

BENITO ORIT, PLAINTIFF AND APPELLEE, VS. BALRODGAN COMPANY, LTD., DEFENDANT AND APPELLANT.

G. R. No. L-12277. December 29, 1959

Ponente: PADILLA, J.

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PADILLA, J.:

On 22 November 1955 the plaintiff brought an action in the Court of First Instance of Camarines Norte to collect from the defendant the sum of P5,000, the balance of an account due for export logs purchased by the latter from the former, P1,500 as attorney's fee, P3,000 as moral damages, P2,000 as exemplary damages and costs, and to obtain any other just and equitable relief (civil No. 750).

On 7 January 1956 the defendant filed an answer. On 25 September 1956 the parties, assisted by their respective counsel, entered into a stipulation of facts and submitted it to the Court. The terms of the stipulation are:

That the defendant admits in open court its obligation to the plaintiff in the amount of FIVE THOUSAND PESOS (P5,000.00), Philippine Currency, plus interest thereon from December 8, 1955 and costs;

That the parties mutually agreed to submit to the Court a fixed date when the defendant should pay the plaintiff the above obligations, the submission of which date is hereby mutually agreed to be up to not later than November 6, 1956;

That for failure of the parties to submit to the Court the agreed date of payment on November 6, 1956, they mutually agreed that the Court shall have the full power to fix a reasonable time when the defendant should pay, and a judgment therefor shall issue based upon this stipulation of facts.

The parties failed to submit to the Court the date when the defendant had to pay its debt to the plaintiff. On 6 November 1956 the plaintiff filed an ex-parte motion praying that judgment be rendered upon the stipulation of facts and that the Court fix the time within which the defendant should pay the sum due to the plaintiff. On 28 November 1956 the Court rendered judgment as prayed for ordering defendant to pay the plaintiff within thirty days from receipt of notice of judgment the sum of P5,000 with legal interest thereon from 8 December 1955 until fully paid and to pay the costs. On 21 January 1957 the Court denied the defendant's motion for reconsideration dated 12 January 1957. The defendant has appealed.

The appellant admits that it owes the appellee the sum of P5,000. Under the second paragraph of the stipulation of facts, they agreed to set a date for the appellant to pay the appellee, to be submitted to the Court not later than 6 November 1956 and under the third paragraph of the same stipulation, should they fail to set a date for payment on 6 November 1956, the Court may set a reasonable time for the appellant to pay the appellee. As they failed to set a date for payment and submit it to the Court, on motion of the appellee, the Court rendered judgment upon the stipulation of facts and ordered the appellant to pay the appellee within thirty days from receipt of notice of judgment. The judgment rendered by the Court was but in pursuance of the compromise agreement embodied in the stipulation of facts entered freely and voluntarily by the parties with the assistance of their respective counsel.

The appellant cannot now claim and complain that the period fixed by the Court is unreasonable.

Citing article 1196 of the new Civil Code in support of its appeal, which provides that:

Whenever in an obligation a period is designated, it is presumed to have been established for the benefit of both the creditor and the debtor, unless from the tenor of the same or other circumstances it should appear that the period has been established in favor of one or of the other;

the appellant claims that the period of thirty days fixed by the Court redounded to the benefit only of the creditor, the appellee, and not mutually to the creditor and the debtor. In its brief, the appellant prays that it be granted at least a year within which to pay the appellee. The article cited by the appellant cannot be applied to the case at bar where the parties entered into a compromise agreement ending a controversy and authorizing the Court to fix a reasonable time within which the appellant should pay its debt to the appellee, if they fail to agree upon a date for payment and submit it to the Court. It applies where the parties to a contract themselves have fixed a period.

The appeal interposed by the appellant is manifestly to delay but not to evade payment of its debt. Nothing has been agreed upon by the parties in their stipulation on that contingency. Hence the collection or recovery of the sums of P1,800 as attorney's fee, P3,000 as moral damages and P2,000 as exemplary damages sought by the appellee in its motion dated 6 May 1957 filed in this Court cannot be granted.

The judgment appealed from is affirmed, with treble costs against the appellant.

Paras, C. J., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Endencia, Barrera, and Gutierrez David, JJ., concur.

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