

****Title:**** Munez vs. Court of Appeals, G.R. No. L-236

****Facts:****

1. In 1947, petitioner Candida B. Munez executed a deed of sale with a right of repurchase (pacto de retro) in favor of respondent German Echavez over two parcels of agricultural land for PHP 3,500. The repurchase period was two years, during which Echavez took possession of the lands.
2. In 1967, the petitioners filed a civil case seeking to have the sale decreed as either an equitable mortgage or antichresis.
3. In 1971, the Court of First Instance of Iligan City declared the transaction as a true sale with a right of repurchase, and as the redemption period had expired, respondent Echavez became the absolute owner.
4. The petitioners moved for reconsideration, and the trial court granted this on August 2, 1971, thereby allowing redemption within a 30-day period.
5. The private respondent filed a motion for reconsideration of this order, which was denied on September 28, 1971. On October 19, 1971, Echavez filed a notice of appeal but did not perfect it.
6. On July 18, 1972, Echavez and his co-respondent Canoy moved to be declared absolute owners due to petitioners' failure to redeem within the 30-day period.
7. The trial court granted this motion on November 15, 1972, and ordered execution for attorney's fees.
8. On December 11, 1972, the Sheriff enforced this order via levy on the petitioners' property, which was subsequently sold, and the writ returned on February 14, 1973.
9. On February 24, 1973, petitioners filed a petition for relief from order and judgment, citing excusable negligence due to confusion regarding appeal timelines.
10. The trial court on March 28, 1973, reconsidered its order, granted the petition for relief, and allowed 15 more days for redemption. Respondents appealed this decision.
11. The Court of Appeals reversed this order, holding that the petition for relief was filed beyond the 60-day period prescribed by Rule 38, thus the order granting relief was void.

****Issues:****

1. Whether the Court of Appeals erred in not determining when the 30-day redemption period commenced following the trial court's order.
2. Whether the Court of Appeals erred in addressing the timeliness of the petition for relief, an issue raised for the first time on appeal.
3. Whether the decision of the Court of Appeals denied substantial justice by upholding technicalities over merits.

****Court's Decision:****

1. ****Redemption Period Commencement:****

- The Supreme Court affirmed the appellate court, stating the 30-day redemption period commenced when the petitioners received the trial court's order granting reconsideration on August 2, 1971, and not upon entry of judgment.

2. ****Timeliness of Petition for Relief:****

- The appellate court's consideration of the timeliness was upheld; the petitioners bore responsibility for proving a timely filing. They failed, as they were aware of the finality through the execution notice on December 11, 1972, but filed too late on February 24, 1973.

3. ****Substantial Justice:****

- No substantial injustice was deemed. The decision was supported by the records, and the Court could not set aside procedural rules absent strong merit in petitioners' claims.

****Doctrine:****

- Judgments become final by operation of law upon the lapse of the appeal period if no appeal is perfected.
- Courts treat liberally procedural rules when substantial justice mandates, but such liberality is not warranted without compelling reasons.

****Class Notes:****

- ****Pacto de Retro Sale:**** A conditional sale of land that allows the seller to repurchase within a specified period.
- ****Procedural Finality:**** Judgment finality is distinct from entry and is determined upon lapse of the appeal period without a perfected appeal.
- ****Rule 38 (Relief from Judgment):**** Requires filing within 60 days from learning of judgment entry and 6 months from said entry. Petitioners hold burden to prove compliance.
- ****Substantial vs. Procedural Justice:**** Courts will uphold procedural bars absent strong

inequities or errors.

****Historical Background:****

The case exemplifies post-war land transaction legalities under Philippine civil law and illustrates evolving interpretations of repurchase agreements, blending notions from Spanish-influenced codes and updated civil code provisions affecting land tenure security and transactional clarity in post-Commonwealth legal environments.