

# FIRST DIVISION

[ G.R. No. 205515, January 20, 2020 ]

**NOEL M. ODRADA, PETITIONERS, VS. VIRGILIO LAZARO AND  
GEORGE ASENIERO RESPONDENT.**

## DECISION

**REYES, J. JR., J.:**

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the July 25, 2012 Decision<sup>[1]</sup> and January 21, 2013 Resolution<sup>[2]</sup> of the Court of Appeals (CA) in CA-G.R. CV No. 96154, which affirmed with modification the April 24, 2009 Decision<sup>[3]</sup> of the Regional Trial Court, Branch 22, Imus, Cavite (RTC).

*Version of the petitioner*

Petitioner Noel M. Odrada (Odrada) is the registered owner of a black Range Rover under Certificate of Registration (CR) No. 1188065-4. He bought it from Roberto S. Basa (Basa), the previous registered owner of the motor vehicle, for P1.2 Million. On December 4, 2003, Odrada arranged for an exchange of motor vehicle with a certain Alfonso De Leon (De Leon) where the latter took the Range Rover for a test drive. At around 6:00 p.m. De Leon was about to drop Odrada's driver at his office when Odrada suddenly heard successive gun shots nearby. After investigating what had happened, he learned that his motor vehicle had been shot by personnel of the Philippine National Police Eastern Police District (PNP-EPD).<sup>[4]</sup>

Because of the incident, Odrada learned that respondent George Aseniero (Aseniero), claiming to be the owner of the Ranger Rover, had reported to the Anti-Carnapping Unit of the PNP-EPD (PNP-EPD-ANCAR) that the said motor vehicle had been stolen. As a result, respondent Virgilio Lazaro (Lazaro), head of the PNP-EPD-ANCAR, issued a flash alarm on November 14, 2003. Thereafter, another flash alarm was issued on December 4, 2003 after the PNP-EPD-ANCAR received information that the Range Rover was spotted at Auto Camp near Ortigas Avenue.<sup>[5]</sup>

Due to the shooting incident, Odrada's Range Rover was considerably damaged and he discovered that the motor vehicle sustained 16 bullet holes. On top of the P300,000.00 estimated cost of repair, he also lost income of the same amount, which he would have earned had the transaction with De Leon pushed through.<sup>[6]</sup> As a result, he filed a Complaint for Damages<sup>[7]</sup> against respondents.

*Version of the Respondents*

In their Answer with Compulsory Counterclaims,<sup>[8]</sup> respondents alleged that:

Sometime in February 2003, William Joseph Rosmarino (Rosmarino) acquired the Range Rover from Eagle Ridge as payment for the services he rendered to the latter.

Eagle Ridge then made arrangements with Transmix Builders and Construction, Inc. (Transmix) to give the said motor vehicle to Rosmarino, who in turn placed it on display at *Kotse Pilipinas*. Through Jose Pueo (Pueo), manager of *Kotse Pilipinas*, Aseniero was able to buy the Range Rover for P1.2 Million. In order to facilitate the transaction, Rosmarino requested Transmix to transfer the ownership of the Range Rover directly to Aseniero.<sup>[9]</sup>

On November 5, 2003, Pueo called Aseniero and offered to take the Range Rover to the Land Transportation Office (LTO) for registration but the latter was hesitant as the vehicle was being mechanically serviced. Pueo was able to persuade him by telling him that if the Range Rover would not be registered on the same day, he would again go through the entire process of securing the necessary clearances to register the motor vehicle. However, after getting the Range Rover from the mechanic, Pueo brought the car to Oscar Tan (Tan), Pueo's business colleague in *Kotse Pilipinas*, to serve as collateral for the P700,000.00 loan the former obtained from the latter. The following day, Aseniero tried to call Pueo to ask about the car but the latter could no longer be reached by phone and was also not in his office.<sup>[10]</sup>

Thereafter, Aseniero went to the LTO to ask for a hold order where he found that the Range Rover was already registered in Odrada's name. He also discovered that the said motor vehicle was allegedly sold by Transmix to Basa, who eventually sold the same to Odrada. Aseniero confronted Transmix about the purported transaction but the latter denied having sold the car to Basa and disavowed the Deed of Sale covering the sale. Transmix thereafter executed a Deed of Confirmation of Sale in Aseniero's favor attesting to the fact that the Range Rover was only sold to him.<sup>[11]</sup>

Then, Aseniero went to the Traffic Management Group (TMG), Camp Crame to present the Deed of Sale and Confirmation of Deed of Sale Transmix had executed in his favor to prove ownership over the Range Rover. On the bases of these documents, the TMG issued a request for an alarm watch list for the said car.<sup>[12]</sup>

As such, respondents prayed that Odrada's complaint be dismissed and that he be ordered to pay exemplary damages in the amount of P100,000.00, moral damages in the amounts of P1 Million and P500,000.00 for Arsenio and Lazaro respectively, attorneys fees, and costs of suit.

### *RTC Decision*

In its April 24, 2009 Decision, the RTC ruled in respondents' favor. The trial court found that respondents were able to prove that Aseniero bought the Range Rover from Transmix through Pueo. It highlighted that Transmix executed a Deed of Confirmation of Sale acknowledging that it had sold the said motor vehicle to Aseniero.

Further, the RTC noted that respondents presented testimonial and documentary evidence detailing the manner and nature of the payment and sale of the Range Rover. On the other hand, the trial court had found the transaction between Odrada and Basa to be dubious and irregular. It explained that the Deed of Sale between Odrada and Basa was never identified in court and that the latter never appeared to testify regarding the matter. The trial court added that Odrada failed to prove that Basa had validly acquired the motor vehicle from Transmix. The RTC surmised that Odrada ultimately got hold of the motor vehicle through a series of transactions which emanated from Pueo's improper taking of the motor vehicle. Lastly, the trial

court ruled that respondents were entitled to moral and exemplary damages. The RTC disposed:

WHEREFORE, premises considered, judgment is hereby rendered dismissing this case against defendants GEORGE ASENIERO and VIRGILIO LAZARO.

The Court also adjudged plaintiff Noel Odrada:

1. To return to defendant Aseniero the Black Range Rover 4.6 HSE with Plate No. URS-812, if he will accept the same or to pay or indemnify George Aseniero the actual value of the car in the amount of ONE MILLION TWO HUNDRED THOUSAND PESOS (Ph[P] 1,200,000.00) with interest thereon at the rate of 12% percent (sic) per annum computed from the time possession of (sic) subject car was taken from him on November 5, 2003 until the same is fully paid;
2. To pay damages to both defendants as follows:
  - a) GEORGE ASENIERO — PHP 1,000,000.00 as moral damages and Php 100,000.00 as exemplary damages, and,
  - b) VIRGILIO LAZARO — Php 200,000.00 as moral damages and Php 100,000.00 as exemplary damages.
3. Attorney's fees — Php 100,000.00 plus Php3,000.00 as appearance fee per hearing.
4. Costs of suit.

SO ORDERED.<sup>[13]</sup>

Undeterred, Odrada appealed to the CA.

#### *CA Decision*

In its July 25, 2012 Decision,<sup>[14]</sup> the CA affirmed the RTC decision but modified the amount of moral and exemplary damages awarded. The appellate court agreed that respondents were able to sufficiently prove that Aseniero was the rightful owner of the Range Rover. It noted that Aseniero gave a detailed and straight forward account of how he purchased the said motor vehicle from Transmix complete with supporting documents on the transfer of ownership and payments made thereon. The CA added that the sale between Transmix and Aseniero was confirmed by virtue of the Deed of Confirmation of Sale, which was identified by Rosmarino in open court.

On the other hand, the appellate court pointed out that Odrada merely presented documents showing that the Range Rover was registered in his name. It expounded that the Deeds of Sale showing the transfer of the motor vehicle from Transmix to Basa, from Basa to him were never identified in court. The CA highlighted that Odrada's claim that Basa bought the Range Rover from Transmix was negated by

the fact that the latter had affirmed that it had sold the motor vehicle only to Aseniero.

Further, the appellate court negated Odrada's claim that he was a buyer in good faith. It expounded that he failed to prove that the Range Rover was acquired for consideration from Transmix. The CA also averred that Odrada's claim of good faith is likewise negated by the fact that while the Deed of Sale between Transmix and Basa was executed on September 4, 2003, the vehicle was registered in Basa's name only on November 21, 2003 or after the Range Rover was taken from Aseniero's possession by Pueo. In addition, the CA highlighted that the successive transfer of ownership of the motor vehicle revolved around Pueo, Tan, Basa, and Odrada, who were all colleagues sharing the same business address and rent a car slots at Kotse Pilipinas. As such, the appellate court posited that it was very unlikely that Odrada would not have any knowledge or information concerning irregularities over the sale of the said motor vehicle.

Meanwhile, the CA agreed that respondents were entitled to moral and exemplary damages as it found that Odrada's complaint for damages was merely an afterthought on the part of Odrada and was merely meant to harass respondents. The appellate court reasoned that if Odrada was truly a victim in this case, he should have filed a case against Basa as the one who sold the motor vehicle. Nevertheless, the CA reduced the award of moral and exemplary damages for being exorbitant. Thus, it ruled:

**WHEREFORE**, the appealed Decision of the Regional Trial Court of Imus, Cavite in Civil Case No. 0021-04 dated April 24, 2009 is **AFFIRMED with MODIFICATION**. Plaintiff-appellant Noel M. Odrada is ordered to pay defendant-appellee George Aseniero, as follows: [P]300,000.00 as moral damages and [P]50,000.00 as exemplary damages and defendant-appellee Virgilio Lazaro, [P]100,000.00 as moral damages and [P]50,000.00 as exemplary damages. The award of attorney's fees is hereby **DELETED**.

**SO ORDERED.**<sup>[15]</sup>

Aggrieved, Odrada moved for reconsideration but it was denied by the CA in its January 21, 2013 Resolution.

Hence, this present petition, raising the following:

### **Issues**

#### **I**

WHETHER ODRADA IS THE LAWFUL OWNER OF THE BLACK RANGE ROVER IN QUESTION; AND

#### **II**

WHETHER RESPONDENTS ARE ENTITLED TO MORAL AND EXEMPLARY DAMAGES.

Odrada argues that he should have been accorded the presumption that he owned the Range Rover in good faith considering that he was able to establish that he had bought the said motor vehicle from Basa, who in turn had acquired the same from

Transmix. He explains that he had no actual or constructive notice that the Range Rover was stolen. Odrada highlights that he had secured a clearance from the PNP that the Range Rover was not listed as stolen before he purchased the same from Basa. To bolster his claim of ownership, he points out that he is the registered owner of the Range Rover pursuant to a CR issued by the LTO.

Odrada further assails that he should not be held liable to pay moral and exemplary damages because he had legal title and possession of the Range Rover. On the contrary, he believes that he should be compensated with moral and exemplary damages on account of respondents' act of reporting the motor vehicle as stolen and the arbitrary shooting of the motor vehicle on December 4, 2003. In particular, Odrada laments that Aseniero, in spite the absence of proof that the vehicle was stolen, had maliciously reported it to be so with Lazaro. In addition, he bewails that Lazaro had failed to comply with the Rules on Engagement when the Range Rover was fired upon by the police officers and that he should have resorted to judicial processes knowing fully well that there was a dispute as to the car's ownership.

In their Comment<sup>[16]</sup> dated June 5, 2013, respondents reiterated the CA's discussion of the issues and merely stated that Odrada had failed to show that the appellate court committed reversible error in the challenged decision.

In his Reply<sup>[17]</sup> dated March 28, 2014, Odrada reiterated that he had established that he was an innocent purchaser in good faith and for value. He emphasized that he was able to show that he had a valid CR under his name and that it was coupled with the actual possession of the motor vehicle. Odrada lamented that the CA failed to consider the presumption of lawful ownership in his favor. He bewailed that he exercised due diligence before purchasing the Range Rover from Basa as evidenced by the fact that he checked the registration papers of the said motor vehicle and had it cleared before the PNP.

In their respective Memoranda,<sup>[18]</sup> the parties reiterated their positions and the arguments raised in their Comment and Reply.

### **The Court's Ruling**

The petition is partly meritorious.

Central to the resolution of this case is the issue of ownership of the Range Rover. On the one hand, Odrada insists that he is the rightful owner of the motor vehicle having purchased it from Basa. In addition, he notes that he is both the registered owner and actual possessor of the motor vehicle.

On the other hand, Aseniero asserts that he is the lawful owner of the Range Rover. He assails that he was unjustly deprived of his possession of the motor vehicle when Pueo, under false pretenses, took possession thereof and which eventually led to Odrada buying the said vehicle from Basa.

After a careful perusal of the records, the Court finds that the courts *a quo* correctly ruled in favor of Aseniero and adjudging him to be the lawful owner of the motor vehicle.

It is true that Odrada is the registered owner of the Range Rover by virtue of a CR issued by the LTO in his name. The CR in Odrada's name created a strong presumption that he is the owner of the motor vehicle indicated therein.<sup>[19]</sup> No