

JULIAN CABRERA, PETITIONER, VS. PEDRO V. LOPEZ AND COURT OF APPEALS, RESPONDENTS.

G.R. No. L-1554. October 31, 1949

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

On August 14, 1944, in the Court of First Instance of Pangasinan, Pedro V. Lopez filed suit (civil case No. 589) to compel Julian Cabrera to reconvey to him one-half (1/2) of four parcels of land described in his complaint, which he had sold to said Cabrera on May 31, 1938, for the sum of P500, with right to repurchase within a period of five years, claiming that although he failed to effect the redemption within the five-year period, that is to say, on or before May 31, 1943, nevertheless, Cabrera had, upon his (Lopez') request agreed to extend the period of redemption until after the war, and that in pursuance of said agreement of extension, he had offered to redeem the land sometime in 1944; that Cabrera evaded receipt of payment of the repurchase price and so he (Lopez) sent the amount of P500 by money order, but Cabrera refused to accept said amount and returned the money order to him and Lopez had to deposit or consign in court the said amount of P500. Cabrera claims that he never extended the period of redemption and that inasmuch as the plaintiff failed to redeem the land on or before May 31, 1943, he (Cabrera) has become absolute owner of 1/2 of the four parcels of land in question. After hearing, the lower court rendered judgment on April 3, 1946, in favor of Lopez and ordered Cabrera to allow the repurchase of the property involved upon payment by Lopez of P500 in legal tender plus P500 for useful expenses incurred on said property.

We are reproducing a portion of the decision of the lower court which contains its findings of fact:

"Son hechos probados en esta causa que el demandante Pedro V. Lopez entrego las cuatro parcelas de terreno descritas en su obmanda a Claro B. Cera para su cultivo; que el mismo demandante vendio antes de la guerra, o sea, en 31 de Mayo de 1938, al demandado Julian Cabrera la mitad de las citadas cuatro parcelas de terreno por la suma de P500, con el pacto de poder reseataria dentro de 5 años (Exhibit A); que el comprador Julian Cabrera entrego la mitad que compro al mismo Claro B. Sera para su cultivo; que posteriormente, o sea el 15 de Septiembre de 1939, antes atin de la guerra el citado demandante vendio de una manera absoluta la otra mitad al susodicho Claro B. Cera por la suma de P500 (Exhibit 2); que mucho antes de que expire el plazo del demandante para rescatar la mitad vendida al demandado Julian Cabrera, jeste, Pedro V. Lopez y Claro B. Cera convinieron en que este ultimo introduciria de su propio peculio varias mejoras en los terrenos, la mitad de cuyo importe seria reembolsada por el que de los dos, Pedro V. Lopez y Julian Cabrera, se quedarla dueno en definitiva de la mitad vendida por el primero con pacto de retro al segundo; que Claro B. Cera introdujo varias mejoras en los terrenos, construyo un pozo artesiano en ellos y convirtio la mitad de la parcela grande en una pesqueria, por cuyas mejoras gasto la suma de P1,000; que en Mayo de 1943, poco antes de que expire su plazo para rescatar, estando el pals invadido por los Japoneses, el demandante Pedro V. Lopez se acerco al demandado Julian Cabrera y le pidio que le extendiera su plazo para rescatar y ya porque el vendedor era su vecino y pariente o ya porque no le convenfa recibir dinero fiat, dicho Julian Cabrera condescendio; que, en 12 de Octubre de 1943, el demandado reembolso a Claro B. Sera la suma de P500, mitad de los gastos incurridos por las mejoras introducidas (Exhibits 4 y 4-A); que, el demandado, apremiado por sus hermanos, que se

consideraban condueños de e en los terrenos y poseedor de papeles de banco japoneses, escribió el 12 de Julio de 1944 el demandado, pidiendole que acepte el Giro Postal que le enviaba adjunto por la cantidad de P500 en rescate de la mitad vendida de las referidas cuatro parcelas de terreno (Exhibits C, D, D-1, E y E-1), pero esto, negandose a dar de rescatar dieha mitad, devolvio el Giro Postal; que en 28 de Agosto de 1944, el demandante promovio la presente causa, depositanao en la mlsma fecha en poder del Escribano la suma de P500 a disposicion del demandado (folio 7 y Exhibit F)."

From the decision of the trial court, only Cabrera appealed to the Court of Appeals which accepted the findings of fact of the trial court and even reproduced in its decision the portion of the trial court's decision copied above. The Court of Appeals affirmed the judgment of the trial court with the modification that the appellant will have to receive as repurchase price the sum of P500 in Japanese military notes deposited in court in August, 1944. Cabrera as petitioner has now brought the case here on appeal through certiorari.

The petitioner contends that he never extended the period of redemption and that the Court of Appeals erred in finding that said period was actually extended by verbal agreement. We cannot review the evidence in this case; neither are we permitted to disturb the finding on this point of the Court of Appeals which accepted the findings of fact of the trial court. In cases appealed to this Court from the Court of Appeals, we pass upon and decide only questions of law.

We agree with petitioner in his contention included in his third assignment of error that the Court of Appeals erred in considering the Japanese military notes deposited in court by Lopez as valid and sufficient payment of the repurchase price agreed upon by the parties. Our reason however, is not as claimed by petitioner that said Military Notes were not legal tender in 1944 but because, we believe that what the parties had in mind in the extension of the period of redemption was for the petitioner to receive the repurchase price in genuine Philippine currency to be paid after the war. This seems to be the main, if not the only consideration, for the extension of the period of redemption. This may be found In the penultimate paragraph of the trial court's decision, the pertinent portion of which we are reproducing below:

"No se puede obligar al demandado que reciba como rescate de la mitad de los terrenos el dinero fiat que el demandante deposito en poder del Escribano; * * * y segundo, porque, si cuando no tenia el demandante dinero, fiat o genuino, obtuvo del demandado que lo rescatase despues de la guerra, no es justo que cuando ya tuvo dinero fiat y sin terminar aun la guerra, pudiese obligar al demandado a recibir dicho dinero."

It is also indicated and included in the findings and considerations contained in a paragraph of the decision of the Court of Appeals which reads as follows:

"Hacia mediados del año 1943, el dinero genuino Filipino ya no estaba a la par con la moneda de la ocupacion y, ademas, se sabe que durante la ocupacion Japonesa eran muy contados los que querlan guardar dicha clase de dinero ya porque su valor era menos o ya porque habia duda de si despues de la guerra la misma podria tener algun valor. Por lo demas, es muy creible que el apelante hubo de ampliar el plazo de retracto hasta despues de la guerra porque ello es una manera indirecta de no aceptar o rechazar el dinero de la ocupacion como pago." (Page 5 of the decision of the Court of Appeals.)

If Cabrera extended the period of redemption just so he would not be paid and compelled to accept depreciated Japanese military notes as repurchase price, then it would clearly be unjust now to oblige him to accept the military notes, now absolutely worthless, after he had granted the extension.

Another reason for our holding that the Court of Appeals erred in permitting the payment of the repurchase price of P500 with the Japanese military notes consigned in court, is that in the decision of the Court of First Instance of Pangasinan, respondent Lopez was ordered to pay this repurchase price of P500 in legal tender in the year 1946, that is to say, in genuine Philippine currency, in addition to the P500 in same currency to be paid for the useful

expenses on the property. Lopez did not appeal from that decision. He would appear to have agreed to and been satisfied with it. It was therefore error on the part of the Court of Appeals to have gone out of its way and to have modified a portion of the decision not appealed from and not in issue in the appeal. This, aside from the fact that the judgment of the trial court ordering Lopez to pay the repurchase price of P500 not in Japanese military notes but in genuine Philippine currency is the more equitable under the circumstances, and in accord with the agreement and intention of the parties, especially the consideration for the extension of the period of redemption.

This holding of ours render it unnecessary to pass upon the second assignment of error. As to the fourth assignment of error, regarding payment of costs, we agree with petitioner that he should not be made to pay costs in hts appeal to the Court of Appeals.

In view of the foregoing, the decision of the Court of Appeals is hereby reversed insofar as it modifies the decision of the trial court which latter decision should be enforced in its entirety. No pronouncement as to costs in both instances.

Moran, C.J., Ozaeta, Paras, Feria, Bengzon, Tuason, and Torres, JJ., concur.

PADILLA, J.:

I concur in the result.

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