

MAXIMO BAQUIRAN, PETITIONER, VS. HON. WENCESLAO ORTEGA, ET AL., RESPONDENTS.

G.R. No. L-18156. August 31, 1965

Ponente: REGALA, J.

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REGALA, J.:

Petition for certiorari to review an Order of the Court of First Instance of Ilocos Norte directing the delivery of the sum of P5,000.00 to Damaso Baquiran and Antonino Baquiran.

On December 1, 1953, the Court of First Instance of Ilocos Norte rendered a decision in Case No. 591 the dispositive portion of which provided:

"WHEREFORE, the Court renders judgment, ordering the partition of the six (6) parcels of land described in the amended complaint among the plaintiffs and the defendants except Maximo Baquiran in the proportion above stated and the plaintiffs are entitled to acquire the house of defendant Maximo Baquiran built on Lots Nos. 9451 and 9452 by paying him the sum of P5,000.00 as alleged by him in his answer to the complaint, or to compel him to pay them the price of the lands agreed upon by the interested parties; and in default thereof, the price as fixed by the Court; and should the plaintiffs choose to acquire the house, the defendant Maximo Baquiran shall have the right to retain the same until the said amount of P5,000.00 is satisfied. The defendant Maximo Baquiran is ordered to pay rents to the plaintiffs in the amount of P120.00 a month from October, 1947 until the plaintiffs shall have acquired his house built on the said lots or until the defendant Maximo Baquiran shall have chosen to buy the land where his house is built.

"The plaintiffs and defendants can make an extrajudicial partition of the six (6) parcels of land, if they can do so, otherwise the Court will appoint commissioners on partition on their petition.

"Defendant Maximo Baquiran shall pay one-half (1/2) of the costs and the other half shall be borne by all the parties herein."

Subsequently, the above decision was affirmed by the Court of Appeals under Case No. C.A.-G.R. No. 13515-R, promulgated November 12, 1956, with minor modifications. The dispositive part of the Court of Appeals decision provided:

"WHEREFORE, in so far as the judgment appealed from orders appellant to pay rents to appellees in the amount of P120.00 a month from October 1947, the same is hereby reversed and set aside. Otherwise, the said judgment is affirmed without pronouncement as to costs in this instance."

In still another case, related to and arising out of the same litigation, C.A.-G.R. No. 24150-R, the Court of Appeals decided that Maximo Baquiran was entitled to a refund of P5,000.00 on the house constructed in Lot No. 9452.

Damaso Baquiran and Antonino Baquiran, two of the plaintiffs in the civil suit subject of the above decisions, elected to avail of the option granted by the said decisions. Accordingly, they deposited with the Clerk of Court of the Court of the First Instance of Ilocos Norte the amount of P5,000.06 and asked that the possession of the house

of Maximo Baquiran be delivered to them. The record disclose that, as prayed for, the possession was turned over to and received by Damaso and Antonino since the latter admitted in their answer to this petition that "the decision relative to the lot and house" was "for all purposes fully executed and complied with."

On December 1, 1960, Maximo Baquiran filed a motion with the trial court for the delivery to him of the amount deposited with the Clerk of Court. The motion, however, was opposed by two parties, namely: (1) Dr. Gregorio Andres and Mrs. Rosa B. Andres who claimed that they bought the disputed house from Maximo Baquiran on June 2, 1951 and, therefore, they were entitled to the proceeds of the sale of the same; and (2) the Ilocos Norte Branch of the Philippine National Bank which claimed that "on February 21, 1951 Maximo Baquiran and his wife obtained a loan from it which was secured by a mortgage contract; that mortgagors, unable to pay the loan, the Bank foreclosed the mortgage on March 21, 1958; that after the expiration of the one year period for redemption without the said right being exercised by the mortgager, the Bank consolidated its title to the house which was the subject of the mortgage."

On learning of the above oppositions, Antonino and Damaso Baquiran filed a motion dated December 10, 1960 praying for the return to them of the P5,000.00 deposited with the Clerk of Court. As grounds therefor, they claimed that since Maximo Baquiran was no longer entitled to the said amount, the same should be given back to them. They also expressed the apprehension that the claims of the spouses Andres and Philippine National Bank against Maximo Baquiran might disturb them in their possession of the house in question.

In subsequent pleadings, both the Philippine National Bank and Maximo Baquiran opposed the above motion of Antonino and Damaso Baquiran for the withdrawal of the amount deposited with the Clerk of Court. In an Order dated February 8, 1961, however, the trial court granted the said motion of December 10, 1960 and directed the return of the disputed deposit to Antonino and Damaso Baquiran. The motions for reconsideration of the above two oppositors having been denied, Maximo Baquiran appealed to this Court on a petition for certiorari. The prayer in the said petition for the issuance of a preliminary injunction was granted by this Court.

The petitioner urges that the trial court committed grave abuse of discretion in ordering the release of the amount in question to Damaso and Antonino Baquiran and prays that the said amount be, instead, turned over to him. On the other hand, the Philippine National Bank claims the exclusive right to receive and have the said amount on the proposition that it had legally secured the foreclosure of the mortgage on the house for which the said sum was deposited and that it had thereafter consolidated its title to the said house. The records do not disclose any opposition by the spouses Andres to the or under review.

Quite clearly, therefore, the only issue to be resolved by this Court is whether the trial court committed grave abuse of discretion in directing the return of the amount in question to Antonino and Damaso Baquiran, the latter now deceased and represented in this litigation by his heirs.

In awarding the disputed deposit to Antonino and Damaso Baquiran, the trial court explained that Maximo Baquiran could not "eat his cake and have it too. After selling his house to the Bank and then selling it again to Dr. Andres, he now insists in getting the P5,000.00 as the price of the third sale. This, the Court will not allow."

While it is true that, upon the antecedent transactions to which the parties hereto have engaged themselves in, Maximo Baquiran can have no legal claim whatsoever to the amount in question, it does not follow as a logical and legal consequence therefrom that Antonino and Damaso Baquiran are entitled to the said amount. The trial court overlooked that other parties might have a stronger and more valid claim over the said amount than Antonino and Damaso Baquiran. As in fact is the case.

In the first place, it should be borne in mind that Antonino and Damaso Baquiran had already exercised the option

granted to them by the aforementioned decisions of the trial court and the Court of Appeals. Towards that end, they have done all the acts necessary to consummate the exercise of their right. They have paid in full the consideration for exercising the option when they deposited P5,000.00 with the Clerk of Court, and, have caused the tenant of the house in question to vacate the same and turn over its possession to them. All these should stamp finality and collusiveness into the option right of Damaso and Antonino Baquiran. They cannot now be allowed to revoke or go back on their decision regarding the said option. In the absence of any cogent and valid excuse, an option exercised to its completion should be irrevocable.

In the second place, the apprehension of Antonino and Damaso Baquiran that they might be disturbed in their possession of the house in question because of the claims on the amount deposited with the Clerk of Court by the creditors of Maximo Baquiran is totally unfounded. The creditors of Maximo Baquiran have laid no claim whatsoever to the house itself. They apparently concede Antonino's and Damaso's right to it. What they are after is the proceeds from the sale by Maximo of the said house to them, Antonino and Damaso, when the latter, in exercise of their option, bought the same from the former. The house itself and the proceeds from its sale are two distinct and separable subjects. The claim of Maximo's creditors on the proceeds is not a claim on the house.

The singular interest or right of Antonino and Damaso Baquiran, upon the exercise of their option, was to be placed in the peaceful possession of the house in question. Their interest over the same did not extend to the disposition of the amount deposited with the Clerk of Court. Whether the said amount went to Maximo Baquiran or any of his creditors, the right of Antonino and Damaso Baquiran to the peaceful possession of the said house could not have changed or been impaired. For, the disposition of the said amount would have been predicated on Maximo Baquiran's liability as a debtor to his several creditors while the acquisition of the house by Damaso and Antonino would have been secured by the finality of the judgment awarding the same to them upon their payment of the corresponding price, which they did.

The decision of the trial court in the first instance and as affirmed by the Court of Appeals on two occasions ruled that Damaso and Antonino Baquiran were entitled to have the house in dispute provided they paid P5,000.00 for it to Maximo Baquiran whom the said decisions apparently considered was the owner of the said house. Since, as it turned out, ownership to the said house has passed on from Maximo Baquiran to the Philippine National Bank before the above judgment could be executed as a consequence of the consolidation of the title to the same in the name of the said bank, it is inescapable to conclude that the Philippine National Bank was subrogated into the above right of Maximo Baquiran to receive the P5,000.00. Furthermore, as Maximo Baquiran, the Philippine National Bank and the spouses Andres have entered into a "Stipulation of Facts and/or Compromise," the principal term of which is hereunder reproduced, to wit:

"1. That the defendants, more particularly, the defendant Maximo Baquiran, hereby express their conformity to the withdrawal by the Philippine National Bank of the amount of P5,000.00 now deposited with the Clerk of Court; and that, likewise, the claimants Gregorio Andres and Rosa B. Andres, are hereby expressing their conformity to said withdrawal of the stated amount."

there cannot be any lawful or regular alternative to awarding the aforesaid amount except to the Philippine National Bank.

In view of all the foregoing, the orders complained of are hereby modified. The lower court is directed to authorize the withdrawal of the amount in dispute, deposited with the Clerk of Court of the Court of First Instance of Ilocos Norte by and in favor of the respondent Philippine National Bank, Ilocos Norte Branch. No pronouncement as to costs in this instance.

Bengzon, C. J., Bautista Angelo, Concepcion, Reyes, J. B. L., Makalintal, Bengzon, J. P., and Zaldivar, JJ.,

concur.

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