

MARCELINO BUYCO, PETITIONER AND APPELLEE VS. PHILIPPINE NATIONAL BANK, ILOILO BRANCH, ILOILO CITY, RESPONDENT AND APPELLANT.

G.R. No. 14406. June 30, 1961

Ponente: PAREDES, J.

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PAREDES, J.:

Mandamus case filed by petitioner Marcelino Buyco praying that the Respondent Philippine National Bank be compelled to accept his backpay acknowledgment certificate No. 4801, as payment of his obligation with said respondent.

The case was submitted on an agreed stipulation of facts, with the pertinent documents as annexes.

On April 24, 1956, petitioner Marcelino Buyco was indebted to respondent in the amount of P5,102.90 plus interest thereon, which represented petitioner's deficit on his 1952-53 crop loan with respondent bank. The said loan was secured by a mortgage of real property. Petitioner is a holder of Backpay Acknowledgment Certificate No. 4801, dated July 9, 1955, under Rep. Act No. 897 in the amount of P22,227.69 payable in thirty (30) years. On April 24, 1956, petitioner offered to pay respondent bank the deficit of his crop loan for the above mentioned crop year 1952-53 with his said backpay acknowledgment certificate, but on July 18, 1956, respondent answered petitioner that since respondent's motion for reconsideration in the case of Marcelino B. Florentino vs. Philippine National Bank (98 Phil., 959; 52 Off. Gaz., [5] 2522) was still under consideration by this Court (S. C.), respondent "cannot yet grant" petitioner's request (Annex A, amended petition). On February 15, 1957, and after this Court has denied respondent's motion for reconsideration in said case No. L-8782, petitioner, again wrote respondent, reiterating his request to pay the obligation with said certificate (Annex B). On February 19, 1957, respondent answered petitioner that in view of the amendment of its charter on June 16, 1956 by R. A. No. 1576, it could not accept petitioners' certificate (Annex C). Petitioner requested respondent to reconsider its decision, in a letter dated March 26, 1957 (Annex D), which was referred to the respondent's Legal Department. In an opinion rendered on April 23, 1957, said department expressed the view that notwithstanding the decision of this Court, the respondent could not accept the certificate because of the amendment of its Charter heretofore mentioned.

The Court of First Instance of Iloilo, on July 24, 1958, granted the petition and ordered the respondent bank "to give due course of the vested right of the petitioner acquired previous to the enactment of Republic Act No. 1576 by accepting his backpay acknowledgment certificate as payment of the obligation of the petitioner with respondent Bank with costs of the proceedings against respondent". Hence, this appeal by the respondent Bank.

In spousing the cause of the petitioner-appellee, the trial court made the following findings and conclusions:

- (1) That in the letter Annex A, dated July 18, 1956, the respondent has impliedly admitted the right of petitioner to apply or offer his certificate in payment of his obligation to respondent.
- (2) That the pendency of the motion for reconsideration of the Florentino case filed by respondent-appellant,

did not affect the petitioner's vested right already created and acquired at the time he offered to pay his obligation with his certificate on April 24, 1956, and before the passage of Rep. Act No. 1576.

(3) That Rep. Act No. 1576 does not nullify the right of the petitioner to pay his obligation with his backpay certificate.

(4) That the writ of mandamus would lie against the appellant.

The above findings and conclusions are assigned as errors, alleged to have been committed by the trial court.

In the light of the Supreme Court's decision in the Florentino case, the respondent Philippine National Bank therein, was declared authorized to accept backpay acknowledgement certificate as payment of the obligation of any holder thereof. Although the Florentino case was promulgated on April 28, 1956, four (4) days after April 24, 1956, the date the appellee offered to pay with his backpay acknowledgment certificate, it is nevertheless obvious that on or before said April 24, 1956, the right to have his certificate applied for the payment of his obligation with the appellant already existed by virtue of Republic Act No. 897, which was merely construed and clarified by this Court in the said Florentino case. So that when the appellant in its letter of July 18, 1956, replied that "in the meantime that our motion for reconsideration of the said decision is still pending the resolution of the Supreme Court, we regret to advise that we cannot yet grant your request", the said appellant already knew or should have known that a right was vested, only that its enforcement had to wait the resolution of this Court which it handed on February 15, 1957, by maintaining its decision; A vested right or a vested interest may be held to mean some right or interest in property that has become fixed or established, and is no longer open to doubt or controversy (Graham vs. Great Falls Water Power & Town Site Co. [Mont] 76 Pac. 808, 810, citing Evan-Snyder-Buel Co. vs. Mc Fadden, 10 Fed. 293, 44 CCA, 464 L. R. A. 900). Considering the facts and circumstances obtaining in the case, we agree with the lower court that the appellant herein had impliedly admitted the right of the petitioner to apply his backpay certificate in payment of his obligation. This notwithstanding, whether implied or expressed, the admission by the appellant of appellee's right, has already lost momentum or importance, because the law on the matter on April 24, 1956, when the offer to pay the obligation with the certificate was made, or the law before the amendatory Act of June 16, 1956, was the PNB was compelled to receive petitioner's backpay certificate.

Section 9-A of Republic Act No. 1576, passed on June 16, 1956, amending the Charter of the respondent-appellant bank, provides:

"The Board of Directors shall have the power and authority:

"* * * (d) In its discretion, to accept assignment of payments, certificates of indebtedness of the government or other such similar securities: Provided, however, that the authority herein granted shall not be used as regards backpay certificates."

What would be the effect of this law upon the case at bar? "Laws shall have no retroactive effect, unless the contrary is provided" (Art. 4, New Civil Code). It is said that the law looks to the future only and has no retroactive effect unless the legislator may have formally given that effect to some legal provisions (Lopez, et al. vs. Crow. 40 Phil., 997, 1007); that all statutes are to be construed as having only prospective operation, unless the purpose and intention of the Legislature to give them a retrospective effect is expressly declared or is necessarily implied from the language used; and that every case of doubt must be resolved against retroactive effect (Montilla vs. Agustinian Corp., 24 Phil., 220). These principles also apply to amendments of statutes. Republic Act No. 1576 does not contain any provision regarding its retroactive nor such may be implied from its language. It simply states its effectivity upon approval. The amendment, therefore has no retroactive effect, and the present case should be governed by the law at the time the offer in question was made. The rule is familiar that after an act is amended, the original act continues to be in force with regard to all rights that had accrued prior to

such amendment (Fairchild vs. U. S. 91 Fed. 297; Hathaway vs. Mutual Life Ins. Co. of N.Y., 99 F. 534).

It is true that "acts executed against the provisions of mandatory or prohibitory laws shall be void, except when the law itself authorizes their validity" (Art 5, New Civil Code). It should be recalled, however, that since the prohibitive amendment of the appellant's charter should not be given retroactive effect; and that the law, at the time appellee made his offer, allowed, in fact compelled, the respondent bank to accept the appellee's certificate, the above provision finds no application herein.

In view hereof, mandamus is the proper remedy (Florentino case, supra, and the judgment appealed from is hereby affirmed with costs against the respondent-appellant.

Bengzon, C.J., Labrador, Reyes, J.B.L., Dizon, De Leon, and Natividad, JJ., concur.

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