

FIRST DIVISION

[G.R. No. 124271, August 22, 1996]

SPS. RAMON AND SYLVIA CARRION, PETITIONERS, VS. COURT OF APPEALS, ELSA RAMIREZ AND BELEN GREGORIO, RESPONDENTS.

D E C I S I O N

PADILLA, J.:

This is a petition for review on certiorari under Rule 45 of the Rules of Court of a decision^[*] of the Court of Appeals (CA) dated 20 November 1995 in CA-G.R. CV 35070 entitled "Elsa Ramirez and Belen Gregorio vs. Sps. Ramon and Sylvia Carrion."

Petitioners allege that the CA decision went against the well entrenched doctrine that "whenever an appeal is taken in a civil case, an appellee who does not himself appeal cannot obtain from the appellate court any affirmative relief other than the ones granted in the decision in the court below."

The facts of the case are as follows:

Sometime in January 1977, petitioners Ramon and Sylvia Carrion, representing themselves as involved in the business of movie production, obtained a loan of P60,000.00 each from private respondents Elsa Ramirez and Belen Gregorio. To secure payment of said loans, petitioners issued separate postdated checks to private respondents dated 7 February 1977, each in the amount of P60,000.00. Upon maturity thereof, petitioners persuaded private respondents not to encash the checks. Instead, they executed two (2) promissory notes to mature on 7 July 1979 in the amount of P85,517.00 each, payable to private respondents. The amount represented the original loan of P60,000.00 plus interest of twelve percent (12%) per annum, for two (2) years.

After more than seven (7) years, petitioners failed to settle their obligations to private respondents. In 1986, private respondents filed a complaint for sum of money against petitioners before the Regional Trial Court of Manila Branch 11.

After trial, the trial court rendered judgment, the dispositive part of which reads:

"WHEREFORE, in the light of all the foregoing considerations, this Court orders the defendants, jointly and solidarily (sic), to pay both plaintiff Elsa Ramirez and Belen Gregorio the sum of P10,000.00 as and for attorney's fees; to pay the plaintiff Elsa Ramirez the sum of P60,000.00 without interest; to pay the plaintiff Belen Gregorio the sum of P60,000.00 without interest and to pay the costs of suit."^[1]

The trial court ruled that "while the evidence for both parties tended to show that the transaction between them involve the forbearance of money, x x x since the plaintiffs (private respondents) have admitted their funds were invested in the business of movie making, they should not be entitled to recover these funds because if that business deal had failed, as proven in an action for an accounting which plaintiffs should have instituted, then they should suffer the losses. Considering, however, that the defendants (petitioners) have not admitted that they have invested the funds of plaintiffs in the business of movie production but this court had earlier made the finding that defendants (petitioners) did receive the funds belonging to the plaintiffs (private respondents), then under the principle of unjust enrichment; defendants (petitioners) are legally bound to return those funds."^[2]

Aggrieved, petitioners appealed to the Court of Appeals.

On 20 November 1995, the Court of Appeals rendered judgment, the dispositive part of which reads:

"WHEREFORE, the appealed decision is AFFIRMED with the MODIFICATION that defendants are hereby declared solidarily liable to pay both plaintiffs the amount of P85,519.18 each, with the stipulated interest of 1% a month from November 28, 1986, the date of filing of the complaint until fully paid; twenty-five (25%) percent of such total amount inclusive of accrued interests for attorney's fees and expenses of litigation as stipulated in the promissory notes; and P5,000.00 moral damages."^[3]

The Court of Appeals disagreed with the trial court's conclusion that the contractual relation created between plaintiffs and defendants was one of partnership because the testimonial evidence on record did not establish that such was the intention of both parties. The parties did not "bind themselves to contribute money, property, or industry to a common fund, with the intention of dividing the profits among themselves,"^[4] so the CA held.

According to the CA also, the evidence show that private respondents were "induced to part with their money and that defendants-appellants (petitioners) gained their trust and confidence as to their ability to return the money considering the anticipated success of the investment."^[5]

In fine, since the genuineness and due execution of the promissory notes were not denied by petitioners and parole evidence failed to establish any other agreement to the contrary, the documents clearly evinced a contract of simple loan, not that of a partnership, according to the CA.

Petitioners are now before us. They raise a lone assignment of error in their petition, allegedly committed by the appellate court, thus:

THE RESPONDENT COURT COMMITTED A GRAVE AND REVERSIBLE ERROR IN GRANTING AFFIRMATIVE RELIEFS TO THE PRIVATE RESPONDENTS OTHER THAN THOSE FOUND IN THE APPEALED DECISION OF THE COURT A *QUO*.^[6]