

**ALEX G. LEE, PETITIONER, VS. HON. SALVADOR P. DE GUZMAN, JR.,
REGIONAL TRIAL COURT OF MAKATI, BRANCH 142 AND
MOTORCARS, INCORPORATED, RESPONDENTS.**

G.R. No. 90926. July 06, 1990

Ponente: PARAS, J.

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PARAS, J.:

On November 8, 1983, a free-lance salesman of respondent Motorcars, Inc., (then Delta Motors Corporation) named Arsenio Tumibay signed in behalf of Domingo Tupaz its Branch Manager in Makati, a price quotation (Exhibit “A”) and delivered to petitioner Alex B. Lee for the sale of one (1) unit Toyota Corolla Liftback, 1983 model, with the quoted price of P149,700.00 plus miscellaneous expenses of P10,033.00. On the same date, petitioner Lee as customer, signed the vehicle sales order (Exhibit “C”). The delivery of the subject vehicle was within the month of November, 1983.

In view of such order, petitioner Lee deposited the amount of P1,000.00 on November 10, 1983 as required in the aforesaid price quotation, to which Tumibay wrote petitioner the information that the Motorcars Inc., had acknowledged receipt of the delivery receipt for petitioner. Thereupon, on December 15, 1983, petitioner’s counsel, Atty. Doroteo A. Dadal, wrote Mr. Nicolas O. Carranceja, Jr., Executive Vice-President of Motorcars, demanding for delivery of the said Toyota car. The respondent car company replied on December 19, 1983, through its counsel Atty. Benjamin S. Benito, that due to the sudden change of prices by the car manufacturer, they had decided to exercise the option contained in the vehicle sales order, (Exhibit “C”) which states:

“Whenever deposits are made by customers for vehicles, parts and services ordered, the sales for such vehicles, parts or services shall be at the option of Motorcars, Inc., and refund of the deposits shall be made upon request and without undue delay should such option be exercised.” (p. 21, Rollo)

The respondent car company thus offered to refund petitioner’s deposit of P1,000.00. Part of the vehicle sales order also reads, viz:

“This order is not valid unless signed and accepted by the dealer principal, President, Executive Vice President or General Sales Manager of the dealership x x x” (supra)

The trial court rendered judgment in favor of respondent car company ruling as follows:

“Exhibit ‘A’ is merely a quotation offered by defendant’s sales representative. Exhibit ‘C’, the vehicle sales order, was not signed and accepted by defendant’s President, Executive Vice President, nor its General Sales Manager, hence, not valid because it exercised the option in Exh. ‘1’ beforestated, due to sudden change of prices by the car manufacturer (Exh. ‘2’). Exhibit ‘C’ which contains Exhibits ‘1’ and ‘1-A’, having been signed by plaintiff binds him alone. There was no perfected contract in accordance with Article 1318, Civil Code.” (p. 21, Rollo)

Petitioner was ordered to pay respondent P5,000 for damages and attorney’s fees.

Expectedly dissatisfied with the aforesaid court's ruling, petitioner appealed to the Court of Appeals which reversed the decision appealed from ruling that there was a perfected contract of sale, and that there was the undisputed signature of one Mr. Domingo Tapas, the branch manager of Motorcars. Thereupon, the Court of Appeals ordered respondent company to deliver to petitioner the subject vehicle upon payment by the latter of the amount of P149,700.00 and the amount of P8,833.00 for Miscellaneous Expenses and/or Incidental Charges. Thus, respondent appealed to this Court, docketed as G.R. No. 77992.

In this Court's resolution dated August 31, 1987, through the Third Division, the decision appealed from was affirmed, and the petition was denied. This Court ruled:

"The issue of whether or not there was a perfected contract of sale appears to have been correctly decided by the respondent court. This Court also finds no reason to disturb the ruling of the respondent court on the factual issue of whether or not the branch manager could bind the petitioner.

"It appearing that the findings of fact of the respondent court are supported by substantial evidence and there being no showing that its decision is not in accord with law or jurisprudence, the COURT RESOLVED to DENY the petition." (p. 32, Rollo)

When the case was remanded to the trial Court, petitioner filed a Motion for Writ of Execution. Instead of complying with the Order of the court, respondent company filed a motion to quash writ of execution. Said motion was anchored on the premise that the obligation has become impossible to comply on the ground that the Delta Motors Corporation has closed shop. Petitioner opposed the quashal of the Writ of execution and consequently, the motion to quash was denied. An alias writ of execution was filed by petitioner, but respondent company continued to defy the Order of the Court. Petitioner filed a motion for contempt of court for the stance of the respondent company was contumacious in nature. Respondent company filed an opposition thereto reiterating the grounds relied on in the Motion to quash writ of execution. Respondent trial court issued the questioned Order, dated August 10, 1989, which was adjudged favorably for the respondent company, which order as alleged by the petition, was totally at war with the previous order granting the alias writ of execution.

Hence, this petition for certiorari with mandamus.

Two issues are presented by both parties for Our consideration. They are:

1. Whether or not the decision rendered by the Court of Appeals and affirmed by the Supreme Court is capable of performance and can be judiciously executed; and
2. Whether or not the corporation officers are liable for contempt.

The Court takes notice of the fact that as alleged in the Comment and Memorandum of respondent company and contained in the questioned order, which is not disputed by the petitioner, that while the Motion for Contempt was pending before the respondent trial court, petitioner indicated his willingness to accept a second-hand car but failed to show its availability as the classified ads refer to 1984 Models and could not be said that they are the same models as what appears in Exhibit "C", the sales order. In addition, respondent car company even offered the amount of P20,000 as a gesture to buy peace.

It is the contention of the petitioner that the obligation is not impossible for the 1983 Toyota cars are still available in the market today. It is however the contention of respondent company that the obligation is impossible for the car manufacturer had closed shop and no longer manufacturing 1983 models of Toyota much less deliver the car specified in Exhibit "C".

The question is, should respondent Motorcars be made liable to fulfill a seemingly impossible obligation?

It is well-settled that when after a judgment has become final and executory, facts and circumstances transpire which render its execution impossible or unjust, the interested party may ask a competent court to stay its execution or prevent its enforcement.¹

We find that respondent Court did not act with grave abuse of discretion in denying the motion for contempt.

Unfortunately it is not possible for Motorcars to comply with the writ of execution since admittedly, the then Delta Motors who manufactured 1983 models of Toyota Liftback had already closed shop, but be this as it may, there is no question that indeed there was a perfected contract of sale between petitioner Lee and private respondent Motorcars pursuant to this Court's (through the Third Division) resolution dated August 31, 1987.

The relief left for petitioner Lee is that found under Article 1170 of the Civil Code which provides: "(T)hose who in the performance of their obligations are guilty of fraud, negligence or delay, and those who in any manner contravene the tenor thereof, are liable for damages."

The reply letter of private respondent company dated December 19, 1983 which said that "due to the sudden change of prices by the car manufacturer, they have decided to exercise the option x x x" did not relieve Motocars from the contract had entered into with petitioner Lee. There was therefore delay in the delivery of the subject vehicle which entitles petitioner to be awarded damages. The records show that the subject vehicle should have been delivered within the month of November, 1983 (Annex C, Records).

Considering the circumstances attendant to this case, a total amount of damages worth Fifty Thousand Pesos (P50,000.00) would be reasonable, twenty thousand pesos (P20,000.00) of which as temperate damages^[1] inclusive of attorney's fees and the remaining thirty thousand pesos (P30,000.00) as exemplary damages.^[2]

PREMISES CONSIDERED, insofar as the denial of the motion for contempt by the lower court, dated August 10, 1989 is concerned, the petition for certiorari with mandamus is hereby DISMISSED, but the respondent is ordered to give to the petitioner the amount of damages adverted to in the next preceding paragraph.

SO ORDERED.

Melencio-Herrera, (Chairman), Padilla, Sarmiento, and Regalado, JJ., concur.

¹ Ocampo v. Sanchez, 97 Phil. 473; Ang v. Navarro, L-44909, January 31, 1978.

[1] Art. 2224. Temperate or moderate damages, which are more than nominal but less than compensatory damages, may be recovered when the court finds that some pecuniary loss has been suffered but its amount can not, from the nature of the case, be proved with certainty.

[2] Art. 2232. In contracts and quasi-contracts, the court may award exemplary damages if the defendant acted in a wanton, fraudulent, reckless, oppressive, or malevolent manner.

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