries of Judgments.

- ****Principle of Retroactivity in Procedural Laws:**** Retroactive application does not generally violate due process unless it impairs vested rights or leads to substantial injustice.

Historical Background:

This case reflects ongoing legal transitions within Philippine civil procedural norms. The adaption of revised and newer procedural rules often leads to conflicts, necessitating the courts to balance historical doctrine and equitable principles. This decision underscores judicial prudence when procedural changes impact substantive rights.