

MAXIMO PLENO, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND MANILA GAS CORPORATION, RESPONDENTS.

G.R. No. L-56919. October 23, 1981

Ponente: ABAD SANTOS, J.

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ABAD SANTOS, J.:

This is a petition to review and reverse the decision of the Court of Appeals in CA-G.R. No. 64767-R promulgated on January 22, 1981, which absolved the Manila Gas Corporation from paying interest on a money claim to the plaintiff who is the petitioner herein.

The factual and legal antecedents are stated in the decision sought to be reviewed. They are:

"The basic action in the instant case was filed by Maximo Pleno, hereinafter referred to as the plaintiff, against Manila Gas Corporation, hereinafter referred to as defendant, for sum of money. Plaintiff had been an employee of the Manila Gas Corporation and was separated from the service effective July 16, 1954 following an administrative case instituted by the de-fendant against the plaintiff. He appealed the decision to the Office of the President and on October 10, 1956, the defendant's decision was modified in the sense that the plaintiff was merely considered resigned with right to salary on date of his suspension to the date of receipt of the money value of his accumulated vacation and sick leave. Following receipt of such decision from the Of-fice of the President, plaintiff made motions for the implementation thereof to no avail until finally he filed the basic complaint on November 15, 1976. The defendant in their answer denied the material allegations of the plaintiff and in the trial before the court a quo, it pleaded as its principal defense the fact that the cause of plaintiff against the defendant had already prescribed. After the issues were joined, trial proceeded and the court a quo dismissed the complaint on April 22, 1977. Plaintiff's motion for reconsideration was also denied on July 5, 1977.

"The petitioners challenged the foregoing order in a Petition for Certiorari before the Court of Appeals docketed as CA-G.R. No. SP-06926. In the resolution thereof, this Court found that the cause of the plaintiff did not prescribe. It consequently annulled and set aside the challenged orders 'insofar as they dismiss petitioners' action to enforce the decision of the Office of the President dated October 10, 1956.' Upon the remand of the records to the court of origin, the de-fendant immediately complied by paying the plaintiff the sum of P24,672.83. The check representing the amount was received by the plaintiff in open court on November 21, 1978. The plaintiff, however, reserved the right to demand interest which the defendant denied. After the matter was sufficiently discussed before the court of origin, the court a quo rendered judgment for the plaintiff as follows:

'Interest at the rate of 6% per annum commenced to accrue upon the principal of P24,672.83 on May 30, 1957, until July 29, 1974, when legal interest became 12% in ac-cordance with Central Bank Circular No. 416 issued pursuant to Presidential Decrees Nos. 116 and 858. The interest at 6% for a period of from May 30, 1957 to July 29, 1974 a period of 17 years, 1 month and 29 days, amounts to P25,408.90, while interest of 12% from July 29, 1974, up to the filing of the complaint on November 15, 1976, a period of 2 years, 3 months, and 16 days, totals P6,793.19. The amount due the plaintiff on interest alone on the date of the institution of this suit was P32,202.

09.

'Award of attorney's fees as damages is a matter of discretion on the part of the Court (De la Cruz v. Cruz, 32 SCRA 307, Kalao v. Luz, 34 SCRA 337). Where a party prosecutes or defends a case not unfounded or maliciously but in good faith, as the defendant had done in contesting the claim of the plaintiff on its interpretation of the law, the Court is justified in refusing assessment of attorney's fees (Ramos v. Ramos, 61 SCRA 284,306).

'Premises considered, the Court hereby sentences the Manila Gas Corporation to pay Maximo Pleno an additional amount of P32,202.09 with interest at 12% from November 15, 1976, until same is paid.

'SO ORDERED.'

"From the said judgment, both parties-litigants appealed x x x.

"Upon the foregoing, the principal issue to be resolved is whether the court a quo erred in awarding interest in favor of Pleno.

"It did. The decision of this Court in CA-G.R. No. SP-06926 clearly stated that -

'WHEREFORE, judgment is hereby rendered annulling and setting aside the questioned orders of respondent Court, dated April 22, 1977 and July 5, 1977, insofar as they dismiss petitioner's action to enforce the decision of the Office of the President dated October 10, 1956.'

"From the said dispositive portion of the decision the appellant Manila Gas Corporation contends that since the Court a quo did not assess any interest payment, there should have been no interest assessment in the judgment appealed from. We agree. The decision of the Court of Appeals required the enforcement of the decision of the Office of the President dated October 10, 1956. The said decision sought to be enforced categorically states – 'In view thereof, you are hereby considered resigned effective upon receipt hereof, with right to salary from date of your suspension to the date of receipt hereof and to the money value of your accumulated vacation and sick-leaves.' The decision of the Court of Appeals was silent regarding interest. The decision became final and executory. The modification sought is substantial. It cannot be done. The appellant Pleno should have sought re-consideration of this Court's decision. His failure to do so is waiver on his part.

"The alleged delay in his payment of the obligation is of no moment considering that the decision of this court acquired finality without it having been modified on time. Our Supreme Court in Robles vs. Timario, 107 Phil. 809, held that no interest payment could be enforced on the judgment sought to be executed since the judgement of the Court of Appeals did not advert to the payment of such interest. x x x. "

We cannot accept the rationale and decision of the Court of Appeals. The rationale is that since its decision in CA-G.R. No. SP-06926 "was silent regarding interest" and the same having become "final and executory" without the petitioner (Maximo Pleno) therein filing a motion for reconsideration, an award of interest would substantially modify the final judgment something which cannot be done under the doctrine laid down in Robles vs. Timario, 107 Phil. 809 [1960].

We do not believe that Robles vs. Timario is applicable to the case at bar and that the award of interest to the petitioner Pleno will have the effect of modifying the judgment of the Court of Appeals in CA-G.R. No. SP-06926 because the only issue decided in that case was whether or not Pleno's claim against Manila Gas Corporation had prescribed. The Court of Appeals was not asked to determine and in fact did not determine whether or not Pleno was entitled to the amount claimed by him and for this reason the same court could not have made any pronouncement with respect to interest due on his claim. The Court of Appeals' judgment which attained finality merely reads:

"WHEREFORE, judgment is hereby rendered annulling and setting aside the questioned orders of „respondent Court, dated April 22, 1977 and July 5, 1977, insofar as they dismiss petitioner's action to enforce the decision of the Office of the President dated October 10, 1956."

It is indubitable that as early as October 10, 1956, the Office of the President had ordered the payment of the petitioner's salary and the money value of his vacation and sick leaves. For reasons of its own, the Manila Gas Corporation refused to comply with the order of the Office of the President. It was only after the petitioner had resorted to judicial relief that the Manila Gas Corporation paid on November 21, 1978 the amount due to him or after the lapse of more than twenty-two (22) years. What the Manila Gas Corporation did is contrary to compassion and humanism so ably expounded and practiced by the First Lady - Madame Imelda R. Marcos.

WHEREFORE, finding the petition to be well-taken, the same is hereby granted; the decision of the Court of Appeals is reversed and that of the Court of First Instance of Manila awarding interest to the petitioner is affirmed, with costs against the private respondent.

SO ORDERED.

Barredo, (Chairman), Concepcion, Jr., Fernandez,* and De Castro, JJ., concur.

* Justice Ramon C. Aquino did not take part because Justice Carolina Griño-Aquino of the Court of Appeals concurred in the decision under review and Justice Ramon C. Fernandez was designated to take part accordingly.

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