

SPS. RAMON AND SYLVIA CARRION, PETITIONERS, VS. COURT OF APPEALS, ELSA RAMIREZ AND BELEN GREGORIO, RESPONDENTS.

G.R. No. 124271. August 22, 1996

Ponente: PADILLA, J.

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PADILLA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court of a decision[*] of the Court of Appeals (CA) dated 20 November 1995 in CA-G.R. CV 35070 entitled "Elsa Ramirez and Belen Gregorio vs. Sps. Ramon and Sylvia Carrion."

Petitioners allege that the CA decision went against the well entrenched doctrine that "whenever an appeal is taken in a civil case, an appellee who does not himself appeal cannot obtain from the appellate court any affirmative relief other than the ones granted in the decision in the court below."

The facts of the case are as follows:

Sometime in January 1977, petitioners Ramon and Sylvia Carrion, representing themselves as involved in the business of movie production, obtained a loan of P60,000.00 each from private respondents Elsa Ramirez and Belen Gregorio. To secure payment of said loans, petitioners issued separate postdated checks to private respondents dated 7 February 1977, each in the amount of P60,000.00. Upon maturity thereof, petitioners persuaded private respondents not to encash the checks. Instead, they executed two (2) promissory notes to mature on 7 July 1979 in the amount of P85,517.00 each, payable to private respondents. The amount represented the original loan of P60,000.00 plus interest of twelve percent (12%) per annum, for two (2) years.

After more than seven (7) years, petitioners failed to settle their obligations to private respondents. In 1986, private respondents filed a complaint for sum of money against petitioners before the Regional Trial Court of Manila Branch 11.

After trial, the trial court rendered judgment, the dispositive part of which reads:

"WHEREFORE, in the light of all the foregoing considerations, this Court orders the defendants, jointly and solidarily (sic), to pay both plaintiff Elsa Ramirez and Belen Gregorio the sum of P10,000.00 as and for attorney's fees; to pay the plaintiff Elsa Ramirez the sum of P60,000.00 without interest; to pay the plaintiff Belen Gregorio the sum of P60,000.00 without interest and to pay the costs of suit." [1]

The trial court ruled that "while the evidence for both parties tended to show that the transaction between them involve the forbearance of money, x x x since the plaintiffs (private respondents) have admitted their funds were invested in the business of movie making, they should not be entitled to recover these funds because if that business deal had failed, as proven in an action for an accounting which plaintiffs should have instituted, then they should suffer the losses. Considering, however, that the defendants (petitioners) have not admitted that they have invested the funds of plaintiffs in the business of movie production but this court had earlier made the finding that defendants (petitioners) did receive the funds belonging to the plaintiffs (private respondents), then under the

principle of unjust enrichment; defendants (petitioners) are legally bound to return those funds." [2]

Aggrieved, petitioners appealed to the Court of Appeals.

On 20 November 1995, the Court of Appeals rendered judgment, the dispositive part of which reads:

"WHEREFORE, the appealed decision is AFFIRMED with the MODIFICATION that defendants are hereby declared solidarily liable to pay both plaintiffs the amount of P85,519.18 each, with the stipulated interest of 1% a month from November 28, 1986, the date of filing of the complaint until fully paid; twenty-five (25%) percent of such total amount inclusive of accrued interests for attorney's fees and expenses of litigation as stipulated in the promissory notes; and P5,000.00 moral damages." [3]

The Court of Appeals disagreed with the trial court's conclusion that the contractual relation created between plaintiffs and defendants was one of partnership because the testimonial evidence on record did not establish that such was the intention of both parties. The parties did not "bind themselves to contribute money, property, or industry to a common fund, with the intention of dividing the profits among themselves," [4] so the CA held.

According to the CA also, the evidence show that private respondents were "induced to part with their money and that defendants-appellants (petitioners) gained their trust and confidence as to their ability to return the money considering the anticipated success of the investment." [5]

In fine, since the genuineness and due execution of the promissory notes were not denied by petitioners and parole evidence failed to establish any other agreement to the contrary, the documents clearly evinced a contract of simple loan, not that of a partnership, according to the CA.

Petitioners are now before us. They raise a lone assignment of error in their petition, allegedly committed by the appellate court, thus:

THE RESPONDENT COURT COMMITTED A GRAVE AND REVERSIBLE ERROR IN GRANTING AFFIRMATIVE RELIEFS TO THE PRIVATE RESPONDENTS OTHER THAN THOSE FOUND IN THE APPEALED DECISION OF THE COURT A QUO. [6]

The petition is impressed with merit.

In a long line of cases, [7] this Court has consistently applied the doctrine that "whenever an appeal is taken in a civil case, an appellee who does not himself appeal cannot obtain from the appellate court any affirmative relief other than the ones granted in the decision of the court below." The reason as aptly explained in the early case of *Saenz vs. Mitchell*, 60 Phil. 69 (1934) is that:

"An appellee, who is at the same time not an appellant, may on appeal be permitted to make counter assignment of error in ordinary actions, when the purpose is merely to defend himself against an appeal in which errors are alleged to have been committed by the trial court both in the appreciation of facts and in the interpretation of the law, in order to sustain the judgment in his favor but not when his purpose is to seek modification or reversal of the judgment in which case it is necessary for him to have excepted to and appealed from the judgment."

In the case at bar, the law presumes that the decision of the trial court became binding on the private respondents (appellees) as they accepted not only the trial court's findings of fact but also the conclusions of law drawn from these facts. The effect is that on appeal they (appellees) are deemed to have abandoned their original theory that the contract executed between them and petitioners was one of loan, and are deemed to have accepted the theory that the contract was one of partnership. Thus, as to them (appellees), the judgment of the court a quo may be said to have attained finality. [8]

The Court finds, therefore, that respondent Court of Appeals committed a reversible error of law when it modified the decision of the trial court and granted to private respondents who did not appeal from the decision of the trial court, affirmative reliefs other than those granted to them by the trial court's judgment.

WHEREFORE, the decision of the Court of Appeals is hereby SET ASIDE and the decision of the Regional Trial Court of Manila Branch 33 in Civil Case No. 86-38533 is hereby REINSTATED, without pronouncement as to costs.

SO ORDERED.

Bellosillo, Vitug, and Kapunan, JJ., concur.
Hermosisima, Jr., J., is on leave.

[*] Penned by Justice Portia Alino-Hormachuelos with the concurrence of Justices Artemon D. Luna and Ramon A. Barcelona.*

[1] Rollo, p. 72; RTC Decision, p. 15.

[2] Rollo, pp. 71-72; RTC Decision, pp. 14-15.

[3] CA Decision, p. 23; Rollo, p. 148.

[4] Article 1767, Civil Code.

[5] CA Decision, p. 23; Rollo, p. 14.

[6] Rollo, p. 21.

[7] *Du vs. Kuizon* No. L-16654, November 30, 1961; *Burge Corporation and Universal Comm Agencies vs. Camenforth*, No. L-4440, August 29, 1952; *Pineda and Ampil vs. Bartolome*, No. 6904, September 30, 1954; *Cans vs. Cagregaon, et al.*, L-12764, Dec. 28, 1959; *Apparri vs. CA*, G.R. No. L-15947, August 30, 1965; *Carillo vs. De Paz*, 18 SCRA 467 (1996); *La Campana vs. PCIB*, 14 SCRA 374 (1986); *Ca0rbonell vs. CA*, 147 SCRA 565 (1987); *Alba vs. Santander*, 160 SCRA 8 (1988); *Dizon vs. NLRC*, 181 SCRA 472; *Atlantic Gulf and Pacific Co. of Manila vs. CA*, G.R. 11484-92, August 23, 1995; *Santos vs. CA*, G.R. No. 116100, February 9, 1996.

[8] *Atlantic Gulf and Pacific Co. of Manila vs. CA*, *supra*, at p. 612.

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