

MARIO V. AMARANTE, PETITIONER, VS. COURT OF APPEALS AND ANTONIO VALENCIA, RESPONDENTS.

G.R. No. 49698. May 03, 1994

Ponente: BELLOSILLO, J.

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BELLOSILLO, J.:

The issue in this petition for review is the validity of the final order of the trial court disposing of the action for consignation which the appellate court, in affirmance, considered as a judgment on oral compromise.

Since 1971 petitioner Mario V. Amarante has been the lessee of a residential house situated at 132 Senciego Street, Pasay City, belonging to private respondent Antonio Valencia. Petitioner and private respondent did not have a written contract of lease over the premises but the rentals were paid on a monthly basis and covered by the Rent Control Law.

On 7 January 1977, private respondent asked petitioner to enter into a written contract of lease which inter alia limited the period of the lease to 31 December 1977. Petitioner declined to sign the contract.

As a consequence, private respondent refused to accept further payments of rentals, prompting petitioner to file on 14 April 1977 a Petition for Consignation of Rentals[1] before the then City Court of Pasay, now Metropolitan Trial Court.

On 3 May 1977, private respondent moved for the dismissal of the petition; it was denied. Thereafter, on 22 May 1977, private respondent filed his answer.

Meanwhile, on 3 June 1977, upon motion of petitioner, the trial court enjoined private respondent from demolishing the leased premises.

After several postponements, the case was finally set for hearing on 28 July 1977 during which the trial judge asked petitioner if he was willing to vacate the premises. While petitioner maintains that he answered "yes" but only if he could find another suitable place at the same rate of rental,[2] private respondent contends that the acceptance of petitioner was absolute and not subject to any condition.[3]

At any rate, the trial judge apparently considered the acquiescence of petitioner as an unqualified agreement or compromise to vacate the premises by December 1977. Consequently, on 12 August 1977, the trial judge issued his questioned order thus -

Considering the manifestation of the petitioner that he be given until December 1977 within which to vacate the premises, this Court finds said manifestation to be meritorious and the same is hereby granted.

WHEREFORE, the petitioner is hereby given up to December 1977 within which to vacate the premises and the defendant is hereby ordered to accept the rentals to be made by petitioner x x x x

On 29 August 1977, petitioner moved for reconsideration but the motion was denied on 22 September 1977 for lack of merit. A second motion for reconsideration was likewise denied.

On 24 November 1977, petitioner instituted a Petition for Certiorari before the then Court of First Instance of Rizal with station in Pasay City, now Regional Trial Court.[4] On motion of private respondent however, the petition was dismissed on 23 December 1977 for being filed out of time.[5]

Petitioner elevated the order of dismissal to the Court of Appeals which, on 28 November 1978, affirmed the dismissal by holding that the order of 12 August 1977 was a judgment based on an oral compromise. Thus, it was a final disposition of the action filed before it. Any error therefrom may be rectified only by means of an appeal, not certiorari. Since certiorari cannot be a substitute for a lost appeal and Civil Case No. 5997-P was not filed within the reglementary period, the dismissal of the petition was proper.

On 21 December 1978, the Court of Appeals denied reconsideration of its decision. Petitioner thus comes to us for relief contending that the order of 12 August 1977 is null and void, hence, cannot attain finality. While he admits having manifested to the trial court that he was willing to vacate the leased premises by December 1977, nevertheless, this was on the condition that another suitable place could be found at the same amount of rental. He argues that since he gave a conditional answer, which constituted a mere counter-offer,[6] it was error on the part of the trial judge to conclude that he assented to vacating the property in dispute as the parties had yet to come to an agreement. Petitioner concludes that the Court of Appeals must be faulted for ruling that the order of 12 August 1977 was a judgment based on an oral compromise.

We sustain the Court of Appeals. The order of 12 August 1977 was issued on the strength of the manifestations made by the parties during the hearing of 28 July 1977, particularly the statement of petitioner that he was willing to vacate the leased premises by December 1977. The records do not disclose any condition imposed by petitioner to his assent.

Considering that private respondent agreed to accept the monthly rentals, the action for consignment was in effect terminated. As correctly held by the appellate court, the order of 12 August 1977 was clearly a judgment based on an oral compromise, which is valid.[7]

Moreover, whether the trial court correctly interpreted the manifestation of petitioner is no longer a triable issue; it is a question of fact which is now final and binding upon this Court. After all, the rule is that more weight should be accorded the impressions of the trial judge, especially in instances like the case at bench where the trial judge had the opportunity to directly observe the demeanor of the parties during the hearing from which he got his bearings for his questioned order. In the absence of any showing of arbitrariness in his conclusions, they are judiciously accepted on appeal and are even considered conclusive on the reviewing court.[8]

Indeed, even petitioner himself is uncertain whether the trial judge heard his additional manifestation imposing a condition, i.e., that he would only vacate the property if he could find another suitable place for the same rent, assuming *ex arguendo* that he did make such statement. As it is, petitioner admits that he merely murmured his condition in open court and in a rather faint manner at that. Quite obviously, if at all petitioner imposed such condition it could not have been effective as such since it was apparently not intended to be heard; for, otherwise, we surmise that the lessor could not have accepted such condition that was dependent solely upon the will of the lessee. In other words, if he does not have any intention to leave the leased premises, he will simply not look for another place, even if there be one available and suitable for his purpose and for same rent. Under the factual milieu, respondent Court cannot be faulted for rejecting the contention of petitioner. In fact, the ruling of the trial court categorically states that petitioner manifested in open court that he was willing to vacate the premises by the end of December 1977 sans any qualification or condition.

Compromises are generally to be favored and cannot be set aside if the parties acted in good faith and made reciprocal concessions to each other in order to terminate a case.⁹ This holds true even if all the gains appear to be

on one side and all the sacrifices on the other.

Under the Rent Control Law, the prohibition against the ejectment of a lessee by his lessor is not absolute. There are exceptions expressly provided by law, which include the expiration of a lease for a definite period. In the instant case, it was noted that the rentals were paid on a month-to-month basis. Thus, the lease could be validly terminated at the end of any given month upon prior notice to that effect on the lessee.¹⁰ After all, when the rentals are paid monthly, the lease is deemed to be for a definite period, i.e, it expires at the end of every month.¹²

Private respondent could have opted to eject petitioner from the leased premises much earlier. Yet, private respondent allowed petitioner to stay even after expiration of the lease. As a consequence, petitioner-lessee has remained in the premises for more than twenty (20) years, much longer than what could have ever been intended by the parties. Perhaps it is time indeed to write finis to this protracted lease that must have kept private respondent suffering in anguish for the past two (2) decades.

In fine, the trial judge did not err in issuing his questioned order of 12 August 1977. At the time the parties made their respective manifestations, which effectively terminated the action for consignation, the same was done freely, voluntarily and in good faith, which is presumed, there being not the slightest hint to the contrary.

It may be worth to note that the petitioner failed to appeal from the order of the then City Court of Pasay City; instead, he filed a petition for certiorari with the then Court of First Instance, which was however dismissed for late filing. As a consequence, the order of the City Court which approved the compromise agreement of the parties had become final and executory, hence, can no longer be set aside. Finality of a judgment or order becomes a fact upon the lapse of the reglementary period to appeal if no appeal is perfected,¹³ and is conclusive as to the issues actually determined and to every matter which the parties might have litigated and have had decided as incident to or essentially connected with the subject matter of the litigation, and every matter coming within the legitimate purview of the original action both in respect to matters of claim and of defense.¹⁴

WHEREFORE, there being no reversible error in the decision of respondent Court of Appeals, which affirmed that of the trial court, the instant petition for review is DENIED.

This decision is final and immediately executory.

SO ORDERED.

Cruz, (Chairman), Davide, Jr., Quiason, and Kapunan, JJ., concur.

[1] Docketed as Civil Case No. 12521; raffled to Branch 2 of the City Court of Pasay City.

[2] Brief for Petitioner, p. 4.

[3] Brief for Private Respondent, p. 6.

[4] Docketed as Civil Case No. 5997-P; raffled to Branch 28.

[5] Annex "N," Petition; Rollo, p. 67.

[6] Art. 1319, New Civil Code.

[7] Cadano v. Cadano, No. L-34998, 11 January 1973, 49 SCRA 33.

[8] People v. Errojo, G.R. No. 102077, 4 January 1994.

10 Asong v. Intermediate Appellate Court, G.R. No. 74461, 12 May 1989, 173 SCRA 299.

11 Inductivo v. Court of Appeals, G. R. No. 108196, 19 January 1994.

12 Heirs of Dimaculangan v. Court of Appeals, G.R. No. 68021, 20 February 1989, 170 SCRA 393.

13 City of Manila v. Court of Appeals, G.R. No. 100626, 29 November 1991, 204 SCRA 362.

14 MB Finance Corporation v. Abesamis, G.R. No. 93875, 22 March 1991, 195 SCRA 592.

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