

JUAN V. SABINOSA, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, BIENVENIDO F. BUNYI, AND MARIANITO P. BAUTISTA, RESPONDENTS.

G.R. No. L-47981. July 24, 1989

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

In this petition for review on certiorari, petitioner seeks to reverse and set aside the decision of the Court of Appeals in CA-G.R. No. 57289-R entitled "Bienvenido F. Bunyi, Plaintiff-Appellee v. Marianito P. Bautista, Defendant, Juan V. Sabinosa, Defendant-Appellant" affirming the decision of the Court of First Instance of Manila, Branch XXIX in Civil Case No. 89014, "Bienvenido V. Bunyi v. Marianito P. Bautista and Juan Sabinosa" which declared plaintiff entitled to the possession of two (2) payloaders and sentenced defendant Bautista to pay the sum of P33,000.00.00 plus interests, attorney's fees and costs.

The facts are as follows:

Marianito P. Bautista claimed to be the owner of two (2) payloaders shipped from Japan. To pay for the cost of shipment, customs duties and taxes, he borrowed P33,000.00 from respondent Bienvenido F. Bunyi, evidenced by a promissory note. To guarantee payment of the loan within thirty (30) days, Bautista executed on June 20, 1972 a "chattel mortgage" covering the payloaders in favor of Bunyi. It was stipulated that after payment of the required customs duties and taxes and after being released from the customs zone, the two (2) vehicles would be delivered to Bunyi for safekeeping at his compound in Sta. Ana, Manila; that the loan would bear twelve (12) per cent interest per annum; and that once Bautista performed the full obligations stated therein, the chattel mortgage would be null and void, otherwise it would remain in full force and effect.[1]

After the execution of the chattel mortgage, Bautista not only failed to deliver the payloaders to Bunyi but he also defaulted in his payments. After several unsuccessful demands for payment, Bunyi instituted an action for replevin with damages against Bautista and a certain "John Doe" in the Court of First Instance of Manila on November 22, 1972.[2]

On November 29, 1972, upon the filing by Bunyi of a bond in the amount of P66,000.00, the trial court issued an order of seizure of the subject personal properties which were found at the premises of a customs bonded warehouse owned and operated by one Rafael M. Sumadchat.[3]

On December 6, 1972, Juan V. Sabinosa, herein petitioner, made his initial appearance before the trial court. Representing himself as the unknown "John Doe", he filed an urgent motion for the approval of a counterbond to cause the redelivery to him of the seized payloaders. He claimed that he was the actual owner of the payloaders, subject matter of the complaint, on the basis of an affidavit executed by Bautista on December 4, 1972 certifying that the said trucks actually belonged to the Republic Industrial Chemicals, a business firm owned by Sabinosa.[4]

On February 21, 1973, Bautista executed a second affidavit retracting his earlier affidavit which he claimed had

been taken from him through "ruse and false pretenses". Bautista reasserted his claim that he was the owner of the two (2) payloaders and that the same had been mortgaged to Bunyi as security for a loan.[5]

On the strength of that affidavit, the trial court ordered Sabinosa to deliver the controversial payloaders back to Bunyi. On November 4, 1974, the trial court rendered its decision. The pertinent portions are as follows:

"The evidence does not show that the contract of chattel mortgage was ever recorded in the Chattel Mortgage Register as required under Article 2140, New Civil Code. Since possession of the two (2) units of payloaders was not delivered to the plaintiff, there is also no pledge. The contract falls under the provisions of Article 1307, New Civil Code, on innominate contracts but analogous to a contract of chattel mortgage.

"According to the 'stipulations' of the parties, the two (2) units of payloaders were to be delivered to and deposited in plaintiff's compound in Sta. Ana, Manila upon their release from the Bureau of Customs. Plaintiff as a mortgagee, therefore, is entitled to the possession of the two (2) units of payloaders. There is also no question that the mortgagor has defaulted in his obligations under the contract and because of this, plaintiff becomes entitled not only to the possession of the two (2) payloaders x x x but also to the payment of the sum of P33,000.00 as evidenced by the promissory note executed by the mortgagor to support the chattel mortgage.

"Defendant Bautista has not offered any defense to the complaint. His answer admitted the allegations of the complaint with the exception of the plaintiff's claim for damages and attorney's fees.

"According to the evidence, the units were acquired by defendant Bautista after a series of communications representing offer to sell and acceptance between him and James Fucuda of Daishowa Tauho Co., Ltd. (Exhs. '1' to 'B'-Bautista). As a matter of fact, when the two (2) units of payloaders arrived from Japan, it was defendant Bautista who received them in good conditions (Exhs. '9', '10' & '10-A-Bautista'). This proves to the satisfaction of this Court that defendant Bautista is the owner of the two (2) units of payloaders subject of this case.

"The Court cannot entertain the claim for possession of the chattels of defendant Sabinosa, alias 'John Doe', not after he had admitted, that as early as November 18, 1972 (even before the filing of this complaint) he has divested himself of all interests on the properties by executing a Deed of Absolute Sale of the two (2) units of payloaders in favor of one Rafael M. Sumadchat (Exhs. '1' & '1-A-Sabinosa'). This being the case, it would be this Rafael M. Sumadchat who should have a right, if at all, to the possession of these two (2) units of payloaders. On the basis of the Aforesaid Deed of Absolute Sale, the Court cannot accept the claim of defendant Sabinosa, alias 'John Doe' that he was the actual and real owner of the payloaders and the person entitled to their possession.

"Neither can the Court agree with his allegation that he is in the case merely to protect the interest of Rafael M. Sumadchat. This is belied by his Answer wherein he claims to be the 'actual and real owner-consignee' of the units. Juan V. Sabinosa made a voluntary appearance in this case as defendant 'John Doe' for himself alone and not in any representatives capacity for Rafael M. Sumadchat x x x.

"On the other hand, this Rafael M. Sumadchat has not filed any claim for possession of the subject payloaders neither did he join issue with the parties in this case by intervention or otherwise. The Court cannot grant any relief in favor of said third person who is not a party to this case.

"x x x.

"As above stated, plaintiff has proven his case against defendant Bautista by preponderance of evidence in view of the latter's blanket admission in his answer of all the allegations of the complaint except for plaintiff's claim for damages and attorney's fees.

"WHEREFORE, judgment is hereby rendered in favor of plaintiff (Bunyi) and against the defendant (Bautista):

“(1) Declaring plaintiff entitled to the possession of the two (2) units of payloaders;

“(2) Sentencing defendant Marianito P. Bautista to pay the sum of P33,000.00 with interest at the rate of 12% per centum per annum from the date of the filing of the complaint until fully paid, plus the sum of P2,500.00 as attorney's fees and to pay the costs; failing which, plaintiff may proceed in accordance with Section 14 of Act No. 1508 in relation to Article 1307, New Civil Code.

"The case as against defendant Juan V. Sabinosa, alias 'John Doe' is dismissed. x x x"[6]

As earlier mentioned, on appeal by petitioner Sabinosa, respondent Appellate Court affirmed the trial court's judgment. Hence, the present petition for review.

One preliminary point has been raised by respondent Bunyi in his comment on the petition and it is well taken. Marianito P. Bautista should not be named as respondent in the instant review since it was only Sabinosa who had interposed an appeal to the Court of Appeals which in turn sustained the judgment of the trial court. Hence, as to Bautista, the trial court's decision had long become final and executory.[7]

The issue in this case is factual; as to who is the owner of the payloaders in question.

It is an established principle that the factual findings of the Court of Appeals are final and may not be reviewed by the Supreme Court on appeal, except: (1) when the conclusion is grounded entirely on speculation, surmises and conjectures; (2) when the inference is manifestly mistaken absurd and impossible; (3) where there is grave abuse off discretion; (4) when the judgment is based on misapprehension of facts; (5) when the Court, in making its findings, went beyond the issues of the case, and the same are contrary to the admissions of both the appellant and the appellee; (6) when the findings of the Appellate Court are contrary to those of the trial court; (7) when the findings are without citation of specific evidence on which they are based;[8] only legal questions, not factual issues, should be raised in the Supreme Court.[9]

A careful review of the records shows that the findings of respondent appellate court are fully substantiated by evidence on record.

It is the basic contention of petitioner Sabinosa that Bautista was merely his "indentor" since the letters of credit, invoice, packing list, bill of lading, customs duties receipt, and other pertinent papers where all in the name of Republic Industrial Chemicals, the firm which he owned. Therefore, it is he and not Bautista who is the true owner of the disputed payloaders and the chattel mortgage entered between Bautista and Bunyi is a complete nullity.

In giving more credence to Bautista's ownership of the contested chattels and thus ruling for Bunyi, the Appellate Court adopted the findings of fact of the trial court. It considered the following circumstances, supported by the evidence on record, as decisive: (1) that when the payloaders arrived from Japan, it was Bautista who received them in good condition; (2) that even prior to the filing of the complaint for replevin on November 22, 1972, Sabinosa had already divested himself of all interests in the vehicles after having sold the same to Rafael M. Sumadchat who should have the right, if any, to claim the same; (3) that it was Sabinosa who opened the letters of credit upon Bautista's request because that was his (Sabinosa) line of business; and (4) that granting Sabinosa paid the duties and taxes levied on the payloaders, it was Bautista who borrowed the money used for that purpose.

Sabinosa's assertion of ownership is completely unconvincing and greatly weakened by his inconsistencies. It bears repeating that Sabinosa divulged that even before the institution of the replevin case, he had already conveyed the two (2) payloaders to Rafael M. Sumadchat and he was merely acting on Sumadchat's behalf by virtue of the vendor's warranty. And yet in his answer, he categorically stated that he was the "real owner-consignee" of the disputed trucks.[10] Noting Sabinosa's blatant vacillations, we hold that the courts

below did not err in concluding that as between Sabinosa and Bautista, it was the latter who had a better right to the possession of the payloaders. And unless Sabinosa can overcome the preponderance of evidence in favor of Bunyi who had proven his case against Bautista, Bunyi's right to the possession of the payloaders must be respected.

Moreover, the unnatural behavior of Sumadchat, the supposed vendee, is hardly persuasive. Despite the alleged sale to him of the payloaders, Sumadchat completely detached himself from the court proceedings and left all the in-fighting to Sabinosa, Bunyi and Bautista. Such actuations do not bespeak of a real owner considering that the property involved in this case is extremely valuable.

On the other hand, there is more reason to believe that the "sale" to Sumadchat was devised by Sabinosa to place the two (2) payloaders beyond the reach of Bunyi, the mortgagee. But whether or not the sale is genuine, Sabinosa remains bound by his declaration and is barred from questioning the legality of the chattel mortgage in favor of Bunyi on the ground that he and not Bautista is the rightful owner of the payloaders. The so-called warranty of a vendor proffered by Sabinosa to rationalize his participation in the replevin suit is not sufficient to cloak him with the legal personality to contest Bunyi's claim to the secured chattels in the event the mortgagor is unable to settle his principal obligation. If at all, that is the prerogative of Sumadchat, should he deign to exercise the same.

After passing upon their varied contentions, it is evident that his case does not fall under any of the exceptions. Accordingly there appears to be no cogent reason to disturb the findings of fact of both the trial court and the Court of Appeals.

WHEREFORE, the decision under review of the Court of Appeals dated October 28, 1977 is AFFIRMED. Costs against the petitioner.

Feliciano, Bidin, and Cortes, JJ., concur.

Gutierrez, Jr., J., no part.

[1] Record on Appeal, pp. 9-10.

[2] Record on Appeal, p. 1.

[3] Record on Appeal, p. 129.

[4] Record on Appeal, p. 19.

[5] Record on Appeal, p. 99.

[6] Record on Appeal, pp. 133-138.

[7] Rollo, pp. 33 and 79.

[8] *Manlapaz v. C.A.*, 147 SCRA 236 [1987]

[9] *Director of Lands v. Funtilar*, 142 SCRA 58 [1986]; *Sacay v. Sandiganbayan*, 142 SCRA 609 [1986]; *Gruta v. C.A.*, 139 SCRA 576 [1985].

[10] Record on Appeal, p. 78.

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