

**DAVID INES AND HORTENCIA CASTRO-INES, PETITIONERS, VS.
COURT OF APPEALS AND DIONISIO GERONIMO, RESPONDENTS.***G.R. No. 114051. August 14, 1995*

Ponente: FRANCISCO, J.

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Petitioners spouses David Ines and Hortencia Castro-Ines filed an action before the Regional Trial Court to annul a deed of sale over their conjugal residential house and lot in favor of private respondents spouses Geronimo. The trial court declared the deed of sale void as to the one-half conjugal share of David Ines in the subject property due to the forgery of his signature and the other half belonging to his wife as equitable mortgage. Private respondents were ordered to reconvey the one-half share of the wife upon the return of the sum of P150,000.00, the consideration of the contract. Petitioners appealed to the Court of Appeals on the ground that the husband's forged signature did not bind the conjugal partnership, hence the entire contract is voidable as the consent of an indispensable party, the husband, was lacking. Private respondents did not appeal. Public respondent Court of Appeals[1] sustained petitioners' contention, declared the deed of sale void in its entirety and ordered private respondents to reconvey the entire subject property in favor of petitioners who were again ordered to return the P150,000.00 consideration they received from the sale, but with legal interest from April 15, 1982 until fully paid. Petitioners' motion for the partial reconsideration of the decision to delete the imposition of legal interest on the amount of P150,000.00 was subsequently denied. Hence this petition under Rule 45 of the Revised Rules of Court, assigning a lone assignment of error, to wit:

"THE COURT OF APPEALS ERRED IN AWARDING 'LEGAL INTEREST' IN FAVOR OF DEFENDANTS (NOW PRIVATE RESPONDENTS) WHO DID NOT APPEAL FROM THE TRIAL COURT'S DECISION WHICH DID NOT AWARD ANY SUCH 'LEGAL INTEREST'." [2]

In support thereto, petitioners argue that a party who has not himself appealed cannot obtain from the appellate court any affirmative relief other than those granted in the decision of the court below. Thus, they maintain that the award of legal interest, an affirmative relief granted by the respondent court, is erroneous as private respondents never appealed from the trial court's decision which did not award such interest.

We find the appeal unmeritorious. The respondent court ruled for the return of the contract price of P150,000.00 with legal interest over the subject property to private respondents with the following justification which we quote with approval:

"x x x. Since the sale is annulled the parties are to be governed by Article 1398 of the Civil Code whereunder they shall restore to each other the things which have been the subject matter of the contract, with their fruits, and the price with interest; the same precept is substantially embodied in Article 1385 in reference to rescission of contracts. Indeed even the principle against unjust enrichment (Article 22, Civil Code) would eschew a contrary conclusion." [3]

Furthermore, in resolving the petitioner's motion for reconsideration to delete the award of interest, respondent

court correctly explained that the imposition of legal interest on the amount due was made not because the appellees sought affirmative relief but because the award of legal interest on the amount due is a necessary consequence of the finding that the Contract of Sale executed by appellant Hortencia Ines is void in its entirety, and in the exercise of its appellate jurisdiction it may resolve or consider errors not assigned in the appellant's brief when it is necessary for a just, fair and equitable resolution of the case, or when an issue is closely related to an error properly assigned in the appellants' brief and upon which the resolution of an assigned error is dependent.[4]

To the above quoted justification, we must moreover add that the award of legal interest is based on equitable grounds duly sanctioned by the Civil Code under Article 2210 which provides:

"Interest may, in the discretion of the court, be allowed upon damages awarded for breach of contract."

Thus, in *De Lima v. Laguna Tayabas Co.*[5] and *Cabral v. Court of Appeals*[6], We sustained the Court of Appeals' award of legal interest on the basis of said provision despite its absence in the trial courts' decisions and despite the lack of appeal of private respondents therein.

We take exception, however, to the ruling of public respondent as to the date when the legal interest should commence to run which we hold, in view of the consistent rulings of this Court,[7] should start from the time of the rendition of the trial court's decision on July 31, 1990 instead of April 15, 1982, the date when the deed of sale was executed.

ACCORDINGLY, subject to the above modification that the legal interest should commence to run from July 31, 1990 until fully paid, the decision appealed from should be, as it is hereby **AFFIRMED** in all other respects.

SO ORDERED.

Narvasa, C.J., (Chairman), Regalado, Puno, and Mendoza, JJ., concur.

[1] First Division, *Gonzaga-Reyes, J., Ponente, with Kapunan, Montenegro, JJ., concurring.*

[2] *Petition for Review*, p. 5, rollo p. 14.

[3] *Decision*, C.A.-G.R. CV No. 36829 p. 6, rollo p. 37.

[4] *Resolution*, C.A.-G.R. CV No. 36829 pp. 1-2, rollo pp. 40-41, citing *Miguel v. Court of Appeals*, 29 SCRA 760; *Medida v. Court of Appeals*, 208 SCRA 886; *Hernandez v. Handal*, 78 Phil. 96.

[5] 160 SCRA 70 (1988)

[6] 178 SCRA 90 (1989)

[7] *Korean Airlines Co., Ltd. v. Court of Appeals*, 234 SCRA 717, 726 (1994); *De Lima v. Laguna Tayabas Co.*, 160 SCRA 70, 78 (1988); *Villa Rey Transit Inc., v. Court of Appeals*, 31 SCRA 511, 518 (1970); *Imperial v. Ziga*, 19 SCRA 726, 733-734 (1967); *Soberano v. Manila Railroad Company*, 18 SCRA 732, 744 (1966); *Rivera v. Matute*, 98 Phil. 516, 540 (1956).

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