

**ELISA ALCANTARA-PICA, PETITIONER, VS. HONORABLE JUDGE,
COURT OF FIRST INSTANCE OF RIZAL, BRANCH IV, QUEZON CITY,
ANATOLIO CARIGO Y TAMBONGCO, RESPONDENTS.***G.R. No. L-36434. October 27, 1973*

Ponente: TEEHANKEE, J.

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In this petition for review of respondent court's orders upholding respondent's right to possession of the car in question as against petitioner in an interpleader proceeding filed by the Metrocom which had impounded the car, the Court reaffirms once again the governing provisions of Article 559 of the Civil Code and its long-established doctrinal jurisprudence that petitioner as owner of the car of which she had been unduly deprived may recover the same as against the possessor (without reimbursement of the sum received in a private sale by the embezzler or wrongdoer from the possessor) even assuming that the possessor had purchased the same in good faith, since an owner cannot be dispossessed of his property without his consent and the wrongdoer cannot transfer to another a title that he does not have.

Petitioner Elisa Alcantara-Pica, a lieutenant-colonel in the AFP Nurse Corps, is the lawful owner of a 1966 model motor vehicle, Toyota 1600 S, Engine No. 4R-411530, having purchased the same on installment basis from Delta Motor Sales Corporation to which she mortgaged the same to secure payment of the balance of the price thereof which amounted to P12,252.87, interests included, as of July 2, 1972.[1]

Private respondent Anatolio Carigo in turn claims ownership of the same vehicle by purchase on July 30, 1971 for P11,000.00 from one Monico Maniquiz. The latter traced his title to the vehicle by purchase for P6,500.00 on December 28, 1970 from one Rafael Pica who held a special power of attorney from petitioner (executed on June 30, 1969) authorizing him only "to ask, demand, sue for, and receive all sums of money . . . which or now hereafter (sic) shall be or become due, owing, payable, or belonging to me" and "to deposit money and to withdraw the same by check, receipt, draft or otherwise in any bank in my name" and not to sell or dispose of any property of petitioner's.[2]

The car in question was impounded by the PC Metrocom, Camp Crame, Quezon City in connection with Criminal Case No. Q-2008 of the respondent Rizal court of first instance (Quezon City Branch) entitled "People of the Philippines vs. Anatolio T. Carigo" wherein respondent Carigo was charged for illegal possession of firearms and ammunition which had been intercepted from said vehicle.

Upon motion of petitioner as well as upon a separate motion of the Metrocom commanding general who impleaded both petitioner and respondent as conflicting claimants of the same car, stating that "both defendants claim that each is solely entitled to the custody of the Toyota Corona car in question, and plaintiff has no means of knowing definitely to whom of the two claimants said car should be delivered" and prayed "that a resolution be issued ordering defendants to interplead and litigate their conflicting claims," respondent court issued its order dated June 23, 1972 setting aside a previous order to release the car to the respondent-accused and directed trial

fiscal Narciso T. Atienza to investigate the conflicting claims over the car and to submit to it his findings, meanwhile ordering "that the vehicle in question shall remain in possession of the Metrocom, until the real owner of the car is determined.

The trial fiscal accordingly issued subpoenae and subpoenae duces tecum to the claimants and their respective witnesses, and in his manifestation dated August 7, 1972 reported to respondent court that from the documentary evidence submitted by claimants and their witnesses, the following facts were established: the history of the car and the transactions concerning it as above stated; that petitioner had executed the special power of attorney dated June 30, 1969 in favor of her husband, Rafael C. Pica, in view of her assignment to Vietnam as a member of the PHILCON; that the sale of the car by Rafael C. Pica as petitioner's attorney-in-fact to Maniquiz and by Maniquiz in turn to respondent were registered, and respondent was in possession of the car since July 30, 1971 as registered owner until he was apprehended by the Metrocom on April 8, 1972; and that the car is still mortgaged to Delta Motor Sales Corporation by petitioner with an outstanding balance of P12,252.87 as of July 2, 1972.

The trial fiscal thus recommended that the car be released to respondent on the following grounds:

"1.

Anatolio T. Carigo is a purchaser of the Toyota car in good faith, and therefore, his possession of the same is equivalent to a title (Art. 559, NCC);

"2.

Registration of a motor vehicle in the name of a person is prima facie evidence of the fact that the person in whose name said vehicle is registered is the owner (Motor Vehicle Law);

"3.

The registered owner of a motor vehicle is the recognized owner thereof for all intents and purposes (Uy vs. Commonwealth Insurance Co., Inc. CA-GR No. 24136-R, Jan. 17, 1964); and

"4.

The validity of the Deed of Sale executed by and between Rafael C. Pica and Monico Maniquiz cannot be attacked collaterally."[3]

Respondent court in its order dated August 8, 1972 approved the trial fiscal's recommendation and reproducing the very same erroneous grounds advanced by the fiscal as above-quoted, ordered the release of the car "in favor of claimant Anatolio T. Carigo, it appearing that he is the lawful owner of the same."

Petitioner filed her motion for reconsideration dated November 29, 1972 expressly calling respondent court's attention that "the special power of attorney previously executed by herein movant in favor of Rafael Pica, and which is relied upon by the investigating fiscal in recommending the release of the vehicle to Anatolio T. Carigo, did not, contrary to the opinion of the said officer, under its terms, authorize Rafael Pica to sell any property of the movant. Said power of attorney merely empowered Pica to collect and receive sums due the movant and to deposit and withdraw the same, from the bank."[4]

Respondent court in its order dated January 15, 1973[5] denied reconsideration but added that "(A) question of

ownership of the motor vehicle is not a proper subject to be resolved in a criminal case for illegal possession of firearms and ammunition. The questioned order is therefore construed as without prejudice on the part of the parties to bring the proper civil action in court to recover the possession of said motor vehicle during which action the issue of ownership may properly be resolved between the parties."

Petitioner filed another motion for reconsideration dated February 6, 1973 stating that by virtue of the interpleader filed by the Metrocom for the parties to litigate their conflicting claims over the car, respondent court had "taken cognizance and jurisdiction over the subject matter" under its order of June 23, 1972 which ordered the investigation of the conflicting claims and resulted in its order of August 8, 1972 for the release of the car in favor of respondent, and prayed that the car be either ordered returned to her or placed back in the Metrocom's custody for safekeeping.

This last motion was denied as "not meritorious" per respondent court's order dated February 10, 1973.

Hence, the present petition. Since the only issue is the proper application of Article 559 of the Civil Code which has been the subject of long-established authoritative precedents holding that the right of the owner of movable property cannot be defeated even by proof of good faith in the acquisition thereof by the possessor, the Court resolved as per its resolution of October 25, 1973, upon noting respondent's failure for over a month and a half to file his answer within the period given him which expired on September 10, 1973, to consider the case submitted for decision, for a prompt and expeditious determination thereof in the interest of justice.

Respondent court manifestly acted arbitrarily and with grave abuse of discretion in having directed release of the car to respondent rather than to petitioner as the rightful owner who has been unlawfully deprived thereof in disregard of the express provisions of Article 559[6] of the Civil Code and of the long established doctrinal jurisprudence of this Court as early as 1911[7] that the owner may recover the lost article of which he or she has been unlawfully deprived without reimbursement of the sum received by the embezzler or wrongdoer from the possessor, even granting that the possessor acquired possession by purchase or other means in good faith.

Article 559 of the Civil Code was correctly cited but wrongly applied by respondent court to order release of the car to respondent, when as stressed by the Court in *Aznar vs. Yapdiangco*[8] dealing similarly with a car which a wrongdoer had succeeded in registering in his own name and selling to a third party who acquired the same in good faith, for valuable consideration and without notice of any defect in the vendor's title, under the cited codal article, "the rule is to the effect that if the owner has lost a thing, or if he has been unlawfully deprived of it, he has a right to recover it, not only from the finder, thief or robber, but also from third persons who may have acquired it in good faith from such finder, thief or robber." The only exception provided - which is not applicable here - is where such third party has acquired in good faith the article "at a public sale" in which case "the owner cannot obtain its return without reimbursing the price paid therefor." The Court therein added that "the right of the owner to recover personal property acquired in good faith by another is based on his being dispossessed without his consent" and cited the maxim that "no man can transfer to another a better title than he has himself." [9]

In the latest case of *Dizon vs. Suntay*, [10] the Court once again reaffirmed the binding force and effect of Article 559 of the Civil Code as upholding an owner's right to recover an article which he has lost or has been unlawfully deprived of as against a third party-possessor in good faith.

Here, petitioner had been unlawfully deprived of her car by her attorney-in-fact Rafael Pica who succeeded in illegally disposing the same for the obviously inadequate price of P6,500.00 to Maniquiz notwithstanding that his special power of attorney on its face and by its express terms did not authorize him to sell any property of petitioner but merely to collect and receive sums of money due and owing to petitioner and to deposit and withdraw the same from the bank. Thus, from the very documents submitted by the parties to respondent court,

Rafael Pica as an attorney-in-fact with very limited powers had no authority to, and could not, transfer title of the car to Maniquiz from whom respondent claims to have purchased it in turn for P11,000.00, "free from all liens and encumbrances." Prescinding from the fact that the car was admittedly mortgaged by petitioner-owner with a balance of P12,252.87 as of July 2, 1972, it is difficult to surmise how Rafael Pica's transferees could in good faith have overlooked such subsisting mortgage and secure registration of the car free from any lien.

Finally, respondent court had duly taken cognizance of the interpleader motion filed by the Metrocom and required the conflicting claimants to litigate their respective claims and had commissioned the trial fiscal to receive the parties' and their witnesses' evidence and upon receipt of the fiscal's report, handed down its resolution of the dispute.

The Court, therefore, sees no useful end or purpose that can be served by respondent court's last order of January 15, 1973 belatedly reserving to the parties the bringing of a proper court action to recover possession of the car and litigate once more the issue of ownership thereof - when for all intents and purposes such action has already been duly submitted to respondent court and its resolution is now properly the subject of the present petition. The Court holds that the issue of possession and ownership of the vehicle having been duly litigated below should properly be determinatively resolved in the present case, without further waste of time and effort that would be needlessly expended in a separate action that would just duplicate the proceedings already had in the case at bar.

ACCORDINGLY, respondent court's orders of August 8, 1972, January 15, 1973 and February 10, 1973 recognizing respondent's right to possession of the Toyota car (with Motor No. 4R-411530) are hereby set aside and in lieu thereof judgment is hereby rendered declaring petitioner as the lawful owner of the car to be entitled to its possession and ordering that the same be immediately returned to her. This order for the return of the possession of the car to petitioner shall be immediately executory upon promulgation of this decision. No costs, none having been prayed for.

Makalintal, C.J., Zaldivar, Ruiz Castro, Fernando, Barredo, Makasiar, Antonio, and Esguerra, JJ., concur.

[1] Annex D, petition.

[2] Annex A, petition.

[3] Annex H, petition.

[4] Annex J, petition.

[5] Issued by Hon. Jose C. Campos, Jr. who succeeded Hon. Walfrido de los Angeles as presiding judge of the court.

[6] Article 559 reads as follows: "The possession of movable property acquired in good faith is equivalent to a title. Nevertheless, one who has lost any movable or has been unlawfully deprived thereof, may recover it from the person in possession of the same. If the possessor of a movable lost or of which the owner has been unlawfully deprived, has acquired it in good faith at a public sale, the owner cannot obtain its return without reimbursing the price paid therefor."

[7] Arenas vs. Raymundo, 19 Phil 47.

[8] 13 SCRA 486 (1965).

[9] Citing Cruz vs. Pahati, 98 Phil. 788 (1956) and U.S. v. Sotelo, 28 Phil. 147 (1914).

[10] 47 SCRA 160 (Sept. 29, 1972) citing De Garcia vs. Court of Appeals, 37 SCRA 129 (1971) and other cases.

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