

## FIRST DIVISION

[ G.R. No. 113886, February 24, 1998 ]

**SPOUSES MARCIANO CHUA AND CHUA CHO, PETITIONERS, VS.  
COURT OF APPEALS AND SPOUSES MARIANO C. MORENO AND  
SHEILA MORENO, RESPONDENT.**

### D E C I S I O N

#### **PANGANIBAN, J.:**

To stay the execution pending appeal of a judgment in an ejectment suit, the Rules require the defendant to file a supersedeas bond. What is the nature of this bond? How is the amount to be computed? In what court should it be presented? At what point in the litigation should it be filed?

#### The Case

The Court answers the foregoing questions as it resolves this petition for review on *certiorari* assailing the December 15, 1993 Decision<sup>[1]</sup> of the Court of Appeals<sup>[2]</sup> in CA-G.R. SP No. 32236, which disposed as follows:<sup>[3]</sup>

“WHEREFORE, the petition is GRANTED, the orders dated June 10, 1993 and June 17, 1993 are SET ASIDE, and respondent court is ORDERED to issue a writ of execution for the enforcement of the decision dated March 5, 1993 rendered by the Municipal Trial Court in Civil Case No. 2592, insofar as the right to the possession of the lots is concerned.”

Petitioners also challenge the February 15, 1994 Resolution of Respondent Court which denied their motion for reconsideration.<sup>[4]</sup>

#### The Facts

The facts of this case are undisputed. As found by Respondent Court, they are as follows:<sup>[5]</sup>

“Coming now to the merits of the case, it appears that on March 5, 1993, the Municipal Trial Court (branch II) of Batangas City rendered judgment for petitioners [private respondents herein] with respect to four lots located in Galicano St., Batangas City, ordering the ejectment of private respondents [petitioners herein] and ordering them to pay monthly rentals of P50,000.00 starting April 7, 1992 until they shall have vacated the lots and surrendered their possession to petitioners and the sum of P20,000.00 as attorney’s fees.

It appears further that a copy of the decision was received by private respondents’ counsel on March 10, 1993; that on March 11, 1993 he filed a notice of appeal; and that on March 16, 1993, the MTC ordered the records of the case transmitted to the RTC.

On March 29, 1993, petitioners moved for the execution of the decision in their favor, alleging that although private respondents had filed a notice of appeal, the latter had not filed a supersedeas bond nor make [sic] a deposit every month of the reasonable value of the use and occupation of the properties as required by Rule 70, sec. 8.

Private respondents opposed the motion, claiming that they are co-owners of the lots from which they were ordered to be ejected and that to grant immediate execution of the decision would render their appeal moot and academic. They later filed a supplement to their opposition, claiming that while they were after all willing to file a supersedeas bond, but that they had been kept busy attending to their businesses and thus unable to secure a bond.

On June 10, 1993, the trial court issued the first of its disputed orders in which it denied petitioners' motion for execution on the ground that the transmission by the MTC of the records of the ejectment case to the RTC, without waiting for the expiration of the period of appeal, prevented private respondents from filing a supersedeas bond on time. The order reads:

WHEREFORE, premises considered, the urgent Motion for Execution filed by plaintiff-appellees is hereby DENIED for lack of merit. Accordingly, the defendant appellants are hereby directed to:

- a) To file with this Court a supersedeas bond in the amount of FIVE HUNDRED FIFTY THOUSAND (P550,000.00) PESOS within five days from receipt of this Order;
- b) To deposit, within the period afore-mentioned, an amount of ONE HUNDRED FIFTY THOUSAND (P150,000.00) PESOS by way of accrued rentals for the months of April, May and June, 1993; and
- c) To periodically deposit on or before the tenth day of each succeeding months [sic], starting from July 1993, and an [sic] amount of FIFTY THOUSAND (P50,000.00) PESOS representing the reasonable monthly rental fixed by the lower court."

On June 17, 1993, the RTC issued another order giving petitioners an extension of five days within which to file a supersedeas bond. After initially admitting a cash bond of P550,000, the RTC granted on September 20, 1993 petitioners' motion for the substitution of the cash bond with a surety bond. Private respondents filed a petition for certiorari before the Court of Appeals, questioning the said three orders.

### *Respondent Court's Ruling*

Invoking Section 8, Rule 70 of the Rules of Court, Respondent Court ruled that the RTC erred in extending the period for filing a supersedeas bond. This error was compounded when the same court issued its second order on June 17, 1993 which gave herein petitioners an additional extension of five days within which to do so. The Court of Appeals held that the said provision was mandatory and gave the said trial court no discretion with regard to its application. In dismissing petitioners' claim that they did not know where to file the supersedeas bond, the Court of Appeals noted that said argument was made for the first time on appeal before it, petitioners' opposition to the motion for execution before the RTC being based only on their alleged co-ownership of the said property. Respondent Court also distinguished the present case from *Laurel vs. Abalos*,<sup>[6]</sup> holding that there was no basis for the application of an exception to the mandatory provision of Section 8 of Rule 70.

While sustaining the order of September 20, 1993, Respondent Court set aside the two other orders issued on June 10 and 17, 1993. Subsequently, said Court denied the motion for reconsideration.

Hence, this petition for review.<sup>[7]</sup> In a Resolution dated March 11, 1996, this Court noted that petitioners had no objection to the substitution of the deceased Mariano Moreno by his surviving heirs.<sup>[8]</sup>

## The Issues

Petitioners allege that the Court of Appeals committed the following “errors”:<sup>[9]</sup>

“I

The Court of Appeals committed a grave error of law when it found that petitioners herein, the private respondents in C.A. G.R. SP NO. 32236, could have filed the supersedeas bond on time and before June 10, 1993 when RTC, Branch I of Batangas City fixed for the first time the amount of supersedeas bond which ruling, if implemented, would have condoned and would have resulted to the violation of the *equal protection clause of the Constitution*.

II

The Court of Appeals committed grave error of law when it made grossly erroneous conclusions arising from admitted and undisputed facts which led the said Court of Appeals to apply the general rule as stated in *Section 8 of Rule 70* of the *Rules of Court* and not the law on exceptions to said rule.

III

The Court of Appeals committed grave error of law in making findings of fact contrary to the admitted and proven facts by the petitioners and private respondents in C.A. G.R. SP. No. 32236 and not supported by evidence on record.

IV

The Court of Appeals committed an error of law when it ordered the RTC, Branch I of Batangas City to issue a writ of execution which, if implemented, would necessarily result to the deprivation of petitioners herein of their property without due process of law in violation of *Section 1, Article III* of the *Constitution*.”

In the main, the case hinges on whether, after the expiration of the period for perfecting said appeal, the RTC had the authority to set the amount of and accept a supersedeas bond to stay the immediate execution of a decision in an ejectment suit pending appeal. This encompasses several questions regarding the nature of a supersedeas bond: What is the amount of the bond? Who, if any, determines the amount? Where and at what point in the litigation should the bond be filed? We shall deal with each of these questions.

## The Court’s Ruling

The petition is not meritorious.

Main Issue: *Late Filing of the Supersedeas Bond*

The applicable rule in this case is Section 8, Rule 70 of the Rules of Court, which provides:<sup>[10]</sup>

“SEC. 8. *Immediate execution of judgment. How to stay same.* If judgment is rendered against the defendant, execution shall issue immediately, unless an appeal has been perfected and the defendant to stay execution files a sufficient bond, approved by the municipal or city court and executed to the plaintiff to enter the action in the Court of First Instance and to pay the rents, damages, and costs accruing down to the time of the judgment appealed from, and unless, during the pendency of the appeal, he deposits with the appellate court the amount of rent due from time to time under the contract, if any, as found by the judgment of the municipal or city court to exist. In the absence of a contract, he shall deposit with the court the reasonable value of the use and occupation of the premises for the preceding month or period at the rate determined by the judgment, on or before the tenth day of each succeeding month or period. The supersedeas bond shall be transmitted by the municipal or city court, with the other papers, to the clerk of the Court of First Instance to which the action is appealed.

x x x

x x x

x x x”

As a general rule, a judgment in favor of the plaintiff in an ejectment suit is immediately executory, in order to prevent further damage to him arising from the loss of possession of the property in question.<sup>[11]</sup> To stay the immediate execution of the said judgment while the appeal is pending, the foregoing provision requires that the following requisites must concur: (1) the defendant perfects his appeal; (2) he files a supersedeas bond; and (3) he periodically deposits the rentals which become due during the pendency of the appeal.<sup>[12]</sup> The failure of the defendant to comply with *any* of these conditions is a ground for the *outright execution* of the judgment, the duty of the court in this respect being “ministerial and imperative.”<sup>[13]</sup> Hence, if the defendant-appellant perfected the appeal but failed to file a supersedeas bond, the immediate execution of the judgment would automatically follow. Conversely, the filing of a supersedeas bond will not stay the execution of the judgment if the appeal is not perfected. Necessarily then, the supersedeas bond should be filed within the period for the perfection of the appeal.

In the present case, petitioners filed their notice of appeal on March 11, 1993, a day after their receipt of the MTC’s decision. On March 16, 1993, or five days later, the MTC transmitted the records of the case to the RTC. On March 29, 1993, the private respondents filed a motion for the immediate execution of the decision. As noted earlier, petitioners opposed the motion on the ground that they were co-owners of the property. On June 10, 1993, the RTC denied the motion for execution and directed petitioners to file a supersedeas bond. On the authority of the RTC order, petitioners filed a cash bond, which was later substituted with a surety bond.

We agree with the Court of Appeals that the bond was filed out of time. The motion for execution was filed eighteen days from the date the petitioners received a copy of the MTC’s decision, after the appeal had already been perfected. Because no supersedeas bond had been filed within the period for appeal, a writ of execution should have been issued as a matter of right. Petitioners manifestly failed to adduce a compelling reason to justify a departure from the aforementioned rule.

Petitioners contend that the delay should be excused because the MTC, without fixing the amount of the bond, transmitted the records of the case to the RTC even before the perfection of the appeal,<sup>[14]</sup> i.e., the expiration of the period for filing an appeal.<sup>[15]</sup> Hence, they did not know whether to file a bond with the RTC or with the MTC. Neither were they certain of the amount of the bond.

### *How the Amount of Supersedeas Bond Is Determined*

Petitioners need not require the MTC to fix the amount of the supersedeas bond. They could have computed this themselves. As early as 1947, we have held in *Aylon vs. Jugo and De Pablo* that the supersedeas bond is equivalent to the amount of rentals, damages and costs stated in the judgment.<sup>[16]</sup>

“x x x. Under the provisions of Section 8 of the Rule, a justice of the peace or a municipal court may require the defendant to file a bond for an amount which would cover the stipulated rentals, as found by the judgment of the Court, or the reasonable value for the use and occupation of the premises, at the rate determined by the judgment, damages and costs down to the time of the final judgment in the action. The reasonable value for the use and occupation of the premises, the possession of which is sought to be recovered, is that fixed by the Court in the judgment, because the rental stipulated in the contract of lease that has expired or terminated may no longer be the reasonable value for the use and occupation of the premises as a result or by reason of the change or rise in values. But the bond together with the appeal is only to prevent the immediate execution of a judgment rendered against the defendant in forcible entry and detainer cases. Such execution must be prevented further by paying to the plaintiff or depositing with the Court of First Instance, during the pendency of the appeal, the stipulated rental due from time to time under the contract, as found by the judgment of the Court, or, in the absence of a contract, the reasonable value for the use and occupation of the premises for the preceding month, on or before the tenth day of each calendar month, at the rate determined by the judgment.” (Underscoring supplied).

Under Section 8 of Rule 70, the supersedeas bond shall be equivalent to the unpaid rentals, damages and costs which accrued before the decision was rendered, as determined by the MTC in the said decision.<sup>[17]</sup> The bond does not answer for amounts accruing during the pendency of the appeal, which are, in turn, the subject of the periodic deposits to be made by the defendant.<sup>[18]</sup>

In the present case, the MTC clearly stated in its March 5, 1993 decision that petitioners should pay rentals of ₱50,000 a month from April 7, 1992 until they shall have vacated the lots. The amount comprising the supersedeas bond and the periodic deposits, therefore, is evident and computable from the MTC’s decision.

### *Where Is the Supersedeas Bond Filed?*

In the light of the peculiar circumstances of this case, petitioners allege that they could not determine whether to file the supersedeas bond with the MTC or the RTC. Thus, they argue:<sup>[19]</sup>

“28. In the facts of the dispute involved in his petition, the court of origin cannot fix the amount of supersedeas bond since the records are no longer with it. The RTC