

**ISIDRO V. SABA, PETITIONER, VS. THE HON. COURT OF APPEALS,  
EMIL L. ONG, EMIL L. ONG CHUAN AND JOSE ONG CHUAN,  
RESPONDENTS.***G.R. No. 77950, August 24, 1990*

Ponente: MEDIALDEA, J.

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This is a petition for review on certiorari of the decision of the Court of Appeals in AC-G.R. CV No. 05391 dated March 17, 1987 which affirmed in toto the decision of the Regional Trial Court of Laoang, Northern Samar in Civil Case No. 1012 dated May 30, 1984.

The pertinent facts are as follows:

Pedro de la Cruz is a grantee of a lease of a portion of marshy land in Laoang, Northern Samar awarded to him by the Bureau of Lands under Miscellaneous Lease Application No. 810 for 2,050 square meters. The award of lease was granted in 1934 (TSN, Nov. 8, 1976, p. 5). The award of lease to Pedro de la Cruz was not presented in court but its existence was not disputed by the parties. In 1939, Gregoria Nalazon, wife of Pedro de la Cruz, died and the estate became the subject of an intestate estate proceeding in Special Proceedings No. 2 of the CFI of Laoang, Northern Samar. The leasehold (MLA No. 810) was included in this special proceeding wherein 50% thereof was adjudicated pro-indiviso to Pedro de la Cruz while the other 50% was adjudicated pro-indiviso to the children, namely: Jesus, Alfredo, Lourdes, Amada, Josefa, Genaro, Eufemio and Ramon, all surnamed de la Cruz. The improvements introduced by Pedro de la Cruz consisted of rock fillings and three warehouses. In 1953, private respondent Jose Ongchuan leased the warehouse from Pedro de la Cruz (Exhibit "K"). In 1959 or so, the seven children of Pedro de la Cruz, namely: Jesus, Alfredo, Amada, Josefa, Genaro, Eufemio and Ramon, all surnamed de la Cruz sold their leasehold rights (7/8 of the 50% of MLA 810) to private respondent Emil Ong, while Lourdes C. Agbayani sold her leasehold right (1/8) pro-indiviso to petitioner Isidro V. Saba in March 1966 (Exhibit "J"). In 1961, the warehouse which was being leased by private respondent Jose Ongchuan was levelled to the ground by fire (TSN, May 18, 1976, p. 13). After the fire, private respondent Emil Ong constructed a new building on the same area formerly occupied by the burned warehouse (TSN, March 25, 1983, p. 3). Later, Lourdes C. Agbayani sent a letter to private respondents notifying them of the sale of her 1/8 share in the leasehold to petitioner and requested that payment of rentals be given to the new owner instead of her. Private respondents did not heed the request. Petitioner reiterated the demand of Lourdes C. Agbayani several times yet private respondents ignored said demand. Thus, petitioner was forced to file a case for collection of rentals against private respondents in the Municipal Court of Laoang. For improper venue, the court dismissed the case. Petitioner appealed the decision to the Court of First Instance of Laoang but the decision of dismissal was affirmed. Still not satisfied, petitioner filed this case on August 6, 1974 for collection of rentals over the 1/8 share of Lourdes C. Agbayani in the amount of P8,271.12 plus interest from August, 1966 until full payment.

On the other hand, private respondents prayed for moral and exemplary damages as well as attorney's fees. They

contended that the complaint is baseless and intended to harass them. Because of this complaint, private respondent Emil Ong's reputation as a businessman, CPA, lawyer and a constitutional convention delegate of Northern Samar was tarnished and he was exposed to ridicule. Private respondent Jose Ongchuan contended that his reputation as a respected businessman in the community was likewise affected.

On May 30, 1984, the trial court rendered judgment against petitioner, the dispositive portion of which reads (p. 438, Original Record):

"WHEREFORE, judgment is hereby rendered dismissing the complaint and ordering plaintiff to pay to defendants jointly and severally, P40,000.00 as moral damages; P30,000.00 as exemplary damages and P15,000.00 as attorney's fees. With costs against plaintiff.

"SO ORDERED."

On appeal, respondent Court of Appeals affirmed in toto the trial court's decision (p. 33, Rollo). Hence, the present petition.

The issues are, stated simply, whether or not (1) petitioner has a cause of action against private respondents and (2) the award of damages is proper.

As aforesaid, the award of lease was granted to Pedro de la Cruz in 1934. The Secretary of Agriculture and Commerce set the maximum period of his lease at fifteen (15) years (Exhibit "16"). Therefore, the period of lease was up to 1949 only. There is no evidence on record of renewal of the term of the lease. Evidently, when Lourdes C. Agbayani sold her "leasehold right" (1/8) pro-indiviso to petitioner in 1966, there was no longer a leasehold right that she conveyed. Corollarily, petitioner did not acquire any right from her that can be enforced against the private respondents or anybody for that matter. In this regard, the affirmance of the dismissal of the complaint was correct.

With respect to the award of damages, both the trial court and the respondent court erred. It was their opinion that (pp. 32-33, Rollo):

"Indeed, has (sic) plaintiff been extra careful in analyzing the facts and circumstances, this case could have been avoided and had never been filed at all, not to mention that one of the heirs of Pedro de la Cruz who sold his very share to defendant Emil L. Ong and a lawyer at that, is now the very counsel prosecuting this case for the plaintiff. This case alone has been pending for almost 10 years now and this court is aware and not closing its eyes to the cases previously filed one after the other by plaintiff against defendant. So, practically defendants must have spent most of their lives (about 15 years or so) answering and worrying about the cases filed by plaintiff against them. That feeling of antipathy and negative intentions of plaintiff against defendants cannot be hidden, and can be felt from reading the records of this case. Defendant Emil L. Ong has to come every now and then to testify in this case leaving behind the management of his business in Manila. He has to engage the services of counsels one after another because either the previous counsel is appointed to the bench or to any government office. Defendant Jose Ongchuan is the father of Emil L. Ong a big and progressive businessman in Laoang and Manila, while defendant Emil Ong is a businessman, a CPA and lawyer and the delegate of N. Samar to the Constitutional Convention, somehow the cases filed by plaintiff affected their names and reputations, for which reason the grant of moral as well as exemplary damages is in order. Attorney's fees can also be granted in this case considering the length of time of the pendency of this case.' (p. 438, Records)."

Moral damages may be awarded to compensate one for diverse injuries such as mental anguish, besmirched reputation, wounded feelings and social humiliation. It is however not enough that such injuries have arisen; it is essential that they have sprung from a wrongful act or omission, fraud, malice, or bad faith which was the proximate cause thereof (see *Guita v. Court of Appeals, et al.*, G.R. No. 60409, November 11, 1985, 139 SCRA

576 cited in *Suario v. Bank of the Philippine Islands, et al.*, G.R. No. 50459, August 25, 1989; *R & B Surety & Insurance Co., Inc. v. Intermediate Appellate Court, et al.*, G.R. No. 64515, June 22, 1984, 129 SCRA 736). The adverse result of an action does not per se make the action wrongful and subject the actor to make payment of damages, for the law could not have meant to impose a penalty on the right to litigate (*Rubio v. Court of Appeals, et al.*, G.R. No. 50911, March 12, 1986, 141 SCRA 488). One who exercises his rights does no injury. *Qui jure suo utitur nullum damnum facit*. If damage results from a person's exercising his legal rights, it is *damnum absque injuria* (*Auyong Hian v. Court of Tax Appeals, et al.*, G.R. No. L-28782, September 12, 1974, 59 SCRA 110 cited in *The Ilocos Norte Electric Company v. Hon. Court of Appeals, et al.*, G.R. No. 53401, November 6, 1989).

Petitioner was in good faith when he filed the collection suit against private respondents. He thought that by virtue of the sale of Lourdes C. Agbayani's leasehold right to him (Exhibit "J"), her right to 1/8 pro-indiviso of the property has already been transferred to him, which includes the right to collect rentals. Lourdes C. Agbayani even notified the private respondents that the property being rented by them has been sold to petitioner and effective April 1, 1966, petitioner became the proprietor of her property (Exhibit "N"). The failure by private respondents to pay the rentals prompted petitioner to file a complaint against them. A person may have erred but error alone is not a ground for moral damages (*Lagman, et al. v. Honorable Intermediate Appellate Court, et al.*, G.R. No. 72281, October 28, 1988, 166 SCRA 734). And although cases were previously filed one after another by petitioner against private respondents, no evidence was adduced that these cases were baseless and intended merely to harass private respondents. The acts performed by petitioner cannot be said to have disparaged the reputation of private respondents (see *Litam v. Espiritu, et al.*, 100 Phil. 364). Lastly, whatever worries, anxieties and expenses private respondents may have suffered were only such as are usually caused to a party haled into court as a defendant in a litigation (see *Philippine National Bank v. The Hon. Court of Appeals, et al.*, G.R. No. L-45770, March 30, 1988, 159 SCRA 433). Clearly, there is no sufficient justification for the award of moral damages, exemplary damages and attorney's fees.

We find it unnecessary to resolve the other issues raised by petitioner, being extraneous to the present case.

ACCORDINGLY, the petition is hereby PARTLY GRANTED. The decision of the respondent Court of Appeals is MODIFIED insofar as the award of moral damages, exemplary damages and attorney's fees is concerned, which is DELETED.

**SO ORDERED.**

Narvasa, (Chairman), Cruz, Gancayco, and Griño-Aquino, JJ., concur.

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