

MIGUEL MULET, PETITIONER, VS. THE PEOPLE OF THE PHILIPPINES, RESPONDENT.

G.R. No. 47070. July 19, 1941

Ponente: MORAN, J.

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MORAN, J.:

In November, 1928, Anastacio Cuizon secured from petitioner Miguel Mulet a loan of P200 at 30 per cent interest per annum and to that effect signed a receipt for P260. The indebtedness not having been paid at maturity petitioner made Cuizon sign a deed of sale, with pacto de retro, of the latter's house and lot assessed at P1,500 and P130, respectively, with the sum of P260 as the apparent consideration thereon. Upon Cuizon's failure again to pay the sum of P260 one year thereafter, a new deed of sale of the same properties was executed, this time reciting the sum of P390 as its consideration. This amount represented the sum of P260 and one year's interest thereon at 50 per cent, or P130. At the maturity of this renewed obligation on September 26, 1931, Cuizon paid the interest of P130, and another deed was again executed reciting the same consideration of P390. On this amount, Cuizon was charged again 50 per cent per annum, or P195, but having paid, at its maturity on September 26, 1932, the sum of P105 on account of interest, another document of sale, with the right of repurchase for two years, was executed, this time reciting a consideration of P480, representing the original amount of P390 and the unpaid interest of P90. Shortly before September, 1934, petitioner, at Cuizon's remonstrance, reduced the interest on the new amount of P480 to 25 per cent, or P240 for two years, of which Cuizon paid P170, leaving abalance of P70 on the interest. Another deed of pacto de retro sale was thereupon executed reciting now a consideration of P550 which represents the amount of P480 and the unpaid interest of P70. For failure of Cuizon to pay the interest at the maturity of this new obligation, petitioner finally consolidated in himself the ownership of the lot and house, and on July 3, 1936, conveyed the same to one Ricardo D. Omega for P580. On the same date, however, Ricardo D. Omega executed in favor of Anastacio Cuizon another deed, wherein he obligated himself to resell the properties to Anastacio Cuizon within five years for the sum of P580, adding thereto the value of repairs and other expenses which Omega might have made thereon. Prosecuted on November 18, 1936, for the violation of the Usury Law, petitioner was convicted in the trial court and the decision was affirmed by the Court of Appeals. A motion for reconsideration of the affirmatory judgment having been denied, defendant took the instant appeal.

Appellant's brief confines itself to merely resisting the return of the amount of P589, representing the usurious interests paid to him as found by the trial court, and the Court of Appeals. We do not think it necessary now to ascertain how the amount of P589 has been arrived at by said courts, it being immaterial to the Question we intend to decide.

In paragraph 6 of appellant's petition, he seeks to uphold the validity of the last deed of sale to him, with pacto de retro, of the offended party's house and lot assessed at P1,630. The trial court, in its judgment which was affirmed by the Court of Appeals, reserved to said offended party his right to institute an independent action to recover those properties from Ricardo D. Omega, to whom petitioner conveyed the same for P580. Considering that the offended party had already paid P405 on petitioner's original loan to him of P200; that the obligation has been

renewed from year to year with the usurious interests on the original loan capitalized accordingly, the consideration sustaining the last deed of sale could be no other than the accumulated usurious interests, and, as such is illicit and renders the contract null and void. (Art. 1275, Civil Code.) And, as we have held in the companion case (G. R. No. 47069), the offended party may recover from appellant whatever he has given, including the fruits or interests thereof. A reserved right to institute a separate civil action for the recovery of the properties from Ricardo D. Omega is therefore, unnecessary and the Court of Appeals should have ordered the accused to return to the offended party the house and lot described in the documents Exhibits H and I, or the value thereof of P1,630, with interest thereon.

With the modification that appellant, instead of paying to the offended party the sum of P589, is hereby ordered to return to him the house and lot described in Exhibits H and I within thirty (30) days from notice of this judgment, or, in default thereof, to pay the sum of P1,630, which is the assessed value of the house and lot aforementioned, with legal interest thereon from the date of the complaint, the judgment of the Court of Appeals is affirmed in all other respects, with costs against appellant.

Avanceña, C. J., Abad Santos, Diaz, and Laurel, JJ., concur.

Horrilleno, J., did not take part.

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