

FELICISIMO RONQUILLO, DECEASED, SUBSTITUTED BY ANTONIA DE GUZMAN VDA. DE RONQUILLO, ET AL., PLAINTIFFS AND APPELLANTS, VS. FRANCISCO MARASIGAN, DEFENDANT AND APPELLANT.

G. R. No. L-11621. May 31, 1962

Ponente: PAREDES, J.

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PAREDES, J.:

On December 1, 1941, Felicisimo Ronquillo and Francisco Marasigan, verbally entered into a contract of lease for Ten (10) years, over a parcel of nipa-land, more particularly described under paragraph 3 of the complaint. Pursuant to said contract, the nipa-land was delivered and Ronquillo took possession thereof until September 1, 1942, when Marasigan, in conspiracy with the laborers and men under the employ of Ronquillo, invaded and took over possession of the land. As a result of the dispossession, Ronquillo filed with the CFI of Bulacan, Civil Case No. 80, against Marasigan and on May 19, 1943, he included as defendants 14 others, praying that judgment be rendered, ordering the return of the nipa-land to him, so that he may continue his lease right over it for 9 years and 3 months more and that defendants be ordered, jointly and severally, to pay him P24,000.00 as yearly income from September 1, 1942 until the land has actually been delivered. The lower court, on September 1, 1947, rendered judgment, to wit—

"That the defendant deliver immediately the possession of the land described in the amended complaint to the plaintiff Ronquillo; that the defendant Marasigan execute a contract of lease covering the said land for a period of 10 years in favor of the plaintiff Ronquillo, as of December 1, 1941, by excluding therefrom the five years period from September 1, 1942 to August 31, 1947, inclusive, with a consideration of P14,000.00 minus the amounts of P1,200.00, P1,277.70 and P600.00, the amount of P1,277.70 being additional advances received by the defendant Marasigan and the last amount of P600.00 being a reserve fund for the payment of the land taxes; and that the defendant Marasigan will assume his former position as assistant manager with a compensation of P60.00 monthly."

Both parties appealed, and the Court of Appeals, on April 10, 1950, rendered judgment in the following manner—

"WHEREFORE, the decision appealed from is hereby modified in the sense that defendant Marasigan shall not be compelled to assume his former position as assistant manager in the business of the plaintiff unless he be willing to serve as such, with compensation at the rate of P60.00 per month. The decision is affirmed in all other respects, with the understanding, however, that defendant Marasigan shall pay to the plaintiff the damages that the latter may prove to have suffered if the provision regarding the execution of a new contract of lease of said land could not be carried out for any legal impediment. Without pronouncement as to costs in this instance."

Upon the finality of the decision in Civil Case No. 80, as modified by the Court of Appeals, the case was remanded to the lower court for the execution of the judgment. Ronquillo deposited the amount adjudged for him to pay in the amount of P10,922.31, as full payment of the rentals of the land for 10 years. A writ of execution

was ordered served on Marasigan by the Provincial Sheriff on September 13, 1950. On September 19, 1950, Marasigan thru counsel informed the Sheriff that delivery of the land to Ronquillo could not be undertaken because the co-defendants of Marasigan were holding the same as lessees and told said Sheriff that Ronquillo can avail of the alternative provided for in the modified decision of the Court of Appeals, that is, to prove his damages due to failure to deliver the land.

On October 3, 1950, Ronquillo presented a motion praying the Court to order (1) the immediate delivery of the land in question and the Sheriff to place Ronquillo in possession; (2) defendant Marasigan to execute the deed of lease as provided for in the decision of the CFI; and (3) that upon failure of Marasigan to comply, to order his arrest for contempt.

An opposition to the above motion was presented and on November 10, 1950, the following order was promulgated:

"The Court is of the opinion, and so hold that the opposition is groundless so that the Provincial Sheriff is hereby ordered to place immediately the plaintiff in the possession of the property in question, and that in view of the deposit made by the plaintiff of the sum of P10,927.30 as consideration of the lease, said defendant Francisco Marasigan is hereby ordered to execute said deed of lease in the precise terms specified in the dispositive part of the decision within (10) days from the receipt of a copy hereof, otherwise, and in pursuance of Section 10, Rule 39 of the Rules of Court, the Clerk of Court, Mr. Leopoldo C. Palad, is hereby authorized to execute said deed of lease in the precise terms as specified in the said decision."

Under date of November 13, 1950, possession of the land was delivered to Ronquillo. A motion for reconsideration filed by Marasigan on November 17, 1950 was denied on the same date.

A manifestation, with a proposed deed of lease, as called for in the decision of the Court of Appeals, was filed on November 27, 1950. On December 4, 1950, Marasigan filed a motion asking for authority to withdraw the P10,922.30 deposited by Ronquillo, since plaintiff has already been placed in possession of the land in litigation. Plaintiff interposed no objection to the withdrawal, and on December 12, 1950, defendant Marasigan collected the amount.

An approval of the deed of lease proposed by Marasigan submitted on November 27 was urged by said Marasigan, in a motion of December 19, 1950. An objection was interposed by plaintiff Ronquillo. Instead, he asked that Clerk of Court Palad be directed to execute the deed of lease, which he (plaintiff) attached to the opposition as Annex A, inserting verbatim the dispositive part of the decision rendered in Civil Case No. 80. The lower court, under date of January 18, 1950, issued the following order:

"The Court is of the opinion, and so hold, that the judgment provides a deduction of five (5) years from the ten (10) year contract of lease beginning from December 1, 1941, and that the five years should be counted from September 1, 1942 to August 31, 1947. Therefore, the period of lease should be, according to the said dispositive part of the judgment, ten years from the date of the plaintiff was recently placed in possession of the land excluding the period from December 1, 1941 to August 31, 1942 or nine (9) months. It is clear and just that these five years, which was not enjoyed by the lessee, must be discounted and added to the period of lease which is to be executed now when the lessee will continue enjoying his right of the lease. * * *."

Wherefore, said contract of lease filed by the defendant is hereby disapproved and the form of contract of lease prepared by the Clerk of Court as authorized in the order dated November 10, 1950, and filed by the plaintiff, attached to his opposition, may be approved by this Court, it being in conformity with the dispositive part of the judgment." (Exh. "F"; Rec. on Appeal, pp. 9-11).

Pursuant to the above order, Clerk of Court Palad and plaintiff Ronquillo executed, on January 22, 1951, the deed

of lease in the terms prescribed by the said order and by Urgent Motion of the same date, plaintiff prayed for the approval of the same. Defendant opposed the urgent motion anchoring his objection on the allegation that the proposed deed leaves the end or termination of the period of lease subject to further 'interpretation of the parties, and that the order, instead of settling an issue, leaves the matter open to further litigation. On March 13, 1951, the lower court handed down the following order: –

"Wherefore, the order of January 18, 1951 is hereby modified in the sense that the draft of the contract of lease therein approved should provide that, in accordance with the terms of the dispositive part of the decision of this Court, said lease should be for a period of ten (10) years, starting from December 1, 1941, and running through and including August 31 1942, and start to run again from September 1, 1947 up to and ending on December 1, 1956. * * *."

A motion for a reconsideration of the above order, was denied on April 19, 1951. On appeal, the Court of Appeals on May 13, 1952, rendered judgment, to wit:

"Wherefore, the orders of March 13, and April 19, 1951, are hereby set aside and the defendant Francisco Marasigan is hereby ordered to execute a contract of lease embodying the conditions set forth in the decision of the lower court, with the understanding that the contract should be for a period of nine (9) years and three (3) months more, to begin from November 10, 1950, until said period is covered in full. * * *."

Defendant Marasigan in turn brought the above judgment to this Court on certiorari (appeal), docketed as G. R. No. Lr-5810 and a judgment was rendered, the pertinent portions of which are reproduced hereunder:

"The change ordered by the Court of Appeals was made when the judgment was already being exempted; and it can not be said to merely correct a clerical error because it provides for a contract of lease of nine years and three months duration, from November 10, 1950, which is different from one to ten years from December 1, 1941, excluding the period from September 1, 1942 to August 31, 1947. The modification is however, sought to be justified by two circumstances, namely, the withdrawal by the lessor of the amount of P10,922.30, which amount, together with the other sums previously received, total P14,000.00, and which is the rental for a full ten years term, and the injustice caused the lessee because he was not placed in possession from September 1, 1947 but on November 10, 1950, when the court ordered the execution of the judgment.

The reasons given above are not entirely without value or merit; but while they may entitle the lessee to some remedy, the one given in the appealed decision flies in the teeth of the procedural principle of the finality of the judgments. When the decision of the Court of Appeals on the first appeal was rendered, modification thereof should have been sought by proper application to the court, in the sense that the period to be excluded from the ten-year period of the lease (fixed by the judgment of the court of first instance to begin on September 1, 1942 and end on August 31, 1947), be extended up to the date when the land was to be actually placed in the possession of the lessee. This full period should be excluded in the computation of the ten year lease because the delay in lessee's taking possession was attributable to the lessor's fault. Whether the failure of the lessee to secure this modification in the original judgment as above indicated is due to the oversight of the party, of the court, or of both, the omission or mistake certainly could no longer be remedied by modification of the judgment after it had become final and executory.

As to the acceptance by the lessor of the full amount of the price of the lease for a full ten year period, from which acceptance the judgment infers an acquiescence in a lease for fully ten years from November 10, 1950 (the date when lessee was placed in possession after judgment), it must be stated that such act of acceptance was made after the date of the final judgment, it may not be permitted to justify its modification, or change, or correction.

Said act of acceptance may create new rights in relation to the judgment, but the remedy to enforce such rights is not a modification of the judgment, or its correction, but a new suit or action in which the new issue of its

(acceptance) supposed existence and effects shall be tried and decided." (Exh. "I", pp. 6-8; Rec. on Appeal, pp. 14-17).

Because of the observations of this Court in the above judgment, Ronquillo filed the present case (Civ. Case No. 977), against the defendant Marasigan over the same parcel of nipa-land, subject matter of the previous case between them (Civ. Case No. 80). He prays that judgment be rendered:—

"(a) Under the first cause of action, declaring the plaintiff to be entitled to a continuation of the lease now existing between the parties over the nipa-land in litigation for a period of three (3) years, two (2) months and nine (9) days more, and ordering the defendant to execute the corresponding deed of lease in favor of the plaintiff;

(b) Under the second cause of action, sentencing the defendant to pay the plaintiffs such moral, actual and compensatory damages which may be proved in court plus reasonable attorney's fees and the costs of this action; and

(c) Granting unto the plaintiff any other just and equitable relief in the premises."

Defendant Marasigan presented a Motion to Dismiss the complaint on two grounds: Lack of cause of action and res judicata, and/or estoppel by judgment. In argument supporting the above contention, defendant claims that the period within which the lease should commence to run and end has squarely been decided not only by the CFI of Bulacan, but also the Court of Appeals and the Supreme Court. An opposition to the motion to dismiss was registered by plaintiff Ronquillo, arguing that a valid cause of action exists and the complaint was filed in view of the aforecited observations of the Supreme Court.

With the denial of the motion to dismiss, on March 16, 1955, defendant filed his Answer which, after the customary admissions and denials, interposed Special Defenses and a Counterclaim, to wit:

"As Special Defenses:

- That the complaint states no cause of action;
- That it is barred by the statute of limitation; and
- That the judgment in Civil Case No. 80 affirmed by the Court of Appeals with slight modification in CA-G.B. No. 2816-R and finally interpreted and decided by the Supreme Court in SC-G. R. No. L-5810 is res adjudicata between the parties to the present action, the Court having taken into account the rental value of the premises at the time of the rendition of the decision."

After trial, the CFI of Bulacan, dismissed the complaint and counterclaim, without costs, stating—

"* * * Consequently, it is our sense that this suit is barred by the decision of the Supreme Court in Civil Case No. 80, affirming the orders of January 18 and March 13, 1951, of this Court.

At least, if the decision rendered by this Court in Civil Case No. 80 (Exh. "A") as slightly modified by the Court of Appeals, and its orders of January 18, and March 13, 1951, as affirmed by the Supreme Court, do not constitute res judicata to the instant case, they operate as an estoppel by judgment. For indeed there is identity of parties and subject matter in this case and in Civil Case No. 80 (Paccial vs. Palermo, L-2185, Apr. 29, 1950, 47 Off. Gaz. 6184).

The acceptance by the defendant (lessor) of the full amount of the lease for a full ten year period may, as held by the Supreme Court 'create new rights in relation to the judgment.' But as it is said, 'the remedy to enforce such rights is not a modification of the judgment * * *'. This suit, in effect, seeks to modify the judgment of the

Supreme Court holding that the lease shall end on December 1, 1956. (Exh. "I"). Said court could not have in mind this suit as the 'new suit or action in which the new issue of its (acceptance) supposed existence and effects shall be tried and decided.'

Plaintiff, on May 16, 1956, filed a Notice of Appeal, assailing the above findings and conclusions. Defendant MJarasigan filed a motion for reconsideration of the above judgment for failure to award him the reserve fund of P600.00 claimed in his counterclaim. Plaintiff as appellant, urges a reversal of the decision of the CFI of Bulacan on eight (8) assignments of errors, which can be consolidated into the following issues :

- The interpretation of the decision of the Court of Appeals in Civil Case No. 80 (CA-G.R. No. 2816-R, April 20, 1950, Exh. H.);
- Whether res judicata has set in;
- The right to damages.

It is manifest that the complaint instituted by Ronquillo in Civil Case No. 997 was principally based upon the observation of this Court in the Certiorari case, where We stated that the acceptance by Marasigan of the full amount of the rentals of the land for ten (10) years was an acquiescence that the lease should be for the whole period of ten (10) years, which act may have created new rights in relation to the judgment and which should be enforced by a new suit. Having accepted the rentals for the full ten (10) year period, Marasigan is now estopped from claiming that Ronquillo should be entitled to the leasehold for less than the said period. Moreover, no one should enrich himself at the expense of another. After stating that the act of Marasigan created new rights which may be enforced in a new suit, We can not, and should not, just cross our arms and stand aloft to the predicament of herein appellant Ronquillo. To deny this appeal on the principles of res judicata and/or estoppel by judgment would be sacrificing justice to technicality. Their application to the case, under the particular facts obtaining, would amount to denial of justice and/or a bar to a vindication of a legitimate grievance,. In cases like the one under consideration, a liberal interpretation of the rules becomes imperative and technicalities should not be resorted to in derogation of the intent and purpose of the rules—the proper and just determination of a litigation. There is no vested right in technicalities (*Alonzo vs. Villamor*, 16 Phil. 315). Furthermore, we find no application of the doctrine of res judicata in this case. At the bottom of things, the present complaint seeks merely the implementation of the judgment in Civil Case No. 80, which ordered appellee Marasigan to deliver the nipa-lands to Ronquillo and to execute a deed of lease for ten (10) years in his favor, to commence from December 1, 1941. And even if We grant, for purposes of argument, that res judicata is applicable, "it is always in the power of the Court to suspend its own rules, or to except a particular case from its operation, whenever the purposes of justice require it" (*C. Viuda de Ordoveza vs. Raymundo*, 63 Phil. 275). The fact that the decision which made the deduction on the period of lease has become final, does not preclude a modification or an alteration thereof because even with the finality of judgment, when its execution: becomes impossible or unjust, as in the instant case, it may be modified or altered to harmonize the same with justice and the facts (*Ocampo vs. Sanchez*, 51 Off. Gaz. 4543) 97 Phil., 472.

Wherefore, the Order dismissing the complaint and the counter-claim in Civil Case No. 997, is hereby reversed, and the case is remanded to the Court of origin, for further proceedings. Without special pronouncement as to costs.

Padilla, Bautista Angelo, Reyes, J. B. L., Barrera, and Dizon, JJ., concur,
Labrador and Concepcion, JJ., concur in the result.

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