

JOSE N. MAYUGA, SUBSTITUTED BY SIMONA L. MAYUGA, SYLVIA MAYUGA-YUSON, JOSE L. MAYUGA, JR., ABELARDO MAYUGA, RAMON MAYUGA, JOSEFINA MAYUGA-FINK, CRISTINA MAYUGA AND ROBERTO MAYUG...

G.R. No. L-46953. February 29, 1988

Ponente: CORTES, J.

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CORTES, J.:

Before the Court are two motions for reconsideration, one filed by petitioners Mayuga, et al. and the other by respondent Realty Sales Enterprise, Inc.

- The Motion for Reconsideration of Petitioners Mayuga, et al.

Petitioners seek a reconsideration of the decision insofar as the same does not award damages in their favor. It is argued that Realty had acted in bad faith and with malice in trying to renege on the agreement. Since the purchasing power of the peso has steadily declined while the value of the disputed property has quadrupled, it is claimed that justice and equity demand that Realty should not be allowed to profit, but should instead be made to pay petitioners the losses they had sustained, and the profits they failed to realize. They pray for damages based on either: (1) the increase in the value of the property from its value in 1977, when the compromise agreement was entered into, to its present market value; (2) the difference in the purchasing power of the peso; or (3) legal interest (12%) computed from 1977 to the end of October 1987.

In its comment to Petitioners' Motion, respondent Realty contends that since the compromise has the effect and authority of *res judicata*, it has become conclusive between the parties and no one can add anything to it, such as the Mayugas' claim for interest (citing *Urtula v. Republic*, L-22061, January 31, 1968, 22 SCRA 477.)

Realty has a mistaken concept of the nature of the interest being claimed. It is not based on contract nor on law. (See *Urtula v. Republic*, *supra*.) More properly the interest being claimed is in the concept of damages arising from Realty's maliciously evading its contractual obligation. The claimed interest is just one of three suggested bases for computing the award of damages being prayed for by petitioners.

However, this Court cannot award the damages prayed for. The award of damages would have to be based on a finding of malice and bad faith which this Court cannot make as it is not a trier of facts.

- The Motion for Reconsideration of Realty.

Realty contends that this Court erred in ordering it to pay petitioners P4.25M upon finality of judgment, thereby defeating the purpose and intent of Art. 1197 of the Civil Code in allowing the Court to fix a period which must be prospective and not retroactive, in view of the peculiar circumstances attendant to the case at bar. It is asserted that the period fixed by the Court was not the one contemplated by the parties when they entered into the compromise agreement.

It must be emphasized that Realty concedes that it is liable to petitioners. What is being sought to be considered is the period fixed by the Court. The size of the corporation, its financial resources and the suit commenced by Carpo (See G.R. No. 67451) are the "peculiar circumstances attendant to the case at bar" invoked as grounds for the motion for reconsideration praying that Realty be given six (6) months from finality of the decision in G.R. 67451 within which to pay the amount.

Realty's motion for reconsideration must likewise be denied. Firstly, the period fixed by the Court is subsequent to the promulgation of the decision which fixes the period. It is clearly prospective. Secondly, the facts cited by Realty as grounds for the fixing of another period are not valid reasons for allowing Realty to further delay fulfillment of its obligation. As stated in the decision now subject of reconsideration:

It has been more than ten years since the compromise agreement was entered into. By entering into a compromise agreement, the party-litigants could have only intended to put an end a litigation commenced in 1959 as soon as possible and not to prolong it much longer, at least, not for another ten years.

To grant Realty's motion for reconsideration would run counter to the clear intent of the parties in entering into a compromise agreement.

WHEREFORE, the Motion for Reconsideration filed by petitioners on November 5, 1987 and the Motion for Reconsideration filed by respondent Realty Sales Enterprise, Inc. on November 10, 1987 are both DENIED. This denial is FINAL.

SO ORDERED.

Fernan, (Chairman), Gutierrez, Jr., Feliciano, and Bidin, JJ., concur.

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