

AGATONA GERONIMO AND INOCENCIO ISIDORO, PLAINTIFFS AND APPELLANTS, VS. JOSE NAVA AND FELISA AQUINO DEFENDANTS AND APPELLEE.

G. R. No. 12111. January 31, 1959

Ponente: MONTEMAYOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-12111/>

MONTEMAYOR, J.:

Plaintiffs spouses Agatona Geronimo and Isidoro Inocencio are appealing directly to this Tribunal from the order of the Court of First Instance of Nueva Ecija, dated October 29, 1956, dismissing their complaint on motion of defendant Jose Nava and his co-defendants, his children by his deceased wife, Felisa Aquino, on the ground of res adjudicata.

The following facts are not disputed. On October 19, 1935, Jose Nava and his wife, Felisa Aquino, were owners of four lots, Nos. 2820, 2821, 2819 and 1729 of the Cabanatuan cadastre, forming a single mass, with a total area of 3,549 square meters, with a house of strong materials erected thereon, with a total assessed value of P8,820.00. On that date, they mortgaged said four lots to La Urbana, presumably a building and loan association, to secure the payment of a loan of P3,047.76. For failure to live up to the terms of the mortgage, the latter was foreclosed by La Urbana, pursuant to Act 3135, and on March 9, 1938, the said property was sold to La Urbana for the sum of P3,786.26. On April 26, 1938, La Urbana transferred and assigned all its rights and interest in the said property to Agatona Geronimo, plaintiff in the present case, for the sum of P6,000.00, subject, however, to the right of redemption of Nava and his wife Felisa. Agatona paid P600.00 on account of the purchase price and to secure the payment of the balance of P5,400.00, mortgaged the same lots to La Urbana, which duly notified Nava and his wife of the assignment or transfer. Immediately after buying the lots from the Sheriff in March, 1938, La Urbana took possession of the same and collected the rentals thereon at the rate of P30.00 a month. In May, 1938, shortly after purchasing the same lots from La Urbana, Agatona also took possession of the property and collected P62.50 representing the May and June rentals, and since July of the same year, she had been collecting, the rentals at the rate of P35.00 a month.

Within the one year period of redemption, Nava tried to redeem the property, going to La Urbana and offering to pay; the amount of redemption, and when the latter refused to accept the offer, disclaiming any interest in the property because it had already transferred the same to Agatona, Nava wrote to Agatona, making the same offer to redeem after liquidation of the account consisting of rentals so far received by her. He even offered to meet her at the office of the Clerk of Court and waited for her there all day on the last day of the redemption period, and when she failed to appear, he bought a cashier's check at the Philippine National Bank in the amount of P3,470.00 and deposited the sum in the Philippine National Bank branch in Cabanatuan in her name. On the same day, he filed Civil Case No. 8071 of the Court of First Instance of Nueva Ecija against Agatona and Inocencio to compel them to permit him to redeem the property after rendering an account of the rentals received by them and to pay damages. On filing the case, Nava filed with the Register of Deeds of Nueva Ecija a notice of lis pendens in accordance with the provisions of Section 24, "Rule 7, of the Rules of Court, and said notice was noted on the

corresponding certificates of title, covering the four lots. When Agatona and her husband bought the same lots from La Urbana, transfer certificates of title for the four lots were issued to her, on which certificates were also noted the notice of lis pendens and other annotations which appeared in the former certificates of title which were cancelled. In that case, La Urbana was impleaded, upon petition of Agatona and her husband. After hearing, the trial court found that Nava and his wife had substantially complied with the provisions regarding redemption; that they had made not only a valid offer to redeem, but they actually made a valid tender of payment of the redemption price, and rendered judgment as follows:

"Accordingly, the Court hereby renders judgment in favor of the plaintiffs and against the defendants, ordering the latter to execute in favor of the former a valid and registerable deed of resale of the property in question within 15 days from the date this judgment becomes final. The redemption price shall be determined as follows: To the auction price of P3,786.29, there shall be added the interest thereon for one year at the rate of 12%. To said sum and interest, there shall also be added any amount paid either by the defendants for any assessments or taxes or insurance after the auction, plus the interest thereon at the same rate, computed from date of such payment to March 9, 1939. From such total sum, there shall be deducted the rents received by the defendants at the rate of P30.00 a month from the months of March, April and May, 1938, P32.50 for the month of June and P35.00 monthly from July to March 9, 1939. The resulting difference represents the redemption price as of March 9, 1939, the last date of the one-year period of redemption. In view, however, of the fact that the defendants have turned down the offer of the plaintiffs to redeem the property made within the period of redemption and in view further of the fact that the Court has found the plaintiffs entitled to redeem, the defendants are hereby adjudged possessors of the property in bad faith from the date of the filing of this complaint (*Enage vs. Escaño*, 38 Phil. 665, 666.) Therefore, the total rentals received by the defendants at the rate of P35.00 monthly from March 9, 1939, until the reconveyance is effected and the restoration of the actual possession to the plaintiffs, should be paid by the defendants to said plaintiffs together with legal interest thereon from March 9, 1939, less, however, such sums as defendants might have paid after March 9, 1939, for taxes and insurance. The defendants shall also pay the costs of this suit."

On appeal to the Court of Appeals by Agatona and her husband, the appealed judgment was affirmed by the Court of Appeals in a decision dated November 21, 1942. On December 8, 1942, the decision of the Court of Appeals became final and executory, and ten days thereafter, the records of the case were returned to the trial court.

On March 15, 1943, Nava and his wife asked for the issuance of a writ of execution of the decision and the trial court, on March 24, 1943, ordered the clerk of court to issue the corresponding writ of execution.

In their appeal, Agatona and her husband make the following assignment of errors:

"I.. The lower court erred in dismissing the complaint on the ground of *res judicata*.

"II. The lower court erred in not holding that the present action is premised on a different cause of action and that new facts like the withdrawal of the redemption money after the decision had become final, failure to register the decision and to cancel TCTs in the name of Agatona Geronimo and cause issuance of new ones in Nava's name and/or to request issuance of writ of execution, etc., may be presented and proven and are not barred by the first case.

"III. The lower court likewise erred in not holding that the judgment rendered in civil case No. 8071 as confirmed by the decision of the Court of Appeals promulgated on November 21, 1942, is expired, and cannot constitute a bar to present action for it is itself barred by prescription and by laches after almost 15 years for defendants' failure (1) to execute the judgment, (2) to register the decision in the office of the Register of Deeds of Nueva Ecija, (3) to cancel the certificates of title in the name of plaintiff Agatona Geronimo, (4) to cause the issuance of new ones in the name of Jose Nava; and that the registration of titles since 1938 in Agatona Geronimo's name created an indefeasible title on her.

"IV. The lower court also erred in not holding that defendant's withdrawal of the redemption money deposited in the Cabanatuan Branch of the Philippine National Bank for consignment is a waiver of defendants right to redeem the properties involved and a loss of any right to said properties defendants cannot have both the money and the properties.

"V. The lower court also erred in not holding the propriety of cancelling the annotations of Lis pendens of Civil Case No. 8071 and of the mortgage by Agatona Geronimo in favor of La Urbana on the back of Torrens Titles Nos. 14699, 14760, 14701 and 14702 issued on the name of Agatona Geronimo; and that the registered interests therein, whether vested, contingent, expectant or inchoate, of all parties concerned, have already ceased or terminated as any action that may arise therefrom is already barred by prescription and the aforesaid decision in former case (8071) has already ceased or lost its force and effect, thereby creating a situation as if there never have been any decision or annotation.

"VI. The lower court likewise erred in not holding that debt moratorium does not apply to the enforcement of the decision in case 8071 which is, in the main, ordering the execution by the defendants of a registerable deed of repurchase and that the same is a matter of defense by defendants Agatona Geronimo, et al., and it must be set up by defendants and not by the plaintiffs, the Navas, and granting arguendo, debt moratorium applies to the case at bar, still more than ten years have already elapsed after deducting the duration of debt moratorium as decided by the Honorable Supreme Court in one case.

"VII. The lower court finally erred in denying plaintiff's motions for reconsideration dated December 28, 1956 and January 19, 1957."

As already stated, the appealed order of dismissal in the present case is based on the proposition that the decision of the trial court affirmed by the Court of Appeals in Civil Case No. 8071 was a bar to the present action, for the reason that a final judgment rendered by a court of competent jurisdiction on the merits is conclusive as to the rights of the parties, and that as to them, it constitutes a bar to subsequent actions involving the same claim, demand and cause of action, provided that there was between the two cases, identity of parties of subject matter and cause of action (30 Am. Jur. 914; I Moran p. 612, 1957 ed.),

In the present case, the parties are the same as those in Civil Case No. 8071, except that after the death of Nava's wife Felisa Aquino, her children by Nava were substituted, as co-defendants. The subject matter is the same in both cases, namely, the four lots in litigation. However, appellants Agatona and Inocencio dispute the identity of the cause of action because in Civil Case No. 8071, what was sought and decided therein was the right of Nava and his wife to redeem the property in question, whereas, in the present case, the complaint of plaintiffs Agatona and Isidoro seeks the cancellation of the annotations specially of the notice of lis pendens on their transfer certificates of title, and that of the mortgage for the sum of P4,900.00, executed by Agatona in favor of Banco Hipotecario de Filipinas, the reason given being that the registered interest involving said annotations had already ceased, and that any action that may arise therefrom was already barred by prescription. Technically, the cause of action in the present case and in Civil Case No. 8071 may differ. But in substance, they are the same.

Plaintiffs herein maintain that they are still the owners of the four lots in question and have the right to continue as such; that the annotation of lis pendens as regards the institution of Civil Case No. 8071 may be cancelled, for the reason that the judgment in said case in favor of Nava et al. can no longer be enforced because of the passage of time, namely, prescription. It will be recalled, however, that in Civil Case No. 8071, the Court of First Instance of Nueva Ecija found and "held that Nava and his wife had the right to redeem the property, and it ordered that Agatona and her husband execute the necessary registerable titles to the four lots in favor of Nava and his wife, upon the payment of the price to be ascertained after liquidation. The judgment may not have been executed totally, but the defendants herein maintain and evidently with reason, that it was at least partially executed, for the reason that as stated in the motion to dismiss, after Nava and his wife had asked for the execution of the

judgment rendered in Civil Case No. 8071, that is, in July 1944, provincial auditor Francisco Alejo, who was occupying the house erected on the four lots in question, began paying the house rent to Nava, stating that Agatona had refused to accept said rentals, for the reason that she lost in Civil Case No. 8071, and that when Mr. Alejo vacated the house in May 1945, Nava took possession of the whole property, and has continued in possession up to the date of filing the motion for dismissal on October 24, 1956. In other words, by virtue of the decision in Civil Case No. 8071, herein defendants Nava et al., not only were restored to the possession of the property in question since 1945, but had also been receiving the rentals of the house on said property since 1944. The only thing lacking is the formal execution of the deed of transfer or the sale by Agatona and her husband to herein defendants.

In the present case, we are inclined to brush aside technicalities when they stand in the way of administering justice and giving to parties, in litigation their due, specially in cases of redemption. Moreover, the equities in the case are on the side of the defendant-appellees herein. The four lots in question at the time that they were mortgaged to Nava and his wife to La Urbana were assessed in the amount of P8,820.00 and the Court may take judicial notice of the fact that the assessed value oftentimes is but a fraction of the real value of the property assessed. At the present time, or rather, when the present action was instituted in 1956, the property in question, according to plaintiffs themselves, because of the natural tendency of real estate to increase in value, are assessed at P13,350.00 and must be worth much more than that; and yet, that same property was originally mortgaged with La Urbana by Nava and his wife for only P3,047.76 and was sold at auction sale to La Urbana for P3,376.29; so that the redemption price cannot be much more than that, considering that from the same shall be deducted the rentals received by Agatona and her husband at the rate of P30.00 a month from March 1938 until the defendants herein began receiving said rentals some time in July, 1944.

Moreover, there is another aspect of this case which is not only important, but also decisive. Considering the circumstances surrounding this case, as well as that of Civil Case No. 8071, we find that when Agatona evidently acquiescing in the final decision in Civil Case No. 8071, not only allowed but even directed the tenant of the house on the property to pay his rentals to Nava, instead of to herself; and when in 1945, she allowed Nava to occupy the house when the tenant disoccupied it, and to take possession of the whole property, her acts should be construed as a recognition of the fact that the property, though still in her name, was to be held in trust for Nava, to be conveyed to him on payment of the repurchase price. Such trust is an express one, not subject to prescription. We may also hold that when the trial court in that Civil Case No. 8071 declared in a decision that had become final and executory, that Nava et al. had the right to redeem the property, and ordered Agatona et al. to make the resale, there was created what may be regarded as a constructive trust, in the sense that although Agatona and her husband had the naked title to the property by reason of the certificates of title issued in their names, and which they retained, nevertheless, they were to hold said property in trust for Nava et al. to redeem, subject to the payment of the redemption price. Of course, it might be contended that in the latter instance of a constructive trust, prescription may apply where the trustee asserts a right adverse to that of the cestui que trust, such as, asserting and exercising acts of ownership over a property being held in trust. But even under this theory such a claim of prescription would not prosper in the present case. As already stated, since 1944, after the decision in Civil Case No. 8071 became final and executory, Agatona evidently acquiesced in the decision against her, so much so that thereafter, as already stated, she suggested that the tenant of the house pay his rentals to Nava instead of to her, meaning that Nava had a right to said rentals. Not only this, but since May, 1945, when the tenant left the house, Nava took possession thereof as well as the land on which it was built, and has been occupying the same up to the present time, exercising acts of ownership over the same, and Agatona evidently, all along, showing conformity. It was only on September 30, 1956 that she and her husband filed the present case to cancel the notice of lis pendens of Civil Case No. 8071, including naturally, the decision in said case against

them, and to recover the possession of the property. If such acts on her part as trustee can be considered as an assertion of the right of ownership against Nava, the cestui que trust, over the property, then the prescription invoked by her, assuming it to be available, far falls short of the period required by law to establish title by prescription. Agatona did not even have the possession of the property in order to exercise acts of ownership over the same.

In conclusion, we find that the order of dismissal appealed from is in accordance with law, and should be sustained. But if we merely affirmed the appealed order, the parties would be in the same situation they were before the present action was initiated, consequently, for the benefit of the parties, and in the interest of justice, we hereby order both parties plaintiff and defendant to comply with the terms of the decision of the trial court in Civil Case No. 8071. The trial court is directed to see to it that this is done within a reasonable time. No costs.

Paras, C.J., Bengzon, Padilla, Reyes, A., Concepcion, Reyes, J.B.L., and Endencia, JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.