

THIRD DIVISION

[G.R. No. 107846, April 18, 1997]

**LEOVILLO C. AGUSTIN, PETITIONER, VS. COURT OF APPEALS
AND FILINVEST FINANCE CORP., RESPONDENTS.
R E S O L U T I O N**

FRANCISCO, J.:

This is an appeal by *certiorari* from the decision of respondent Court of Appeals in CA-G.R. No. 24684^[1] which affirmed the order of Regional Trial Court, Branch 40, Manila, in Civil Case No. 84804.^[2]

The dispute stemmed from an unpaid promissory note dated October 28, 1970, executed by petitioner Leovillo C. Agustin in favor of ERM Commercial for the amount of P43,480.80. The note was payable in monthly installments^[3] and secured by a chattel mortgage over an Isuzu diesel truck,^[4] both of which were subsequently assigned to private respondent Filinvest Finance Corporation.^[5] When petitioner defaulted in paying the installments, private respondent demanded from him the payment of the entire balance or, in lieu thereof, the possession of the mortgaged vehicle. Neither payment nor surrender was made. Aggrieved, private respondent filed a complaint with the Regional Trial Court of Manila, Branch 26 (RTC Branch 26) against petitioner praying for the issuance of a *writ of replevin* or, in the alternative, for the payment of P32,723.97 plus interest at the rate of 14% per annum from due date until fully paid.^[6] Trial ensued and, thereafter, a writ of replevin was issued by RTC Branch 26. By virtue thereof, private respondent acquired possession of the vehicle. Upon repossession, the latter discovered that the vehicle was no longer in running condition and that several parts were missing which private respondent replaced. The vehicle was then foreclosed and sold at public auction.

Private respondent subsequently filed a "supplemental complaint" claiming additional reimbursement worth P8,852.76 as value of replacement parts^[7] and for expenses incurred in transporting the mortgaged vehicle from Cagayan to Manila. In response, petitioner moved to dismiss the supplemental complaint arguing that RTC Branch 26 had already lost jurisdiction over the case because of the earlier extra-judicial foreclosure of the mortgage. The lower court granted the motion and the case was dismissed.^[8] Private respondent elevated the matter to the appellate court, docketed as CA-G.R. No. 56718-R, which set aside the order of dismissal and ruled that repossession expenses incurred by private respondent should be reimbursed.^[9] This decision became final and executory, hence the case was accordingly remanded to the Regional Trial Court of Manila, Branch 40 (RTC Branch 40) for reception of evidence to determine the amount due from petitioner.^[10] After trial, RTC Branch 40 found petitioner liable for the repossession expenses, attorney's fees, liquidated damages, bonding fees and other expenses in the seizure of the

vehicle in the aggregate sum of P18,547.38. Petitioner moved for reconsideration. Acting thereon, RTC Branch 40 modified its decision by lowering the monetary award to P8,852.76, the amount originally prayed for in the supplemental complaint.^[11] Private respondent appealed the case with respect to the reduction of the amount awarded. Petitioner, likewise, appealed impugning the trial court's order for him to pay private respondent P8,852.76, an amount over and above the value received from the foreclosure sale. Both appeals were consolidated and in CA- G.R. No. 24684, the modified order of RTC Branch 40 was affirmed. Petitioner filed a motion for reconsideration, but to no avail^[12] Hence, this petition for review on *certiorari*.

Petitioner contends that the award of repossession expenses to private respondent as mortgagee is "contrary to the letter, intent and spirit of Article 1484^[13] of the Civil Code".^[14] He asserts that private respondent's repossession expenses have been amply covered by the foreclosure of the chattel mortgage, hence he could no longer be held liable. The arguments are devoid of merit.

Petitioner's contentions, we note, were previously rejected by respondent court in its decision in CA-G.R. No. 56718-R the dispositive portion of which provides as follows:

"WHEREFORE, the order dismissing the case is hereby set aside and the case is remanded to the lower court for reception of evidence of `expenses properly incurred in effecting seizure of the chattel (and) of recoverable attorney's fees in prosecuting the action for replevin' as `repossession expenses' prayed for in the supplemental complaint, without pronouncement as to costs."^[15]

which ruling has long acquired finality. It is clear, therefore, that the appellate court had already settled the propriety of awarding repossession expenses in favor of private respondent. The remand of the case to RTC Branch 40 was for the sole purpose of threshing out the correct amount of expenses and not for relitigating the accuracy of the award. Thus, the findings of RTC Branch 40, as affirmed by the appellate court in CA-G.R. No. 24684, was confined to the appreciation of evidence relative to the repossession expenses for the query or issue passed upon by the respondent court in CA-G.R. No. 56718-R (propriety of the award for repossession expenses) has become the "law of the case". This principle is defined as "a term applied to an established rule that when an appellate court passes on a question and remands the cause to the lower court for further proceedings, the question there settled becomes the law of the case upon subsequent appeal."^[16] Having exactly the same parties and issues, the decision in the former appeal (CA-G.R. No. 56718-R) is now the established and controlling rule. Petitioner may not therefore be allowed in a subsequent appeal (CA-G.R. No. 24684) and in this petition to resuscitate and revive formerly settled issues. Judgment of courts should attain finality at some point in time, as in this case, otherwise, there will be no end to litigation.

At any rate, even if we were to brush aside the "law of the case" doctrine we find the award for repossession expenses still proper. In *Filipinas Investment & Finance Corporation v. Ridad*,^[17] the Court recognized an exception to the rule stated under Article 1484(3) upon which petitioner relies. Thus: