

**JOSE L. UY, PLAINTIFF AND APPELLEE, VS. OSCAR L. UY,
DEFENDANT AND APPELLANT.***G.R. No. L-14243. June 30, 1961*

Ponente: NATIVIDAD, J.

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This is an action for the recovery of a sum of money. It is now before us on the appeal interposed by the defendant against a judgment of the Court of First Instance of Manila, ordering said defendant to pay to the plaintiff the sum of P51,384.34, with interest thereon at the rate of 12% per annum from April 1, 1956, until the amount is paid in full, plus the costs of suit. The appeal was originally taken to the Court of Appeals, but the latter certified the case to us, for the reason that only questions of law are involved therein.

Plaintiff Jose L. Uy and defendant Oscar L. Uy, who are brothers, owned in equal and undivided shares the estate known as Hacienda Fé, Esperanza and Caridad, with an area of 1,096.0925 hectares, situated in the municipalities of Iriga, Buhi and Baao, province of Camarines Sur, and covered by Transfer Certificate of Title No. 23 of the Office of the Register of Deeds of that province. The property was mortgaged to the Rehabilitation Finance Corporation to guarantee the payment of a loan. By a public deed executed on September 6, 1948, Jose L. Uy sold and conveyed to Oscar L. Uy all his rights, interests and participation in the property for the sum of P100,000.00, payable: P20,000.00 in cash at the time of the execution of the deed of conveyance, and the balance of P80,000.00, in accordance with the terms of that deed, and it was further agreed, among other things, that Oscar L. Uy would assume the payment of the loan for which the property was mortgaged to the Rehabilitation Finance Corporation, and that one-half of the property would be subject to a second mortgage in favor of Jose L. Uy to guarantee the payment of said balance. Oscar L. Uy paid to Jose L. Uy on September 6, 1948, the initial payment of P20,000.00, and on December 11, 1948, the sum of P30,000.00 on account. On this latter date, however, Jose L. Uy and Oscar L. Uy executed another deed, denominated "Amendment of Terms", in which it was agreed, among other things, that the unpaid balance of the purchase price of the property conveyed under the contract of September 6, 1948, or the sum of P50,000.00 shall be paid within one year from that date, with interest at the rate of 12% per annum.

On February 2, 1955, the plaintiff filed against the defendants Oscar L. Uy, Rehabilitation Finance Corporation and Register of Deeds of Camarines Sur, the complaint by which this action was initiated. It was alleged in that complaint that of the purchase price of the property sold on September 6, 1948, to Oscar L. Uy, the latter failed to pay the sum of P40,000.00, which should earn interest at the rate of 6% per annum from September, 1949; that the Rehabilitation Finance Corporation, which held a first mortgage on the property, refused to recognize the second mortgage constituted on one-half thereof in favor of the plaintiff, and that the Register of Deeds for the province of Camarines Sur refused to register the deed of conveyance of September 6, 1948. Hence, plaintiff asked for judgment ordering Oscar L. Uy to pay to him P40,000.00 with interest at 6% per annum from September, 1949 until the amount is paid in full, plus the costs of suit; ordering the Rehabilitation Finance Corporation to recognize the second mortgage constituted on the property in his favor, and directing the Register of Deeds of Camarines

Sur to register in his books the deed of sale and conveyance of September 6, 1948.

On March 16, 1955, Oscar L. Uy filed his answer to plaintiff's complaint which consists of admissions and denials and an affirmative defense that he had already paid to the plaintiff, on account of the claim therein alleged, more than P92,000.00, with a prayer that an accounting between the parties be ordered and judgment be rendered in accordance therewith. After the filing of this answer, the plaintiff filed a motion in which he asked for a summary judgment, alleging that the defendant had admitted all the material allegations of the complaint. This motion was opposed by defendant Oscar L. Uy. After due hearing, the trial court denied plaintiff's motion. A second motion for judgment on the pleading was filed by the plaintiff, but the same was likewise denied.

On August 26, 1955, plaintiff filed a motion for leave to file an amended complaint. This move was again opposed by defendant Oscar L. Uy. The trial court, in an order dated September 3, 1955, granted the motion and admitted plaintiff's amended complaint attached thereto. Two motions for reconsideration of this order were filed by defendant Oscar L. Uy, but both were denied. In this amended complaint, in which defendants Rehabilitation Finance Corporation and Register of Deeds of Camarines Sur were eliminated as parties defendants, it is alleged that under the terms of the amendatory agreement of December 11, 1948, copy of which was annexed thereto and made an integral part thereof, defendant Oscar L. Uy was obligated to pay on the unpaid balance of the purchase price of the property involved in the action, then amounting to P40,000.00, interest at the rate of 12% per annum from December 11, 1948. Consequently, judgment was asked ordering said defendant to pay the plaintiff that amount, plus interests at that rate and costs.

In view of this development, on September 21, 1955, defendant Oscar L. Uy filed with this Court a petition for a writ of certiorari for the review of the order of September 3, 1955, alleging that said order was issued with grave abuse of discretion. This petition, docketed in this Court as Civil Case G. R. No. L-9702, Oscar L. Uy, petitioner, vs. Hon. Edilberto Barot, etc., et al., respondents, was, in a resolution dated September 26, 1955, denied for lack of merits. Notified of the above resolution, defendant Oscar L. Uy filed an answer to the amended complaint, in which he reiterated practically all the allegations contained in his answer to the original complaint,

The issues being thus once more joined, plaintiff again moved for a judgment on the pleadings. Defendant Oscar L. Uy again opposed this motion. The trial court, after due hearing, denied the motion for judgment on the pleadings, but decided to appoint an accountant as commissioner to examine the accounts of the parties and submit a report on his findings, and ordered that the parties agree and submit the name of an accountant who may be appointed for the purpose. Plaintiff and defendant having failed to act on this order, the trial court set the case for hearing on January 21, 1956. In the hearing on that date, the parties tentatively agreed on the appointment of Jesus B. Tayag, relative of both, who was a certified public accountant, and it was agreed that they would approach said accountant and submit a joint manifestation of the result of their efforts. Again, the parties failed to act on the matter. But on August 25, 1956, defendant Oscar L. Uy filed a manifestation to the effect that he had no objection to the appointment of Jesus B. Tayag as commissioner to examine the accounts of the parties.

On January 24, 1956, the trial court appointed Jesus B. Tayag commissioner. The latter accepted the appointment, qualified as such, and on March 27, 1956 submitted his report, wherein it appears that, after an examination of the documents in the respective possessions of the plaintiff and the defendant Oscar L. Uy that have bearing on the accounts in question, and after computing the figures therein appearing pursuant to the accepted rules and standard practices, there was still due and owing from defendant Oscar L. Uy to the plaintiff, as of March 31, 1956, the following:

"Balance due as of

January March

31, 1955 31, 1956

Per Schedule A at 6% interests P23,057.35 P26,277.17

Per Schedule B at 12% interest 45,088.05 51,384.34

Per Schedule B-1 (12% with P3,181.50) 38,732.21 44,140.93

Respectfully submitted,

(Sgd.) JESUS B. TAYAG

Commissioner"

Defendant Oscar L. Uy filed an objection to the approval of the Commissioner's report. After due hearing, the trial court rendered the judgment appealed from.

Appellant contends that the trial court "erred in admitting plaintiff's amended complaint" and the "Schedule 'B-1' of the Commissioner's report which plaintiff presented as Exhibit 'C-1'". It is claimed that, as the amended complaint sets up a different claim, based on a different instrument which fixed a different rate of interest, and eliminates two parties defendants, the same substantially alleges a new action and introduces substantial changes which are not allowable under the law.

The questions raised by the appellant are exactly the same questions raised by him and passed upon by this Court in its resolution of September 26, 1955, in certiorari case G. R. No. L-9702, Oscar L. Uy vs. Hon. Edilberto Barot, etc., et al., dismissing the petition therein filed for lack of merits. It would seem, therefore, unnecessary for us to indulge in further discussion of the subject, and that to dispose of instant appeal, suffice it for us to invoke our resolution in that case. In view, however, of the fact that said resolution was a mere minute resolution, it would not be amiss to state briefly herein the reasons that impelled us to adopt the same.

The matter of amendments of pleadings is one in which the law and the jurisprudence are well-settled. A party may, under the Rules, amend his pleading once as a matter of course at any time before responsive pleading is served, or, after the, filing of responsive pleading, by leave of court upon such terms as it may deem just and reasonable. Rule 17, Sections 1 and 2, Rules of Court. The discretion vested by law in the courts to allow amendments to pleading after the filing of responsive pleading is broad. It has been held that the amendment may be allowed at any stage of the action before the rendition of final judgment, *Espiritu vs. Crossfield*, 14 Phil., 588; *Ocampo vs. Mañalac*, 92 Phil., 865; 49 Off. Gaz., 926; and that the amendments may consist of suppression, addition, or substitution of parties, *Alonso vs. Villamor*, 16 Phil., 316; *Bismonte vs. Aldecoa & Co.*, 17 Phil., 480; *Chua Kiong vs. Whitaker*, 46 Phil., 578; *Diaz vs. de la Rama*, 73 Phil., 104, or introduction of allegations of additional causes of action, or incorporation therein of a document, *Villegas vs. Roldan*, 76 Phil., 349. The only limitations placed on such discretions by jurisprudence are that the amendment should not substantially change the cause of action, or alter the theory of the case, *Torres vs. Tomacruz*, 49 Phil., 913, or that it was made to delay

the action, *Dacanay vs. Lucero*, 76 Phil., 139; 1 Moran, *Comments on the Rules of Court*, 1957 ed., p. 260.

As we analyzed the pleadings, the admission by the trial court of the amended complaint in question did not constitute an abuse of discretion calling for disturbance on appeal. There is no showing that the amendment was made to delay the action. It merely supplemented an incomplete allegation of cause of action so as to submit the real matter in dispute, eliminated two parties defendants, and incorporated therein a new document. The nature of the action—recovery of a sum of money—and its theory—that said sum was due and owing to the plaintiff under a valid obligation—were not changed or altered. Amendments of this nature, introduced in a complaint with previous leave of court after the filing of responsive pleadings, are permitted by law at any stage of the action.

We likewise find without merit appellant's claim that the trial court erred in admitting Schedule "B", which must be the one alluded to, and not Schedule "B-1", of the report of the Commissioner which the plaintiff presented in evidence as Exhibit "C-1". On this point, appellant states in his brief:

"Schedule 'B-1' of the Commissioner's Report was computed with 12 interest per annum stipulated in the parties' contract of December 11, 1948 . Since defendant-appellant has always maintained that said second contract should not have been admitted in the first place by the lower court, it naturally follows that Schedule 'B-1' of the Commissioner's Report should not have been admitted by said lower court."

It will be noted that appellant does not claim that the trial court erred in the appreciation of the figures stated in said schedule. His only contention is that the admission of said schedule was error, for the second contract between the parties, or that executed on December 11, 1948 , on which the figures stated therein were based, should not have been admitted. The contract of December 11, 1948 , was the basis of the amended complaint filed by the plaintiff and it was incorporated in and made an integral part thereof. In view of the conclusion we have arrived at above as regards the admission of said amended complaint, it goes without saying that the admission of Schedule "B" was proper, and that the trial court committed no error in basing its judgment on the figures therein stated.

For the foregoing, we hold that the judgment appealed from is in accordance with law and supported by the evidence. Consequently, the same is hereby affirmed, with the costs taxed against the appellant. It is so ordered.

Bengzon, C.J., Padilla, Labrador, Reyes, J.B.L., Barrera, Paredes, Dizon, and De Leon, JJ., concur.

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