

THIRD DIVISION

[G.R. No. 196990, July 30, 2012]

ARTURO DELA CRUZ, SR., PETITIONER, VS. MARTIN AND FLORA FANKHAUSER, RESPONDENTS.

R E S O L U T I O N

PERLAS-BERNABE, J.:

This Petition for Review on Certiorari assails the March 10, 2011^[1] and May 16, 2011^[2] Resolutions of the Court of Appeals (CA) which dismissed petitioner's appeal on the ground that it was the wrong remedy.

The Factual Antecedents

On March 17, 1988, petitioner Arturo dela Cruz, Sr. and his wife, while then still living, entered into a contract of lease with option to buy with respondents Martin and Flora Fankhauser, over a parcel of residential land in Puerto Princesa City, covered by Transfer Certificate of Title (TCT) No. 5620. The contract stated that the lessee will occupy the leased premises beginning April 1, 1988; that in consideration of the lessee's option to buy, the lessee will advance P162,000.00; that from April 1988 to December 1988 rental on the leased premises is considered fully paid, applying therefor the interest of the advanced amount of P162,000.00; that in consideration further of the lessee's option to buy, the lessee will advance to the lessor commencing from January 1989 up to April 1990 a monthly amount of P18,000.00 and during this period the rentals shall be considered paid by applying therefor the interests on the above-mentioned advances; that after the lessee shall have completely paid all the advances mentioned, a contract of sale over the leased house and lot shall be deemed to have been perfected and consummated and the lessor binds himself to execute in favor of the lessee a deed of absolute sale.

The respondents did not advance the monthly amount of P18,000.00. Hence, petitioner sought the rescission of the contract, which was granted by the Regional Trial Court of Palawan, Branch 49 (RTC). On appeal, the CA in CA-G.R. CV No. 80372 found that petitioner's claim for rescission was premature. It ruled that the RTC should have fixed a grace period of 60 days to comply with the notice required in Republic Act (RA) No. 6552. The CA set aside the decision of the RTC and disposed as follows:

WHEREFORE, the foregoing premises considered, the appealed Decision dated May 27, 2003 of Branch 49 of the Regional Trial Court of Palawan and Puerto Princesa City in Civil Case No. 2143 is hereby **SET ASIDE**. A new one is **ENTERED** as follows:

The plaintiff-appellants are **ORDERED** to pay (1) the balance of the

purchase price amounting to P288,000.00 within 60 days from the finality of this Decision; and (2) rentals in arrears of P1,080.00 a month from January 1989 until full payment of balance of purchase price. On the other hand, the defendants-appellees are **ORDERED** to execute a deed of absolute sale in favor of the plaintiffs-appellants upon full payment of purchase price of the subject property and rentals in arrears.

In case of failure to pay the balance of the purchase price with[in] 60 days from finality of this Decision, the plaintiffs-appellants are ordered (1) to vacate the subject property without need of further demand; and (2) to pay after deducting the downpayment of PI 62,000.00, rentals in arrears of PI,080.00 a month from January 1989 until possession is surrendered to the defendants-appellees.

SO ORDERED.^[3]

The CA Decision became final and executory on December 21, 2007.^[4] On January 18, 2008, respondents communicated to petitioner that two (2) checks covering the balance of the price and the rental arrears were already ready for petitioner to claim. A manifestation to this effect was also received by the RTC on February 19, 2008.^[5] Petitioner did not claim the checks^[6] but instead moved, on March 12, 2008, for the execution of the CA Decision, particularly the second part of the dispositive portion ordering the respondents to vacate the subject property and to pay rental arrears.

The RTC Ruling

The RTC, in its October 29, 2008 Order,^[7] granted the motion for execution and disposed as follows:

WHEREFORE, premises considered, the motion for execution filed by defendants-appellees is hereby granted. Accordingly, let a writ issue for the execution of the decision of the Court of Appeals in this case, which the Deputy Sheriff of this Court-Branch is hereby directed to enforce strictly in accordance with the whole dispositive portion of the said decision, with the 60-day period to be counted from herein parties' notice of this order.

xxx xxx xxx

SO ORDERED.

Petitioner elevated the RTC Order of execution to the CA by notice of appeal.^[8] He claimed that the order of execution issued by the RTC varied the judgment of the CA.

The CA Ruling