

PILAR T. BAUTISTA, PLAINTIFF-APPELLEE, VS. JOSE MA. MAXINO, LORETO CAPINPIN DE MAXINO, FRANCISCO G. GUBALLA, AND BEATRIZ MANALAYSAY DE GUBALLA, DEFENDANTS, JOSE MA. MAXINO AND LO...

G.R. No. L-21935. February 22, 1978

Ponente: CONCEPCION JR., J.

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CONCEPCION JR., J.:

Appeal of the defendant spouses Jose Ma. Maxino and Loreto Capinpin de Maxino from the judgment of the Court of First Instance of Manila, dismissing their counterclaim for damages.

It is not disputed that on March 19, 1956, Jose Ma. Maxino and his wife sold their hacienda and fishponds, as well as the agricultural tools and equipment used therein, located at San Jose Occidental Mindoro, to Pilar T. Bautista for the amount of P70,000.00, with the condition that the vendee shall assume the payment of an obligation, secured by mortgages on the property, in favor of the Rehabilitation Finance Corporation (RFC), now Development Bank of the Philippines, in the amount of P181,652.34.[1]

On May 17, 1958, Pilar T. Bautista sold the same property to the San Jose Development Company, here represented by its president, Francisco G. Guballa, for the amount of P80,000.00, P20,000.00 of which shall be paid upon the execution of the contract, and the balance to be paid in three (3) equal installments of P20,000.00 each, per year, for three (3) years.[2]

On August 7, 1958, Jose Ma. Maxino and his wife also sold the same property to the spouses Francisco G. Guballa and Beatriz Manalaysay de Guballa for the amount of P80,000.00.[3]

As of May 17, 1961, Francisco G. Guballa had an outstanding obligation of P30,000.00 to Pilar T. Bautista which he failed to pay, notwithstanding demands.[4] Hence, the filing of the complaint for the collection of the indebtedness, as well as for damages and costs of suit. The spouses Jose Ma. Maxino and Loreto Capinpin de Maxino were impleaded as party defendant for having allegedly conspired with their co-defendant, spouses Francisco G. Guballa and Beatriz Manalaysay, to defraud the plaintiff when they executed the deed of sale, Exhibit C.

After the trial, wherein the defendant Francisco G. Guballa and his wife did not appear and present evidence, judgment was rendered on July 19, 1963, as follows:

'WHEREFORE, judgment is hereby rendered declaring plaintiff Pilar T. Bautista entitled to the payment of the sum of Thirty Thousand (P30,000.00) Pesos from defendants Francisco G. Guballa and his wife Beatriz Manalaysay de Guballa with legal rate of interest at six percent from the date of this decision until the full amount shall have been fully paid.

"The claims for other damages by the plaintiff and by defendants are hereby overruled. No pronouncement is made as to attorney's fees and costs."[5]

Whereupon, the defendant spouses Jose Ma. Maxino and Loreto Capinpin de Maxino appealed, claiming that the trial court erred in dismissing their counterclaim for various sums of money.

(1) The appellants claim that in addition to paying the amount of P70,000.00 and the assumption of the mortgage indebtedness with the RFC, as consideration of the purchase and sale stated in the contract, Exhibit A, the vendee Pilar T. Bautista had further agreed to pay the appellant vendors the amount of P80,000.00 and assume the vendors obligation with the FILASIDECO in the amount of P45,000.00, as shown by the promissory note,[6] executed by the appellee in favor of the appellants. The appellee allegedly failed to pay this additional purchase price and as a result, the operations of the Mina de Oro Rural Bank was delayed and the appellants suffered damages in the amount of P30,000.00.

This claim cannot be entertained in view of the "WAIVER OF RIGHTS",[7] executed by the appellant Jose Ma. Maxino on May 17, 1958, relinquishing their rights arising from the said promissory note.

Besides, there is no evidence as to the proprietorship of the rural bank, its projected start of operations, and the volume of business it may have transacted as to justify the damages claimed.

(2) The appellants also claim that the RFC had sent him several notices threatening foreclosure of the mortgages constituted upon the lands since the appellee had failed to pay the assumed obligation which remained in the name of the appellants, and to forestall foreclosure proceedings, the appellant Jose Ma. Maxino went to Manila several times, spending the amount of P5,000.00, for which they ask reimbursement.

This claim is also without basis. The appellants, by virtue of the deed of sale, Exhibit A, had already sold their rights and interests over the said property to the appellee so that there was no more necessity for them to undertake the expenditures for which they claim reimbursement.

(3) The appellants also seek reimbursement of the amount of P5,000.00, which he paid to the workers in the hacienda upon orders of the Bureau of Labor.

This claim for reimbursement is likewise without basis. In the "MINUTES OF THE PROCEEDINGS"[8] for the settlement of the laborers' claim, it appears that the unpaid wages claimed by the laborers "correspond only to the months of February and March and some of them for the month of January, 1956". The hacienda and fishponds were sold to the appellee, by virtue of the deed of sale, Exhibit A, on March 19, 1956. Obviously, the obligation for the unpaid wages of the laborers in the hacienda was incurred prior to the sale and while the appellants were still the owners thereof. Since the payment of this obligation was not assumed by the appellee in the deed of sale, Exhibit A, nor in the promissory note, Exhibit 5-Maxino, this claim may not be allowed.

(4) The appellants seek the recovery of the amount of P30,000.00, the value of the fruits gathered by the appellee from the hacienda and fishponds, from the execution of the deed of sale, Exhibit A, on March 19, 1956, up to the transfer of the possession and ownership of the said property to the San Jose Development Company on May 17, 1958, for the reason that the appellee fraudulently failed to comply with the obligations assumed by her to the RFC thus enriching herself at the expense of another.

This contention is without merit. The enjoyment of the fruits of a property is an attribute of ownership and there is no proof that the appellee had unjustly enriched herself at the expense of the appellants, much less fraudulently entered into the contract of sale, Exhibit A, for the sole purpose of taking possession thereof and enjoy the fruits of the land without paying the RFC. Upon the other hand, it appears that the appellee paid the appellants the amount of P70,000.00 in cash upon the execution of the sale and the fruits she received may be considered a

reasonable return of her investments.

(5) Finally, the appellants contend that "in view of the malicious filing of this completely groundless and defamatory complaint, the appellants have suffered great mental anguish, serious anxiety, besmirched reputation, wounded feelings, moral shock, and social humiliation and were compelled to litigate and contract legal services, for which they ask P200,000.00 as moral damages and P30,000.00 for attorney's fees and expenses of litigation."

To reiterate, the appellants were impleaded as party defendants for having allegedly conspired with their co-defendants, spouses Francisco G. Guballa and Beatriz Manalaysay de Guballa, to defraud the appellee when they executed the deed of sale, Exhibit C, although the appellants were no longer the owners of the property sold.

The appellants explained that the deed of sale, Exhibit C, was executed in order to facilitate the transfer of the account in the books of the RFC, and did not affect the rights of the appellee.

While the execution of the deed of sale, Exhibit C, may not have prejudiced the rights of the appellee over the property in question since she had previously sold the same to the spouses Francisco G. Guballa and Beatriz Manalaysay de Guballa when this contract, Exhibit C, was executed, knowledge of the execution of the said contract at the time when the appellee was already exasperated with the entire transactions concerning the hacienda and fishponds lent credence to the appellee's suspicion that the defendants were conspiring to defraud her. Thus, it appears that as early as August, 1957, the appellee was already looking for a buyer for the property and the appellant Jose Ma. Maxino found a buyer in the persons of Francisco Guballa and his wife.[9] The contract of sale, executed by and between the appellee and Francisco Guballa, Exhibit B, stipulated that the vendee shall pay the appellee the amount of P20,000.00, upon the execution of the contract, and the balance to be paid in three (3) years. However, when the appellee tried to collect the balance of the purchase price, Francisco Guballa "refused and always asks for extension of time to pay." [10] As of May 21, 1961, Francisco Guballa and his wife still owed the appellee the amount of P30,000.00. It is not far-fetched that the appellee was disappointed and disturbed, and laid part of the blame upon the appellant Jose Ma. Maxino who negotiated the sale and transfer of the property to Francisco Guballa and his wife and even suspected that there was a conspiracy to defraud her. Her suspicion was confirmed when she learned of the deed of sale, Exhibit C, executed by the appellants in favor of Francisco Guballa and wife, although the said appellants had no more rights to the said property. Under the circumstances, the rejoinder of the appellants as party defendants cannot be said to have been motivated by malice or spite to warrant the payment of the damages claimed by the appellants.

IN VIEW OF ALL THE FOREGOING, the judgment appealed from should be affirmed, with costs against the appellants.

SO ORDERED.

Fernando, Antonio, and Santos, JJ., concur.

Barredo, J., in the result.

Aquino, J., no part.

[1] Exhibit A.

[2] Exhibit B.

[3] Exhibit C.

[4] p. 4, tsn, Kempis.

[5] Record on Appeal, pp. 105, 113.

[6] Exhibit 5 - Maxino.

[7] Exhibit G.

[8] Exhibit 6 - Maxino.

[9] pp. 14, 15, tsn, Bautista

[10] p. 5, tsn, Kempis.

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