

ANDRES MENCHACA, PLAINTIFF-APPELLANT, VS. CONSUELO G. GUANZON AND DR. RAMON H. HINOJALES, DEFENDANTS-APPELLEES.*G.R. No. 4016. March 25, 1952*

Ponente: PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-4016/>**PADILLA, J.:**

On 25 June 1938 for and in consideration of P25,000, Consuelo G. Guanzon, with the consent of her husband Ramon H. Hinojales, sold, transferred and conveyed to Andres Menchaca a parcel of land, known as lot No. 408 of the cadastral survey of Bacolod, described in transfer certificate of title No. 14651, the purchase price to be paid as follows: P10,000 upon the execution of the deed of sale and the balance of P15,000 within one year from the date of the execution thereof with interest at the rate 8% per annum. On the back of the transfer certificate of title for the lot there appeared a notice of lis pendens in connection with civil case No. 6112 pending in the Court of First Instance of Occidental Negros. The vendor assured the vendee that the notice of lis pendens would be cancelled and upon that assurance the vendee took possession of the parcel of land, subdivided it into residential lots, built streets and bridges, and advertised the subdivision thereof for the purpose of selling the lots to the public. Upon that assurance the vendee spent P3,434 for that purpose and urged the prospective buyers not to hesitate to buy the lots because the vendor would give them the necessary protection to the money invested in the purchase of the lots. The notice of lis pendens has never been cancelled because the judgment rendered in civil case No. 6112 referred to was appealed to the Supreme Court of the Philippines and afterwards to the Supreme Court of the United States of America, and due to misrepresentations by the vendor and non-cancellation of the notice of lis pendens the subdivision as a business venture became a complete failure. In answer to the repeated demands for cancellation the notice of lis pendens the vendor assured the vendee that it would be cancelled soon after judgment shall have been rendered by the Supreme Court of the United States of America. The vendor further told the vendee that the balance of P15,000 of the purchase price could be paid after such judgment shall have been rendered. After the Pacific war broke out and during the Japanese occupation of the island of Occidental Negros, on several occasions the vendee offered to pay the vendor the sum of P15,000, the balance of the purchase price, but the latter refused to accept it because it was not the currency agreed upon, and the vendor taking advantage of the occupation took back the possession of the parcel of land while the vendee was away from the area of the island occupied by the enemy. Soon after liberation of the province of Occidental Negros the vendee demanded from the vendor the return of the possession of the parcel of land or of the sum of P10,000 paid to her on 25 June 1938 but the latter refused to do so. The offer of the vendee to pay the balance of P15,000 together with interests at the rate of 8% per annum for the return of the parcel of land was refused by the vendor, thereby causing to the former damages amounting to P13,434. Instead of fulfilling the obligations assumed by her in the contract referred to, sometime in 1949 the vendor sold the parcel of land for P75,000 to Generoso Villanueva without notifying the vendee of the sale. These are the allegations of the plaintiff in his complaint and upon which he makes the following prayer: that judgment be rendered ordering the defendant to pay to him the sum of P13, 434, P10,000 of which was the amount paid by the plaintiff, as vendee, to the defendant, as vendor,

on 25 June 1938 and P3,434 for expenses incurred in the construction of bridges and ditches on the parcel of land, or to accept from the plaintiff the sum of P15,000, the balance of the purchase price, together with 8% interest thereon, and to return to the plaintiff the possession of the parcel of land and to restore the Torrens certificate of title issued in his name free from all liens and encumbrances, and to that end to rescind the sale of the parcel of land made by her to Generoso Villanueva, to refund to the latter the sum of P75,000, to pay the costs, attorney's fees in the sum of 1,000, and to grant the plaintiff such other relief and remedy as may be just and equitable.

Consuelo G. Guanzon, assisted by her husband Ramon H. Hinojales, filed a motion to dismiss on the ground that the causes of action upon which the suit is predicated were barred by a prior judgment and that there was another action pending between the same parties as regards the amount of P15,000 referred to in the 3rd cause of action of the plaintiff's complaint. In support of the two grounds for the dismissal of the suit brought in this case, the defendant avers that on 26 August 1939, she brought an action against the plaintiff for foreclosure of the mortgage on the parcel of land, known as lot No. 408 of the cadastral survey of Bacolod, for failure of the plaintiff to pay the balance of the purchase price as stipulated in the contract of 25 June 1938 (civil case No. 8125). The answer of the defendant, now plaintiff, pleaded the same facts and raised the same issues now alleged and raised in his complaint against the plaintiff, now defendant, such as the expenses for surveying, monumenting, opening roads (meaning streets), ditches and other improvements on the parcel of land and for operating the office for subdivision purposes amounting to more than P3,500; the misrepresentations claimed to have been made by the defendant, then plaintiff, as regards the cancellation of the notice of lis pendens which has not been cancelled and the claim that had it not been for such misrepresentations the plaintiff, then defendant, would not have purchased the parcel of land. And upon such allegations he prayed that the complaint for foreclosure of the mortgage be dismissed; that the contract entered into by the parties on 25 June 1938 be rescinded; that the defendant, then plaintiff, be ordered to return the sum of P10,000, legal interests thereon, and to pay damages in the sum of P3,500 and costs. The defendant, now plaintiff, introduced evidence to prove his allegations but the court disregarded it, and rendered judgment ordering the defendant, now plaintiff, to pay the plaintiff, now defendant, the sum of P15,000 together with interests at the rate of 8% per annum or to deposit with the clerk of court within 90 days, and if the defendant, now plaintiff, should fail to pay or to deposit said amount, that the parcel of land be sold at public auction to satisfy the judgment. This was appealed to the Court of Appeals and on 26 February 1941 the judgment appealed from was affirmed by the last mentioned court. On 24 May 1941 the parcel of land was sold at public auction for P5,000 by the sheriff of the province of Occidental Negros and the highest bidder was the very plaintiff, now defendant, Consuelo G. Guanzon and the certificate of sale was issued to her on 9 July 1941. As regards the amount of P15,000 referred to in the third cause of action of the plaintiff's complaint, the defendant further avers that on 9 April 1949 in the Court of First Instance of Occidental Negros, she and her husband brought an action against the herein plaintiff (civil case No. 1295) to recover the sum of P20,217.60, the balance of the judgment in the foreclosure suit (case No. 8125) and stipulated interests as of the date of the filing of the complaint, stipulated in interest thereon, and costs of the foreclosure suit and those of the suit, and that the case is still pending hearing and for that reason she alleges as to the third cause of action there is a pending action between the same parties and upon the same subject matter.

On 27 May 1950 the Court of First Instance of Occidental Negros dismissed the complaint on the ground that the plaintiff's cause of action is barred by a prior judgment and that there is a pending case between the same parties as to the sum of P15,000 referred to in the third cause of action of the plaintiff's complaint which is still pending hearing in the Court of First Instance of Occidental Negros. A motion for reconsideration having been denied the plaintiff has appealed.

The causes of action of the plaintiff's complaint had been alleged in his amended answer in civil case No. 8125 foreclosure of mortgage instituted by the defendant as the mortgagee against the plaintiff as mortgagor. The same

facts having been pleaded and the same issue raised by the plaintiff, then the defendant, in his amended answer to the complaint for foreclosure of mortgage file against him by the defendant, then the plaintiff, and passed upon and decided by the court in civil case No. 8125, the judgment rendered against him in the foreclosure suit, affirmed by the Court of Appeals, constitutes res judicata.

The order appealed from is affirmed, with costs against the appellant.

Paras, C.J., Pablo, Bengzon, Tuason, Montemayor, Reyes, Jugo, and Bautista Angelo, JJ., concur.

Feria, J., voted to affirm.

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