

ANIANO OBAÑA, PETITIONER, VS. THE COURT OF APPEALS AND ANICETO SANDOVAL, RESPONDENTS.

G.R. No. L-36249. March 29, 1985

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

Petitioner seeks a review of the Decision of respondent Appellate Court (in CA-G.R. No. 44345-R) ordering him in an action for Replevin to return to Aniceto SANDOVAL, private respondent herein, 170 cavans of rice or to pay its value in the amount of P37.25 per cavan, with legal interest from the filing of the Complaint until fully paid.

SANDOVAL is the owner and manager of the "Sandoval and Sons Rice Mill" located in Rosales, Pangasinan. He is engaged in the buying and selling of palay.

On November 21, 1964, SANDOVAL was approached by a certain Chan Lin who offered to purchase from him 170 cavans of clean rice (wagwag variety) at the price of P37.25 per cavan, delivery to be made the following day at petitioner's store in San Fernando, La Union, with payment to be made thereat by Chan Lin to SANDOVAL's representative. SANDOVAL accepted the offer as he knew petitioner and had had previous transactions with him.

As agreed, the 170 cavans of rice were transported the following day on a truck belonging to SANDOVAL to petitioner's store in San Fernando, La Union. Chan Lin accompanied the shipment. Upon arrival thereat, the goods were unloaded but when the truck driver attempted to collect the purchase price from Chan Lin, the latter was nowhere to be found. The driver tried to collect from petitioner, but the latter refused stating that he had purchased the goods from Chan Lin at P33.00 per cavan and that the price therefor had already been paid to Chan Lin.

Further demands having been met with refusal, SANDOVAL, as plaintiff, filed suit for replevin against petitioner, then the defendant, before the Municipal Court of San Fernando, La Union, which ordered petitioner-defendant to pay to SANDOVAL one-half (1/2) of the cost of the rice or P2,805.00.

On appeal by petitioner-defendant to the then Court of First Instance of La Union, the parties agreed to adopt SANDOVAL's testimony before the Municipal Court. After trial de novo, judgment was rendered dismissing the complaint against petitioner-defendant.

On appeal to respondent Appellate Court, SANDOVAL obtained a reversal in his favor, as follows:

"WHEREFORE, the appealed decision is hereby set aside and another one entered ordering defendant-appellee to return the one-hundred and seventy cavans of rice to plaintiff-appellant or to pay its value in the amount of P37.25 per cavan, with legal interest from the filing of the complaint until fully paid and with costs against the appellee." [1]

Before us, petitioner-defendant takes issue with the following Appellate Court findings:

"From the evidence presented by the parties, it is evident that this is a simple case of swindling perpetuated by Chan Lin at the expense of the plaintiff and the defendant. The act of Chan Lin in purchasing plaintiff's rice at the price of P37.25 per cavan and thereafter offering the same goods to defendant at a much lower price is an indication that it was never his intention to comply with his obligation to plaintiff. It is clear that Chan Lin's only purpose in entering into said contract with plaintiff was to acquire the physical possession of the goods and then to pass them on to defendant on the pretext that he is the owner thereof. Premises considered, therefore, Chan Lin cannot be considered as the owner of the goods at the time the same was said to have been sold to the defendant-appellee. Considering that defendant acquired the 170 cavans of rice from a person who is not the owner thereof, it is therefore clear that he acquired no greater right than his predecessor-in-interest.

"Finally, on principle of equity, it is but proper that plaintiff-appellant be allowed to recover the one-hundred and seventy cavans of rice or its value. Being the undisputed owner of the above mentioned goods, the appellant cannot be deprived of its ownership without the corresponding payment." [2]

We agree with petitioner-defendant that there was a perfected sale. Article 1475 of the Civil Code lays down the general rule that there is perfection when there is consent upon the subject matter and price, even if neither is delivered:

"The contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price.

x x x x x"

Ownership of the rice, too, was transferred to the vendee, Chan Lin, upon its delivery to him at San Fernando, La Union, the place stipulated [3], and pursuant to Articles 1477 and 1496 of the same Code:

"Art. 1477. The ownership of the thing sold shall be transferred to the vendee upon the actual or constructive delivery thereof."

oOo

"Art. 1496. The ownership of the thing sold is acquired by the vendee from the moment it is delivered to him in any of the ways specified in Articles 1497 to 1501, or in any manner signifying an agreement that the possession is transferred from the vendor to the vendee."

At the very least, Chan Lin had a rescissible title to the goods for the non-payment of the purchase price, but which had not been rescinded at the time of the sale to petitioner.

However, from petitioner-defendant's own testimony before the Court of First Instance, he admits that three days after the delivery, he was repaid the sum of P5,600.00 by Chan Lin, who was then accompanied by SANDOVAL's driver, and that he had delivered the rice back to them. On rebuttal, however, the driver denied that the rice had ever been returned. [4] The driver's version is the more credible, for, as SANDOVAL's counsel had manifested in open Court, if return of the rice had been effected, they would have withdrawn the complaint. [5] Following is the admission made by petitioner-defendant:

"Q

After the third day . . . when that request for you to hold the rice was already overdue, what happened?

A

This is what happened. Chan Lin and the driver with the same truck that they used to unload the rice, came to me.

Q

What day was that?

A

That was I think, Thursday, about 4:30 P.M.

Q

Do you know the date?

A

November 26, I think.

Q

What did they do when this driver and Mr. Chan Lin came back?

A

They told me that they wanted the rice back and give my money back.

Q

Did they give you your money back?

A

Yes.

Q

How much?

A

They gave me P5,600.

COURT:

Q

They gave you that amount?

A

Yes, sir.

ATTY GUALBERTO:

Q

Did they tell you why they were getting back the rice and giving you back your money?

A

Yes. The complete rice, and Vallo (SANDOVAL's driver) told me, he wanted to return the rice to the ricemill, that is what Vallo and the Chinese agreed with Aniceto Sandoval.

Q

Did the Chinese tell you that he made agreement with Sandoval to get back the rice?

A

Yes.

COURT:

Q

Did you receive the money?

A

Yes, sir."[6]

Having been repaid the purchase price by Chan Lin, the sale, as between them, had been voluntarily rescinded, and petitioner-defendant was thereby divested of any claim to the rice. Technically, therefore, he should return the rice to Chan Lin, but since even the latter, again from petitioner-defendant's own testimony above-quoted, was ready to return the rice to SANDOVAL, and the latter's driver denies that the rice had been returned by petitioner-defendant either to him or to Chan Lin, it follows that petitioner-defendant should return the rice to SANDOVAL. Petitioner-defendant cannot be allowed to unjustly enrich himself at the expense of another by holding on to property no longer belonging to him.[7] In law and in equity, therefore, SANDOVAL is entitled to recover the rice, or the value thereof since he was not paid the price therefor.

WHEREFORE, albeit on a different premise, the judgment under review is hereby **AFFIRMED**. Costs against petitioner.

SO ORDERED.

Plana, Relova, Gutierrez, Jr., De La Fuente, and Alampay, JJ., concur.
Teehankee, J., took no part.

[1] Appendix "A", Brief for Petitioner, p. 61.

[2] *ibid.*, pp. 60-61.

[3] Article 1521, Civil Code.

[4] T.s.n., November 22, 1967, p. 3.

[5] T.s.n., August 10, 1967, p. 21.

[6] T.s.n., August 10, 1967, pp. 18-19.

[7] Article 22, Civil Code.

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