

FIRST DIVISION

[G.R. NO. 151352, August 29, 2005]

**LETICIA T. FIDELDIA AND PETRA T. FIDELDIA, PETITIONERS,
VS. SPOUSES RAY AND GLORIA SONGCUAN, RESPONDENTS.**

D E C I S I O N

CARPIO, J.:

The Case

Before this Court is a petition for review^[1] assailing the Decision^[2] of the Court of Appeals promulgated on 30 March 2001 in CA-G.R. SP No. 59257 and its Resolution of 11 December 2001 denying the motion for reconsideration. The Court of Appeals granted the petition for certiorari filed by the Spouses Ray and Gloria Songcuan ("Spouses Songcuan") and annulled the Order^[3] of the Regional Trial Court, Branch 33, Bauang, La Union deferring the execution of the final and executory judgment in Civil Case No. 459-BG.

The Facts

On 24 August 1982, the Spouses Songcuan^[4] filed a complaint for specific performance ("specific performance case") against petitioner Petra T. Fideldia ("Petra").^[5] The specific performance case was raffled to Branch 33 of the Regional Trial Court of Bauang, La Union ("trial court") and docketed as Civil Case No. 459-BG. The Spouses Songcuan sought to compel Petra to execute a deed of absolute sale over the properties subject of the parties' Conditional Contract of Sale dated 8 March 1982.

On 4 November 1991, the trial court, then presided by Judge Avelino S. Quintos, rendered a Decision^[6] in favor of the Spouses Songcuan. The trial court disposed as follows:

WHEREFORE, judgment is hereby rendered in favor of the plaintiffs Songcuans and against the defendants Fideldia and Mangaser as follows:

(1) Defendant Fideldia.

a) She is ordered to execute a document in due form conveying to the plaintiffs spouses Ray Songcuan and Gloria Songcuan full ownership of the property subject matter of the Conditional Contract of Sale (Exh. A and Exh. 4) as well as to deliver to the Songcuans the titles of Lot 4-B and Lot 4-C and the said plaintiffs are likewise ordered to deliver the balance of the purchase price of P330,000.00 minus the costs of documentary stamps;

b) Defendant Fideldia is ordered to pay the Songcuans the following amounts: P11,400.00 as moral damages and hospital expenses, P5,000.00 exemplary damage; P8,640.00 refund of rentals, P20,000.00 for repairs, etc. of the Fideldia building, and P5,000.00 attorney's fees and expenses of litigation mentioned herein;

c) xxx

d) The counterclaim of the defendant Fideldia against the plaintiffs is also dismissed.

xxx

SO ORDERED.^[7]

Petra appealed the decision to the Court of Appeals.^[8] In a Decision^[9] dated 21 March 1996, the Court of Appeals affirmed with modification the trial court's decision. The dispositive portion of the Court of Appeals' decision reads:

WHEREFORE, the appealed judgment is AFFIRMED with the MODIFICATIONS that paragraph (1), sub-paragraph (a) of the dispositive portion of said judgment is amended to the effect that parties should comply with Exhibits A-8 and 4-A as quoted in the text of herein decision; and the award of moral damages is reduced to P8,000.00; the payment of hospital expenses is deleted; and the amount of P2,800.00 is ordered returned to herein plaintiffs-appellees. The rest of the dispositive portion of said appealed decision remains undisturbed.

No costs.

SO ORDERED.^[10]

Dissatisfied, Petra filed a petition for review with this Court.^[11] The Court issued a Resolution^[12] denying the petition. The Court held that the issues raised were essentially factual and that there was no sufficient showing that the Court of Appeals' findings were not supported by the requisite quantum of evidence. The Court found no reversible error in the Court of Appeals' decision.^[13]

The Court's resolution became final and executory on 4 December 1996. Consequently, the decision of the Court of Appeals in CA-G.R. CV No. 38855 modifying the trial court's decision in the specific performance case also became final.

On 20 June 1997, Petra, through counsel, wrote a letter^[14] to the Spouses Songcuan demanding payment of P350,000, less P44,440, representing the damages adjudged in favor of the Spouses Songcuan. Petra also stated that upon payment of the amount, she would then execute the deed of absolute sale and deliver the titles to the properties to the Spouses Songcuan.

Ray Songcuan replied in an undated letter,^[15] stating that they were ready to pay the balance of the purchase price. However, Petra could not comply with her

obligation because she had already donated the properties to Leticia T. Fideldia ("Leticia"), Petra's co-petitioner in this case, without court authority. Ray Songcuan also demanded that Petra and Leticia pay the rentals they collected from the properties since 1982.

Subsequently, Petra filed with the Regional Trial Court of Quezon City ("RTC Quezon City") a complaint against the Spouses Songcuan for rescission^[16] of the contract to sell. The RTC Quezon City later dismissed the complaint on the ground of improper venue since the properties are situated in Bauang, La Union.^[17]

Meanwhile, the Spouses Songcuan filed with the trial court a motion for execution to enforce the decision in the specific performance case. The trial court, presided by Judge Rose Mary R. Molina-Alim, granted the motion on 3 November 1997. Thus, a writ of execution was issued. However, the writ was returned unsatisfied twice. Thereafter, an alias writ of execution was issued on 13 April 1998. The alias writ of execution was also returned unsatisfied.

With the dismissal of the complaint for rescission by the RTC Quezon City, Leticia, as Petra's successor-in-interest, filed with the Regional Trial Court of Bauang, La Union a complaint for rescission dated 21 July 1998. The complaint was raffled to Branch 33 – the same court trying the specific performance case – and docketed as Civil Case No. 1157 BG ("rescission case"). The complaint alleged that the Spouses Songcuan refused to comply with their reciprocal obligation to pay the balance of the purchase price of the properties.

On 27 July 1998, Petra filed with the trial court a motion to suspend the execution of the decision in the specific performance case.

Denying the motion, the trial court issued an Order for the issuance of a second alias writ of execution on 12 August 1999. The writ remained unsatisfied.

Petra filed a motion for reconsideration of the order. Reversing its earlier order, the trial court granted the motion for reconsideration in an Order dated 3 December 1999, to wit:

WHEREFORE, ***the motion for reconsideration is GRANTED, insofar as the deferment of the issuance of a writ of execution is concerned.*** The ex-parte, manifestation and motion for satisfaction of judgment and the addendum filed by the plaintiffs as well as the motion to clarify order, are DENIED for lack of merit.

SO ORDERED.^[18] (emphasis supplied)

The Spouses Songcuan filed a motion for reconsideration of the order, which the trial court denied on 22 May 2000.

On 19 May 2000, the Spouses Songcuan consigned with the trial court P330,000 representing the balance of the purchase price of the properties.^[19]

The Spouses Songcuan then filed a petition for certiorari under Rule 65^[20] with the Court of Appeals seeking to annul the Order of the trial court deferring the execution

of the judgment in the specific performance case.

On 30 March 2001, the Court of Appeals granted the petition and annulled the trial court's Order of 3 December 1999. The dispositive portion of the Court of Appeals' decision reads:

WHEREFORE, the petition is GRANTED. The assailed orders of respondent judge are ANNULLED and SET ASIDE and the latter is directed to forthwith comply with Sec. 10[a], Rule 39 of the 1997 Rules of Civil Procedure. Costs against private respondent.

SO ORDERED.^[21]

Petra filed a motion for reconsideration of the decision. The Court of Appeals denied the motion in a Resolution dated 11 December 2001.

Hence, this petition.

The Court of Appeals' Ruling

In annulling the order of the trial court deferring the execution of the judgment in the specific performance case, the Court of Appeals held that it is the ministerial duty of the presiding judge to issue a writ of execution of the final and executory judgment. The Court of Appeals noted that the Spouses Songcuan had expressed readiness to pay the balance of the purchase price as confirmed by the Sheriff's Report dated 2 December 1997.

The Court of Appeals further ruled that Petra's remedy in case of the Spouses Songcuan's default is to ask for the execution of the judgment. The Court of Appeals also stated that the judgment superseded the terms of the contract to sell. Hence, the judgment novated the obligation of the parties under the contract to sell.

Since there was a notice of lis pendens annotated on Petra's titles to the properties, the Court of Appeals declared that Leticia, to whom Petra subsequently donated the properties, is bound by the outcome of the specific performance case.

Finally, the Court of Appeals held that the presiding judge should have divested Leticia of the titles to the properties and delivered such titles to the Spouses Songcuan.

The Issue

The main issue in this case is whether the trial court committed grave abuse of discretion in issuing the Order of 3 December 1999 deferring the execution of the final judgment in the specific performance case.

The Ruling of the Court

The petition lacks merit.

***No Subsequent Events
to Render Execution Inequitable***

Petitioners contend that after the judgment in the specific performance case became final and executory, certain circumstances arose warranting deferment of the execution of the final judgment. According to petitioners, the Spouses Songcuan were unlawfully collecting the rentals over the properties since *November 1996* in disregard of the decision in the specific performance case. In addition, the Spouses Songcuan conditioned their payment of the balance of the purchase price of the properties on the payment by petitioners of the rentals they collected since 1982.

Petitioners' contention is untenable.

The Court reiterates the principle that once a decision becomes final and executory, it is the ministerial duty of the presiding judge to issue a writ of execution except in certain cases, as when subsequent events would render execution of the judgment unjust.^[22] The present case does not fall within the recognized exceptions.

A review of the records shows that these alleged subsequent events do not render the execution unjust.

The alleged collection by the Spouses Songcuan of the rentals since *November 1996* arose before the decision in the specific performance case became final and executory on *4 December 1996*. Whether the Spouses Songcuan have a right to the rentals is an issue for resolution in an action separate and distinct from the rescission case, which involves the execution of the decision in the specific performance case.^[23]

Petitioners contend that the Spouses Songcuan made the payment of the rentals petitioners collected since 1982 a condition for the Spouses Songcuan's payment of the balance of the purchase price. This contention deserves scant consideration. The Sheriff's Report supports^[24] the Spouses Songcuan's claim that they were ready and willing to pay the balance of the purchase price without any condition. Furthermore, on 19 May 2000 the Spouses Songcuan consigned with the trial court the P330,000 representing the balance of the purchase price of the properties.

The Court also notes that petitioners demanded from the Spouses Songcuan the payment of P305,560 (P350,000 less P44,440) whereas the trial court's decision in the specific performance case ordered the payment of P290,560 only (P330,000 less P49,440). Thus, as the Court of Appeals stated, the demand is P15,000 more than the amount adjudged in the decision. This is enough reason for the Spouses Songcuan's reluctance to heed immediately petitioners' demand.

The Spouses Songcuan's hesitance to pay was caused principally by Petra's donation to Leticia of the properties after the promulgation of the trial court's decision. With the donation, the Spouses Songcuan believed that Petra no longer had the legal right to transfer ownership of the properties.^[25]

The Remedy of Rescission is Not Proper

Petitioners maintain that since the judgment in the specific performance case provided for a reciprocal obligation – Petra to execute a deed of absolute sale while the Spouses Songcuan to pay the balance of the purchase price – the remedy of