

JOSEFINA P. REALUBIT, PETITIONER, VS. PROSENCIO D. JASO AND EDEN G. JASO, RESPONDENTS.

G.R. No. 178782. September 21, 2011

Ponente: PEREZ, J.

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PEREZ, J.:

The validity as well as the consequences of an assignment of rights in a joint venture are at issue in this petition for review filed pursuant to Rule 45 of the 1997 Rules of Civil Procedure,[1] assailing the 30 April 2007 Decision[2] rendered by the Court of Appeals' (CA) then Twelfth Division in CA-G.R. CV No. 73861,[3] the dispositive portion of which states:

WHEREFORE, the Decision appealed from is SET ASIDE and we order the dissolution of the joint venture between defendant-appellant Josefina Realubit and Francis Eric Amaury Biondo and the subsequent conduct of accounting, liquidation of assets and division of shares of the joint venture business.

Let a copy hereof and the records of the case be remanded to the trial court for appropriate proceedings.[4]

The Facts

On 17 March 1994, petitioner Josefina Realubit (Josefina) entered into a Joint Venture Agreement with Francis Eric Amaury Biondo (Biondo), a French national, for the operation of an ice manufacturing business. With Josefina as the industrial partner and Biondo as the capitalist partner, the parties agreed that they would each receive 40% of the net profit, with the remaining 20% to be used for the payment of the ice making machine which was purchased for the business.[5] For and in consideration of the sum of P500,000.00, however, Biondo subsequently executed a Deed of Assignment dated 27 June 1997, transferring all his rights and interests in the business in favor of respondent Eden Jaso (Eden), the wife of respondent Prosenicio Jaso.[6] With Biondo's eventual departure from the country, the Spouses Jaso caused their lawyer to send Josefina a letter dated 19 February 1998, apprising her of their acquisition of said Frenchman's share in the business and formally demanding an accounting and inventory thereof as well as the remittance of their portion of its profits.[7]

Faulting Josefina with unjustified failure to heed their demand, the Spouses Jaso commenced the instant suit with the filing of their 3 August 1998 Complaint against Josefina, her husband, Ike Realubit (Ike), and their alleged dummies, for specific performance, accounting, examination, audit and inventory of assets and properties, dissolution of the joint venture, appointment of a receiver and damages. Docketed as Civil Case No. 98-0331 before respondent Branch 257 of the Regional Trial Court (RTC) of Parañaque City, said complaint alleged, among other matters, that the Spouses Realubit had no gainful occupation or business prior to their joint venture with Biondo; that with the income of the business which earned not less than P3,000.00 per day, they were, however, able to acquire the two-storey building as well as the land on which the joint venture's ice plant stands, another building which they used as their office and/or residence and six (6) delivery vans; and, that aside from appropriating for themselves the income of the business, the Spouses Realubit have fraudulently concealed the funds and assets thereof thru their relatives, associates or dummies.[8]

Served with summons, the Spouses Realubit filed their Answer dated 21 October 1998, specifically denying the material allegations of the foregoing complaint. Claiming that they have been engaged in the tube ice trading business under a single proprietorship even before their dealings with Biondo, the Spouses Realubit, in turn, averred that their said business partner had left the country in May 1997 and could not have executed the Deed of Assignment which bears a signature markedly different from that which he affixed on their Joint Venture Agreement; that they refused the Spouses Jaso's demand in view of the dubious circumstances surrounding their acquisition of Biondo's share in the business which was established at Don Antonio Heights, Commonwealth Avenue, Quezon City; that said business had already stopped operations on 13 January 1996 when its plant shut down after its power supply was disconnected by MERALCO for non-payment of utility bills; and, that it was their own tube ice trading business which had been moved to 66-C Cenacle Drive, Sanville Subdivision, Project 6, Quezon City that the Spouses Jaso mistook for the ice manufacturing business established in partnership with Biondo.[9]

The issues thus joined and the mandatory pre-trial conference subsequently terminated, the RTC went on to try the case on its merits and, thereafter, to render its Decision dated 17 September 2001, discounting the existence of sufficient evidence from which the income, assets and the supposed dissolution of the joint venture can be adequately reckoned. Upon the finding, however, that the Spouses Jaso had been nevertheless subrogated to Biondo's rights in the business in view of their valid acquisition of the latter's share as capitalist partner,[10] the RTC disposed of the case in the following wise:

WHEREFORE, defendants are ordered to submit to plaintiffs a complete accounting and inventory of the assets and liabilities of the joint venture from its inception to the present, to allow plaintiffs access to the books and accounting records of the joint venture, to deliver to plaintiffs their share in the profits, if any, and to pay the plaintiffs the amount of P20,000. for moral damages. The claims for exemplary damages and attorney's fees are denied for lack of basis.[11]

On appeal before the CA, the foregoing decision was set aside in the herein assailed Decision dated 30 April 2007, upon the following findings and conclusions: (a) the Spouses Jaso validly acquired Biondo's share in the business which had been transferred to and continued its operations at 66-C Cenacle Drive, Sanville Subdivision, Project 6, Quezon City and not dissolved as claimed by the Spouses Realubit; (b) absent showing of Josefina's knowledge and consent to the transfer of Biondo's share, Eden cannot be considered as a partner in the business, pursuant to Article 1813 of the Civil Code of the Philippines; (c) while entitled to Biondo's share in the profits of the business, Eden cannot, however, interfere with the management of the partnership, require information or account of its transactions and inspect its books; (d) the partnership should first be dissolved before Eden can seek an accounting of its transactions and demand Biondo's share in the business; and, (e) the evidence adduced before the RTC do not support the award of moral damages in favor of the Spouses Jaso.[12]

The Spouses Realubit's motion for reconsideration of the foregoing decision was denied for lack of merit in the CA's 28 June 2007 Resolution,[13] hence, this petition.

The Issues

The Spouses Realubit urge the reversal of the assailed decision upon the negative of the following issues, to wit:

- WHETHER OR NOT THERE WAS A VALID ASSIGNMENT OF RIGHTS TO THE JOINT VENTURE.
- WHETHER THE COURT MAY ORDER PETITIONER [JOSEFINA REALUBIT] AS PARTNER IN THE JOINT VENTURE TO RENDER [A]N ACCOUNTING TO ONE WHO IS NOT A PARTNER IN SAID JOINT VENTURE.
- WHETHER PRIVATE RESPONDENTS [SPOUSES JASO] HAVE ANY RIGHT IN THE JOINT

VENTURE AND IN THE SEPARATE ICE BUSINESS OF PETITIONER[S].[14]

The Court's Ruling

We find the petition bereft of merit.

The Spouses Realubit argue that, in upholding its validity, both the RTC and the CA inordinately gave premium to the notarization of the 27 June 1997 Deed of Assignment executed by Biondo in favor of the Spouses Jaso. Calling attention to the latter's failure to present before the RTC said assignor or, at the very least, the witnesses to said document, the Spouses Realubit maintain that the testimony of Rolando Diaz, the Notary Public before whom the same was acknowledged, did not suffice to establish its authenticity and/or validity. They insist that notarization did not automatically and conclusively confer validity on said deed, since it is still entirely possible that Biondo did not execute said deed or, for that matter, appear before said notary public.[15] The dearth of merit in the Spouses Realubit's position is, however, immediately evident from the settled rule that documents acknowledged before notaries public are public documents which are admissible in evidence without necessity of preliminary proof as to their authenticity and due execution.[16]

It cannot be gainsaid that, as a public document, the Deed of Assignment Biondo executed in favor of Eden not only enjoys a presumption of regularity[17] but is also considered prima facie evidence of the facts therein stated.[18] A party assailing the authenticity and due execution of a notarized document is, consequently, required to present evidence that is clear, convincing and more than merely preponderant.[19] In view of the Spouses Realubit's failure to discharge this onus, we find that both the RTC and the CA correctly upheld the authenticity and validity of said Deed of Assignment upon the combined strength of the above-discussed disputable presumptions and the testimonies elicited from Eden[20] and Notary Public Rolando Diaz.[21] As for the Spouses' Realubit's bare assertion that Biondo's signature on the same document appears to be forged, suffice it to say that, like fraud,[22] forgery is never presumed and must likewise be proved by clear and convincing evidence by the party alleging the same.[23] Aside from not being borne out by a comparison of Biondo's signatures on the Joint Venture Agreement[24] and the Deed of Assignment,[25] said forgery is, moreover debunked by Biondo's duly authenticated certification dated 17 November 1998, confirming the transfer of his interest in the business in favor of Eden.[26]

Generally understood to mean an organization formed for some temporary purpose, a joint venture is likened to a particular partnership or one which "has for its object determinate things, their use or fruits, or a specific undertaking, or the exercise of a profession or vocation." [27] The rule is settled that joint ventures are governed by the law on partnerships[28] which are, in turn, based on mutual agency or *delectus personae*. [29] Insofar as a partner's conveyance of the entirety of his interest in the partnership is concerned, Article 1813 of the Civil Code provides as follows:

Art. 1813. A conveyance by a partner of his whole interest in the partnership does not itself dissolve the partnership, or, as against the other partners in the absence of agreement, entitle the assignee, during the continuance of the partnership, to interfere in the management or administration of the partnership business or affairs, or to require any information or account of partnership transactions, or to inspect the partnership books; but it merely entitles the assignee to receive in accordance with his contracts the profits to which the assigning partners would otherwise be entitled. However, in case of fraud in the management of the partnership, the assignee may avail himself of the usual remedies.

In the case of a dissolution of the partnership, the assignee is entitled to receive his assignor's interest and may require an account from the date only of the last account agreed to by all the partners.

From the foregoing provision, it is evident that "(t)he transfer by a partner of his partnership interest does not

make the assignee of such interest a partner of the firm, nor entitle the assignee to interfere in the management of the partnership business or to receive anything except the assignee's profits. The assignment does not purport to transfer an interest in the partnership, but only a future contingent right to a portion of the ultimate residue as the assignor may become entitled to receive by virtue of his proportionate interest in the capital." [30] Since a partner's interest in the partnership includes his share in the profits, [31] we find that the CA committed no reversible error in ruling that the Spouses Jaso are entitled to Biondo's share in the profits, despite Juanita's lack of consent to the assignment of said Frenchman's interest in the joint venture. Although Eden did not, moreover, become a partner as a consequence of the assignment and/or acquire the right to require an accounting of the partnership business, the CA correctly granted her prayer for dissolution of the joint venture conformably with the right granted to the purchaser of a partner's interest under Article 1831 of the Civil Code. [32]

Considering that they involve questions of fact, neither are we inclined to hospitably entertain the Spouses Realubit's insistence on the supposed fact that Josefina's joint venture with Biondo had already been dissolved and that the ice manufacturing business at 66-C Cenacle Drive, Sanville Subdivision, Project 6, Quezon City was merely a continuation of the same business they previously operated under a single proprietorship. It is well-entrenched doctrine that questions of fact are not proper subjects of appeal by certiorari under Rule 45 of the Rules of Court as this mode of appeal is confined to questions of law. [33] Upon the principle that this Court is not a trier of facts, we are not duty bound to examine the evidence introduced by the parties below to determine if the trial and the appellate courts correctly assessed and evaluated the evidence on record. [34] Absent showing that the factual findings complained of are devoid of support by the evidence on record or the assailed judgment is based on misapprehension of facts, the Court will limit itself to reviewing only errors of law. [35]

Based on the evidence on record, moreover, both the RTC [36] and the CA [37] ruled out the dissolution of the joint venture and concluded that the ice manufacturing business at the aforesaid address was the same one established by Juanita and Biondo. As a rule, findings of fact of the CA are binding and conclusive upon this Court, [38] and will not be reviewed or disturbed on appeal [39] unless the case falls under any of the following recognized exceptions: (1) when the conclusion is a finding grounded entirely on speculation, surmises and conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the CA, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioners' main and reply briefs are not disputed by the respondents; and, (10) when the findings of fact of the CA are premised on the supposed absence of evidence and contradicted by the evidence on record. [40] Unfortunately for the Spouses Realubit's cause, not one of the foregoing exceptions applies to the case.

WHEREFORE, the petition is DENIED for lack of merit and the assailed CA Decision dated 30 April 2007 is, accordingly, AFFIRMED in toto.

SO ORDERED.

Velasco, Jr.,[*] Brion,**] (Acting Chairperson), Abad,***] and Sereno, JJ., concur.

[*] Associate Justice Presbitero J. Velasco, Jr. is designated Additional Member as per Special Order No. 1084 dated 13 September 2011.

[**] Associate Justice Arturo D. Brion is designated as Acting Chairperson per Special Order No. 1083 dated 13 September 2011.

[***] Associate Justice Roberto A. Abad is designated Additional Member per Raffle dated 19 September 2011.

[1] Rollo, pp. 8-17, Realubit's 9 August 2007 Petition.

[2] Penned by Justice Apolinario D. Bruselas, Jr. and concurred in by Justices Bienvenido L. Reyes and Aurora Santiago-Lagman

[3] Record, CA-G.R. CV No. 178782, CA's 30 April 2007 Decision, pp. 124-134.

[4] Id. at 133.

[5] Exhibits "B" and "1," record, Civil Case No. 98-0331, 17 March 1994 Joint Venture Agreement, p. 210.

[6] Exhibits "A" and "2," 27 June 1997 Deed of Assignment, id. at 207.

[7] Exhibit "C," 19 February 1998 Demand Letter, id. at 211.

[8] Spouses Jaso's 3 August 1998 Complaint, id. at 2-7.

[9] Spouses Realubit's 21 October 1998 Answer, id. at 24-32.

[10] RTC's 17 September 2001 Decision, id at 427-431.

[11] Id. at 431.

[12] CA rollo, CA-G.R. C.V. No. 73861, CA's 30 April 2007 Decision, pp. 124-134.

[13] Id. at 177-178.

[14] Rollo, pp. 11-13.

[15] Id. at 131-133.

[16] Cavile v. Heirs of Clarita Cavile, 448 Phil. 302, 315 (2003).

[17] Potenciano v. Reynoso, 449 Phil. 396, 408 (2003).

[18] Spouses Caoili v. Court of Appeals, 373 Phil. 122, 139 (1999).

[19] Manongsong v. Estimo, 452 Phil. 862, 877-878 (2003).

[20] TSN, 22 September 1999, pp. 3-5.

[21] TSN, 12 January 2000, pp. 4-8.

[22] Maestrado v. Court of Appeals, 384 Phil. 418, 435 (2000).

[23] Aloria v. Clemente, 518 Phil. 764, 776 (2006).

[24] Exhibit "1-A," record, Civil Case No. 98-0331, p. 210.

[25] Exhibits "A-3" and "2-A," id. at 207.

[26] Exhibit "D-1," id. at 215.

[27] Art. 1783, Civil Code of the Philippines.

[28] Heirs of Tan Eng Kee v. Court of Appeals, 396 Phil. 68, 80-81(2000).

[29] Toca v. Court of Appeals, 396 Phil. 166, 184 (2000).

[30] Tolentino, Civil Code of the Philippines, 1959 ed., Vol. V, pp. 297-298.

[31] Art. 1812, Civil Code of the Philippines.

[32] Art. 1831. On application by or for a partner, the court shall decree a dissolution x x x

x x x

On the application of the purchaser of a partner's interest under Article 1813 or 1814:

(1) After the termination of the specified term or particular undertaking;

(2) At any time if the partnership was a partnership at will when the interest was assigned or when the charging order was issued.

[33] Goyena v. Ledesma-Gustilo, 443 Phil. 150, 158 (2003).

[34] Romualdez-Licaros v. Licaros, 449 Phil. 824, 837 (2003).

[35] Tsai v. Court of Appeals, 418 Phil. 606, 617 (2001).

[36] Record, Civil Case No. 98-0331, p. 430.

[37] Record, CA-G.R. CV No. 73861, pp. 163-164.

[38] Spouses Batingal v. Court of Appeals, 403 Phil. 780, 788 (2001)

[39] Bank of the Phil. Islands v. Leobrera, 461 Phil. 461, 465 (2003).

[40] Spouses Sevilla v. Court of Appeals, G.R. No. 150284, 22 November 2010, 635 SCRA 508, 514-515.

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