

MONICO LUSTADO, PLAINTIFF-APPELLEE VS. JUAN PIÑOL AND TRINIDAD GLORIOSO, DEFENDANTS-APPELLANTS.*G.R. No. L-10825. September 27, 1957*

Ponente: MONTEMAYOR, J.

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This is an appeal from the decision of the Court of First Instance of Quezon Province, the dispositive part of which reads as follows:

"In view of the foregoing consideration, judgment is hereby rendered ordering the defendants to execute the necessary deed of reconveyance of the land described in paragraph 4 of the complaint containing an area of 4 hectares and 50 ares, with all the improvements thereon without compensation as the defendants are still debtors to the plaintiff; to pay to the plaintiff the difference that may result from the subtraction of the amount of P998.00 from the total amount of the hardest that accrued to the defendants at the rate of P150.00 a year from 1946 up to the time that the deed of repurchase is executed, with the exception of that of 1947, and to pay the costs of this proceeding."

We shall narrate only the basic facts necessary for the determination of this case, which facts we cull from the record not only of the present case, but also of Civil Case No. 5128 of the same court of Quezon Province, and the decision of the Court of Appeals in CA-G.R. No. 8336-R, when said civil case was appealed to it. The spouses Simplicio Lustado and Epifania Glorioso filed a homestead application for a parcel of land in Quezon Province, with an area of over 17 hectares. Simplicio died in 1930 and so, when on December 21, 1937 the corresponding homestead patent was granted, it was issued in favor of the heirs of Simplicio Lustado, one of his heirs being his widow Epifania. In 1935, that is, two years before the issuance of the patent, Epifania delivered to Juan Piñol and his wife, Trinidad Glorioso, a portion of about five hectares of the homestead applied for, which the Piñols could clear and plant with coconuts, with the understanding that Epifania in time would pay for the coconut trees so planted when grown up. This understanding was made clear and ratified on August 8, 1939, two years after the issuance of the homestead patent, when Epifania executed Exhibit A, a public document to the effect that pursuant to her previous agreement with the Piñols, wherein she gave them a portion of five hectares of the homestead for the purpose of clearing and planting coconuts, they had already planted about 1,200 coconut trees; that the parties to Exhibit A agreed that In Epifania would pay the Piñols P50 for each coconut tree planted by them, but should she fail to make payment, than the coconut trees planted would be divided share and share alike, one-half to Epifania and the other half to the Piñols, the share of the latter to include the land on which their share of the trees were planted; and lastly, that should some of the trees bear fruit before 1946, the Piñols would be entitled to harvest the same, until Epifania shall have paid for the coconut trees. Epifania died in 1943 and, consequently, was unable to pay for the coconut trees in 1946 as agreed. However, on December 3, 1946, Monico Lusfcado, sole heir of Simplicio Lustado and Epifania Glorioso, executed a public document, Exhibit B? whereby, "in obedience to the terms of the contract Exhibit A, snd in consideration of P700.00" he sold and transferred, to the Piñol spouses k 1/2 hectares of the homestead he had inherited, planted with 1,000 coconut trees. This deed of sale was approved by the Secretary of Agriculture and Commerce on January 20, 1947. Evidently, Monico

Lustado instead of paying the Piñols P.50 for each coconut tree planted by them, as originally agreed to by his mother Epifania, preferred 'to sell the portion of 4 1/2 hectares of the homestead, planted with 1,000 coconut trees, for P700.00.

On January 19, 1950, Monico, through his attorney, Pedro Insua, made a written demand on the Piñols, expresising his desire and determination to exercise his right of repurchase, as provided for by the Public Land Act, offering to return the purchase price he had received in the sale of 4 1/2 hectares to them, but at the same time, asking the Piñols to render an account of the coconut products received by them from the year 1946, meaning that the value of the said products should be deducted from the purchase price, intimating at the same time that if they refused to effect the reconveyance, he would resort to the courts. The Piñols evidently rejected the offer and so on September 6, 1950, Monico filed Civil Case No. 5128 to annul the documents, Exhibits A and B. On the basis of the stipulation of facts submitted by the parties in that case, the trial court rendered judgment declaring said two documents, Exhibits A and B, null and void, and ordering the Piñols to execute a deed of reconveyance of the parcel in favor of Monico. On appeal by the Piñols to the Court of Appeals, that tribunal held that Exhibits A and B were valid and binding* "but without prejudice to whatever right of repurchase appellee (Monico) may have under the law In connection with the property subject matter of said contracts". The Court of Appeals, in the course of its decision said:

"Our ruling in favor of the validity of both documents, however, must not be taken as terminating the rights of appellee on the property in question, in view of the provision of Section 119 of Commonwealth Act 141, as amended, which grants him a period of five years within which to repurchase his homestead from his vendee."

The Court of Appeals further said that the action was intended merely to annul Exhibits A and B5 and not to submit for determination the right of Monico to repurchase the property in question, and so, it declined to make any adjudication on said question, which in its opinion "must necessarily be raised if the parties so desire in a separate action". Then the court made this significant declaration:

". . . Whether appellee has done what is legally sufficient to preserve his right to exercise the right of repurchase in accordance with Section 119 of Commonwealth Act 141 as amended, is another question that we do not here decide, for obvious reasons."

After the judgment of the Court of Appeals had become final, Monico filed a motion with the trial court, asking that the defendants be ordered to execute a deed of reconveyance on the property in question in his favor. The motion was duly opposed by the defendants, and on January 5, 1954 the trial judge denied the motion on the ground that movants right to repurchase must be enforced in a separate action, according to the decision of the Court of Appeals. In view of said denial, Monico Lustado filed the present action in the same court of Quezon Province against the Piñols for the purpose of declaring that his right to repurchase the property still subsists or is still existing, and to require defendants to execute the corresponding deed of reconveyance, upon payment of the difference between the sum of P998.00, which is the aggregate of the purchase price of P700.00 mentioned in the deed of sale, Exhibit B, and the amount of P298,00, which the defendants had spent in the subdivision survey and segregation of the parcel in question from the rest of the homestead, including monumenting, on the one hand, and the value of all the products received by the defendants from the land in litigation, at the rate of P150.00 yearly from the year 1946 to the date of the execution of the deed of reconveyance, except the year 1947.

Based on a stipulation of facts submitted by the parties, the trial court rendered a decision, the dispositive portion of which is reproduced at the beginning of this decision. Appeal was taken by the defendants to the Court of Appeals? which appeal was later certified to us on the ground that it involves only questions of law.

The trial court in holding that the contemplated repurchase by the plaintiff was made within the five-year period

prescribed by law, Section 119 of the Public Land Act, holds that the running of the period from December 3, 1946, the date of the execution of the deed of sale, Exhibit B, was interrupted by the filing of Civil Case No. 5128, and that considering this said interruption as lasting until the date when the decision of the Court of Appeals in that case became final, and inasmuch as the present case was filed on January 9, 1954, the action to enforce his right to repurchase was filed within the five-year period.

We find it unnecessary to rule upon the correctness and validity of this ruling of the trial court, for the reason that in our opinion, the demand by letter made by plaintiff Monico on the defendants on January 19, 1950 within the period of five years from the date of the deed of sale, which is December 3, 1946, preserved his right to repurchase. It is true that the conditions of the repurchase contemplated by Monico were not reasonable, for he required the defendants to render an account of the products received by them from the land since 1946 to offset the amount of P998.00 which was the price for repurchase. But taking a liberal view of the case, and following the spirit of the Public Land Act of aiding a homesteader to keep his homestead not only by prohibiting the sale thereof within a certain period from the issuance of the patent, but also allowing him in case of a valid sale chase price, thereby preserving his right to repurchase."^[1]

However, we equally hold that plaintiff has no right to any part of the products of the land since the year 1946. The land in question with its improvements, particularly the coconuts thereon, were sold by him to the defendants, and the latter naturally had the right to the products thereof until the property was duly repurchased by the vendor. For this reason, we hold that plaintiff has a right to repurchase the property in litigation, with the improvements thereon, upon payment by him of the sum of P998.00. Upon payment thereof by plaintiff to the defendants, the latter are hereby ordered to execute the corresponding deed of reconveyance.

With the above modifications the decision appealed from hereby affirmed. With the above modification, the decision appealed from is hereby affirmed. No costs.

Paras, C.J., Bengzon, Padilla, Montemayor, Reyes, A.. Bautista Angelo, Labrador, Concepcion, Reyes, J.B.L., Endencia, and Felix, JJ., concur.

[1] Paez et al. vs. Magno, No. L-793, April 27, vs. Off. Gaz. No. 11, p5-25. Asturias Sugar Central vs. Pure Cane Molasses Co., 60 Phil.

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