

GERARDA A. DIZON-ABILLA AND THE HEIRS OF RONALDO P. ABILLA, PETITIONERS, VS. SPS. CARLOS AND THERESITA GOBONSENG, RESPONDENTS.

G.R. No. 170745. January 30, 2009

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Spouses Carlos and Theresita Gobonseng (respondents) failed to settle a P550,000 loan obtained from Gerarda A. Dizon-Abilla and the Heirs of Ronaldo P. Abilla (petitioners). The parties eventually agreed on a settlement scheme. Thus, respondents executed a Deed of Sale[1] covering seventeen (17) lots in favor of petitioners, and a separate document affording respondents the option to buy back the lots within six months from execution of the Deed of Sale.

As respondents failed to exercise their option, petitioners filed a case for specific performance and recovery of sum of money and damages before the Dumaguete City Regional Trial Court (RTC), docketed as Civil Case No. 8184, to inter alia, recoup the expenses attendant to the "preparation and registration" of the Deed of Sale.

By Decision of October 29, 1990, Branch 33 of the Dumaguete RTC declared the Option to Buy null and void. It, however, rendered judgment in favor of the vendees-herein petitioners respecting their prayer for, inter alia, damages, disposing as follows:

1. Ordering defendants to pay plaintiffs [herein petitioners] the sum of P171, 483.40 representing the total expenses incurred by plaintiffs in the preparation and registration of the Deed of Sale, amount paid to (Insular) Bank of Asia and America (IBAA) and capital gains tax with legal rate of interest from the time the same was incurred by plaintiffs up to the time payment is made by defendants; P10,000.00 as attorney's fees; P15,000.00 moral damages; P10,000.00 expenses of litigation and to pay cost.
2. The Philippine National Bank, Dumaguete City Branch is directed to release in favor of plaintiffs, the spouses Ronaldo P. Abilla and Geralda [sic] A. Dizon all the money deposited with said bank, representing the rentals of a residential house erected inside in one of the lots in question;
3. For insufficiency of evidence, defendants' counterclaim is ordered dismissed.

SO ORDERED. (Underscoring supplied)

The Court of Appeals, holding that "the deed of sale and option to buy actually constitute a pacto de retro sale," affirmed the trial court's decision but deleted the award of attorney's fees.

Nineteen (19) days after the appellate court's Decision became final on February 8, 1999 and entered in the Book of Entries of Judgments or on February 27, 1999, respondents filed before the trial court an "Urgent Motion to Repurchase" the lots based on Article 1606[2] of the Civil Code in which they manifested tender of payment via deposit with RCBC Dumaguete Branch, details of which are as follows[3]:

Account No.

1-428-32592-2

Account Name

Carlos Ang Gobonseng Jr. and Theresita Mimie Ong ITF Ronaldo P. Abilla & Gerarda A. Dizon (Under Civil Case No. 8184)

Passbook Serial No.

022233

Date of Deposit

February 23, 1991 [sic]

Amount

P1,003,290.87

By Order of November 10, 1999, the trial court denied respondents' motion. The trial judge later inhibited himself from the proceedings and the case was re-raffled to Branch 41 presided by Judge Araceli Alafriz who set aside the said Order of November 10, 1999 and allowed respondents to repurchase the lots.

Judge Alafriz thus authorized the release to petitioners of the RCBC deposit. Out of the P1,003,290.87 deposit, only the amount of P896,000 was released by the bank, however, as it retained the balance of P107,290.87 in settlement of petitioners' alleged unpaid loan obligation.

Before this Court, petitioners, via petition for review on certiorari in G.R. No. 146651, challenged the trial court's order allowing respondents to repurchase the lots. By Resolution of August 6, 2002, this Court decided in respondents' favor, holding that there was a belief on their part as vendors that their agreement with petitioners was in reality a mortgage.

. . . [T]he applicability of Article 1606 [of the Civil Code (on Conventional Redemption)] rests on the bona fide intent of the vendor a retro, i.e. respondent in this case. If he honestly believed that the transaction was an equitable mortgage, the said article applies and he can still repurchase the property within thirty days from finality of judgment declaring the transaction as sale with pacto de retro. Parenthetically, it matters not what the vendee intended the transaction to be. x x x

These circumstances, peculiar to the case at bar, make this case fall squarely within the situation contemplated in the above-quoted doctrine - that there was a belief on the part of the vendor a retro, founded on facts attendant upon the execution of the sale with pacto de retro, honestly and sincerely entertained, that the agreement was in reality a mortgage, one not intended to affect the title to the property ostensibly sold, but merely to give it as security for a loan or other obligation. x x x

WHEREFORE, in view of the foregoing, the Decision dated January 17, 2002 is SET ASIDE. The instant petition is DENIED. Petitioners are ordered to accept the payment tendered by the respondents and to execute the necessary deed of sale conveying the subject lots to respondents.

SO ORDERED. (Emphasis and underscoring supplied)

Petitioners subsequently filed before the trial court a motion[4] before which they asserted that they are entitled to 2% monthly interest on the loan, the increase in value of the lots, the depreciated value of the Philippine peso, and a refund of realty taxes and other expenses which should all be charged to respondents, presenting for the purpose

a "Statement of Account."

The trial court ruled against petitioners, it holding that the amount deposited with the RCBC represented the full repurchase price. Petitioners assailed the trial court's order before the appellate court which, by Resolution of December 2, 2003, directed the trial court to immediately implement this Court's August 6, 2002 Resolution in G.R. No. 146651 "strictly according to its tenor."

The appellate court considered the case closed and terminated by Resolution of February 16, 2004, citing the manifestation submitted by petitioners' counsel[5] that they would no longer file before this Court the intended petition for review on certiorari.

Meanwhile, Judge Alafriz having eventually inhibited in the case, the case was re-raffled to Branch 33 presided by Judge Fe Lualhati Bustamante who conducted a hearing "in aid of execution." The hearing was opposed by respondents who moved for the inhibition of said judge. Respondents' motion having been denied, they lodged before the Court of Appeals a petition for certiorari.

By the challenged Decision,[6] the appellate court rendered judgment in favor of respondents, disposing as follows:

IN LIGHT OF THE FOREGOING, the petition is GRANTED. The Honorable presiding judge of the Regional Trial Court of Negros Oriental, Branch 33, Dumaguete City is PERMANENTLY ENJOINED from conducting a hearing relative to the execution of the instant case, and is hereby directed to ISSUE and ENTER a Satisfaction of Judgment in Civil Case No. 8184 and all its incidents. Let this case be DROPPED from the calendar of the trial court to seal its FINAL DISPOSAL.

SO ORDERED. (Underscoring and emphasis in the original)

Hence, the present petition.

The petition fails.

The amount tendered by respondents, the correctness of which had already been passed upon by the appellate court, has been determined with finality.

Every litigation must necessarily come to an end. Access to courts is guaranteed, but once a litigant's right has been adjudicated in a valid final judgment of a competent court, he should not be granted an unbridled license to go back for another try. The prevailing party should not be harassed by subsequent suits. For, if endless litigations were to be encouraged, unscrupulous litigations would multiply in number to the detriment of the administration of justice.[7]

WHEREFORE, the petition is DENIED. Double costs against petitioners.

SO ORDERED.

Quisumbing, (Chairperson), Corona[*], Tinga, and Chico-Nazario[**], JJ., concur.

[*] Additional member per Special Order No. 558 dated January 15, 2009 in lieu of Justice Presbitero J. Velasco, Jr. who is on official leave.

[**] Additional member per Special Order No. 562 dated January 21, 2009 in lieu of Justice Arturo D. Brion who is on leave.

[1] The Deed of Sale provides that respondents shall shoulder the expenses relative to the preparation and registration, capital gains, transfer and documentary stamps taxes.

[2] Article 1606. x x x

However, the vendor may still exercise the right to repurchase within thirty days from the time final judgment was rendered in a civil action on the basis that the contract was a true sale with right to repurchase. (Underscoring supplied)

[3] Records at pp. 2,903-2,904

[4] Denominated as "Plaintiff's Statement of Account and Bill of Particulars in re: Defendants' obligations to Plaintiffs on date of repurchase in aid of execution."

[5] Manifestation dated January 15, 2004.

[6] Penned by Associate Justice Enrico A. Lanzas, with the concurrence of Associate Justices Arsenio J. Magpale and Sisinando E. Villon. CA rollo, pp. 511-529.

[7] *Ngo Bun Tiong v. Sayo*, L-45825, June 30, 1988, 163 SCRA 237, 238.

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