

PACIFIC FARMS, INC., PLAINTIFF-APPELLEE, VS. SIMPLICIO G. ESGUERRA, ET AL., DEFENDANTS, CARRIED LUMBER COMPANY, DEFENDANT-APPELLANT.

G.R. No. L-21783. March 25, 1970

Ponente: RUIZ CASTRO, J.

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RUIZ CASTRO, J.:

Subject of this resolution is a motion filed by the plaintiff-appellee Pacific Farms, Inc. for reconsideration of our decision of November 29, 1969.

Briefly stated, the plaintiff-appellee's first argument is that it should not have been found liable for the payment of the unpaid portion of the procurement price of the lumber and construction materials furnished by the appellant to its predecessor-in-interest, the Insular Farms, Inc., because it was a purchaser for value and in good faith of the six buildings in question. The flaw in this argument lies in its assumption that the reason we held the appellee liable is that it was not a buyer in good faith and for value, which is incorrect. When we applied Article 447 of the Civil Code by analogy to this case, we did so on the assumption that the plaintiff-appellee was in good faith. Thus, after quoting said article, we stated:

"Although it does not appear from the records of this case that the land upon which the six buildings were built is owned by the appellee, nevertheless, that the appellee claims that it owns the six buildings constructed out of the lumber and construction materials furnished by the appellant, is indubitable. Therefore, applying Article 447 by analogy, we perforce consider the buildings as the principal and the lumber and construction materials that went into their construction as the accessory. Thus, the appellee, if it does own the six buildings, must bear the obligation to pay for the value of the said materials; the appellant - which apparently has no desire to remove the materials, and, even if it were minded to do so, cannot remove them without necessarily damaging the buildings - has the corresponding right to recover the value of the unpaid lumber and construction materials." (Decision, pp. 4-5; italics supplied)

Indeed, because we assumed that the appellee was in good faith, we did not pronounce it liable for the reparation of damages but only for the payment of the unpaid price of the lumber and construction materials due to the appellant as unpaid furnisher thereof. Based on this same assumption, we likewise held that the appellant has no right to remove the materials but only to recover the value of the unpaid lumber and construction materials. Thus, since the appellee benefited from the accession, i.e., from the lumber and materials that went into the construction of the six buildings, it should shoulder the compensation due to the appellant as unpaid furnisher of materials, pursuant to the rule we cited in our decision that compensation should be borne by the person who has been benefited by the accession.

Under the overall environmental circumstances of the case, considering that although the appellee was in a better position to protect its own interest it took no action to intervene in the suit filed by the appellant against the Insular Farms, Inc. or to hold the latter to account therefor, notwithstanding that it concededly acquired

knowledge, after its purchase from the Insular Farms, Inc., on March 21, 1958 of the six buildings in question, of the filing and pendency of the appellant's suit for payment of the unpaid balance of the price of the lumber and construction materials delivered to the Insular Farms, Inc. and used in the construction of the said buildings, the Court believes that its decision upholding the sheriff's sale of the six buildings but granting the appellee the option of redeeming the same by paying to the appellant the unpaid balance with interest owing to it as supplier of the construction materials, is completely in consonance w[^]th justice and equity.

ACCORDINGLY, the plaintiff-appellee's motion for reconsideration dated December 12, 1969 is hereby denied.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Fernando, Teehankee, Barredo and Villamor, JJ., concur.

Motion denied.

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