# REPUBLIC OF THE PHILIPPINES, REPRESENTED BY ASSET PRIVATIZATION TRUST (APT), PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, LABOR ARBITER PABLO C. ESPRITU, JR., ATTY. GUER...

*G.R. No. 127167. November 18, 1999*

Ponente: PARDO, J.

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**PARDO, J.:**

The case before the Court is a special civil action for certiorari seeking to nullify and set aside the following:

- Order dated February 23, 1996 issued by Labor Arbiter Pablo C. Espiritu, Jr. (Arbiter Espiritu, for brevity) in NLRC NCR-00-05-02570-90; and

- Decision promulgated on October 16, 1996 by the National Labor Relations Commission (NLRC for brevity) in NLRC NCR CA No. 002427-91 [NLRC CASE NO. 00-05-02570-90],

which declared void and ineffectual the redemption by APT of the parcel of land covered by Transfer Certificate of Title No. 101055 of the Register of Deeds of Tarlac in the name of Pantranco North Express, Inc. (hereafter PNEI for brevity), sold on execution at public auction in favor of Domingo P. Uy.

On December 27, 1974, PNEI obtained a loan in the amount of US$500,000.00 from the National Investment and Development Corporation (hereafter NIDC), a subsidiary of the Philippine National Bank (PNB). As security for the loan, PNEI mortgaged certain parcels of real property listed in the Deed of Supplemental Mortgage executed in favor of NIDC on August 28, 1978. One of the property mortgaged was the Pantranco bus terminal in Tarlac, Tarlac, covered by TCT No. 101055 of the Register of Deeds of Tarlac.

The Deed of Supplemental Mortgage was registered with the Registry of Deeds of Tarlac and annotated in the original TCT No. 101055 as follows: "No. 15-3709. KIND: MORTGAGE in favor of National Investment and Development Corporation x x x."

On November 28, 1986, NIDC transferred all the rights and interests over the mortgaged property of PNEI to PNB, by virtue of the Deed of Transfer executed by NIDC in favor of PNB.

On December 8, 1986, pursuant to Presidential Proclamation No. 50, PNB transferred certain non-performing assets to the Asset Privatization Trust. Among them were the rights and interests of PNB over the mortgaged assets of PNEI.

On June 5, 1987, PNB executed a Deed of Transfer over certain assets of PNB in favor of the National Government, through the APT, including all the mortgaged property of PNEI.

In 1991, the Department of Transportation and Communication (DOTC) took over the management of PNEI with a promise to infuse additional capital therein and expand its operation. However, the promised infusion of additional capital did not materialize and because of the persistent demands of the two labor unions in PNEI, the

latter was unable to continue its operations. As a result, the two labor unions of the company (PACE and PEA) instituted with the Labor Arbiter cases against PNEI for the collection of their claims. In virtue of final judgments therein, practically all the assets of the company were levied upon and sold on execution at public auction sales. Included among the property levied upon and sold at public auction was the parcel of land covered by TCT No. 101055 to satisfy the judgment debt of PNEI under the final and executory decision in the case.[1] In the auction sale of the subject land on September 23, 1994, respondent Domingo P. Uy offered the highest bid in the amount of P4,868,100.00 and consequently, the sheriffs conducting the auction awarded the subject land in his favor. On October 24, 1994, the sheriffs issued a certificate of sale which was duly registered with the Register of Deeds for the Province of Tarlac and annotated in the original copy of the title on file with the Register of Deeds.

On October 23, 1995, APT tendered to the NLRC cashier in redemption of the subject property the amount of P5,454,272.00. The amount paid by APT represents the bid price of respondent Domingo P. Uy plus accrued interests and deposit fee. The taxes were not included in the payment. Other expenses incurred in connection with the auction sale of the said PNEI property were to be paid later as soon as they were known and billed by Sheriffs Masilungan and Gaddi.

After payment of the purported redemption price, APT requested the sheriffs for a certificate of redemption but Sheriffs Masilungan and Gaddi told him that the certificate would be issued the following day. No such certificate was ever issued.

On the following day, October 24, 1995, Sheriffs Masilungan and Gaddi executed a Sheriff's Final Deed transferring all the rights, title and interests of PNEI over the subject property in favor of respondent Domingo P. Uy.

On October 24, 1995, the sheriffs submitted the Final Deed of Sale in favor of Domingo P. Uy to the Register of Deeds of Tarlac for registration. However, the Register of Deeds held registration in abeyance because of APT's claim that the latter had redeemed the subject property within the redemption period.

The parties raised the validity of APT's redemption as an incident in the case, and submitted their respective position papers.

On February 23, 1996, Labor Arbiter Espiritu issued an order declaring the redemption made by APT to be void and ineffectual, the decretal portion of which reads:

> "WHEREFORE, the redemption made by APT on October 23, 1995 is hereby declared void and ineffectual and the Sheriff's Final Deed dated October 24, 1995 in favor of Domingo P. Uy is confirmed. The Register of Deeds of Tarlac is hereby ordered to cancel TCT No. 101055 in the name of Pantranco North Express, Inc. and to issue a new title in the name of Domingo P. Uy.
>
> "SO ORDERED.
>
> "Quezon City, Philippines, February 23, 1996.
>
> "(s/t) PABLO C. ESPIRITU, JR.
> "Labor Arbiter"[2]

On March 7, 1996, petitioner appealed the order of the Labor Arbiter to the National Labor Relations Commission.

On October 16, 1996, the NLRC promulgated its decision dismissing petitioner's appeal.

Hence, this petition.[3]


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The issue raised is whether the period of redemption in auction sale on execution under Section 30, Rule 39 of the 1964 Revised Rules of Court is twelve (12) months or one year from the date of registration of the sale with the register of deeds.

We rule that the period of redemption of real property sold on execution under Section 30, Rule 39, 1964 Revised Rules of Court[4] is twelve (12) months, not one year, from the date of the sale.[5] "Of course, it is already settled that the phrase `after the sale' really means after the date of registration of the certificate of sale.[6] What is here in question, instead, is the computation of the redemption period of `twelve (12) months.'"[7]Applying Article 13 of the Civil Code, the redemption period in this case under Section 30, Rule 39 of the 1964 Revised Rules of Court[8] consists of three hundred sixty (360), and not three hundred sixty five (365) days. Section 30 provided only twelve (12) months, which under the rules of computation in Article 13, Civil Code, is not necessarily equivalent to one year.[9] With this ruling, we regret that petitioner failed to redeem the subject property within the twelve-month redemption period prescribed under the rule then in force.

WHEREFORE, the Court hereby DISMISSES the petition and AFFIRMS the order dated February 23, 1996 of Labor Arbiter Pablo C. Espiritu, Jr. and the decision dated October 16, 1996 in Case No. 00-05-02570-90 of the National Labor Relations Commission.

No costs.

**SO ORDERED.**

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ., concur.

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[1] Pantranco Association of Concerned Employees (PACE) Rollo. Pantranco North Express, Inc. NLRC-NCR-00-05-02570-90.

[2] Petition, Annex "A", Rollo, pp. 24-37.

[3] Filed on December 4, 1996, Rollo, pp. 2-22.

[4] On April 8, 1997, the Supreme Court adopted the 1997 Rules on Civil Procedure, effective July 1, 1997. Under Rule 39, Section 28 of the 1997 Rules of Civil Procedure the period of redemption was extended to one (1) full year from the date of the registration of the certificate of sale.

[5] Go It Bun Rollo. Dizon, 214 SCRA 41, Separate Opinion, J. Regalado, at pp. 54-55 [1992]; 2 Moran, Comments on the Rules of Court, 1996 ed. pp. 396, 400, citing Bascon Tibajia Rollo. Court of Appeals, 193 SCRA 581 [1991].

[6] Garcia Rollo. Ocampo, 105 Phil. 1102 [1959].

[7] Go It Bun Rollo. Dizon, 214 SCRA 41, Separate Opinion, Regalado, J., at p. 54-55.

[8] ow revised as Section 28, Rule 39, 1997 Rules of Civil Procedure, as amended, providing for a redemption period of "one (1) year from the date of registration of the certificate of sale x x x."

[9] Go It Bun Rollo., Dizon, supra, at p. 55.


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