

Republic of the Philippines
SUPREME COURT
Manila

CERTIFIED TRUE COPY
Wilfredo V. Lapitan
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

JUL 12 2017

THIRD DIVISION

**SANTOS-YLLANA REALTY
CORPORATION,**

Petitioner,

G.R. No. 190043

Present:

- versus -

**SPOUSES RICARDO DEANG and
FLORENTINA DEANG,**

Respondents.

VELASCO, JR., J., Chairperson,
BERSAMIN,
REYES,
JARDELEZA, and
TIJAM

Promulgated:

June 21, 2017

X-----X

Wilfredo V. Lapitan X

DECISION

VELASCO, JR., J.:

Nature of the Case

This petition for review under Rule 45 of the Rules of Court seeks to reverse and set aside the June 17, 2009 Decision¹ and October 13, 2009 Resolution² of the Court of Appeals (CA) in CA-G.R. CV No. 65768 entitled “*Sps. Ricardo Deang and Florentina Deang v. Santos-Yllana Realty Corp., et. al.*,” which affirmed, with modification, the September 16, 1999 Decision³ of the Regional Trial Court (RTC) of Manila, Branch 44 in Civil Case No. 98-90087, finding petitioner Santos-Yllana Realty Corporation liable for damages to the respondents spouses Ricardo Deang and Florentina Deang.

Factual Antecedents

Respondent Florentina Deang (Florentina), doing business under the name and style of “Rommel Dry Goods,” is a former lessee of Stall No. H-6 at Santos-Yllana Shopping Center, which is located on Miranda Street, Angeles City, Pampanga, and owned and operated by petitioner since 1975.

¹ *Rollo*, pp. 32-47. Penned by Associate Justice Jose C. Reyes, Jr. and concurred in by Associate Justices Martin S. Villarama, Jr. and Normandie B. Pizarro.

² Id. at 49.

³ Id. at 386-404.

Due to Florentina's failure to pay her rents and other charges due on the rented stall, petitioner filed a Complaint for Ejectment with Damages against respondents before the Metropolitan Trial Court (MTC) of Angeles City on August 11, 1997. The case was raffled to Branch 1 of the Angeles City MTC and docketed as Civil Case No. 97-311. On October 16, 1997, the MTC rendered a Decision based on a Compromise Agreement that the parties executed.⁴

On January 16, 1998, petitioner filed a Motion for Execution of the October 16, 1997 Decision due to Florentina's failure to comply with the terms of the Compromise Agreement. Respondents objected, alleging that the amount due to petitioner had already been paid in full. After resolving the objections, the Angeles City MTC issued an Order on February 20, 1998 granting the issuance of the Writ of Execution, and the same was accordingly issued.⁵

Respondents moved to quash the Writ of Execution on February 26, 1998. On even date, Sheriff Allen Sicat (Sheriff Sicat) of the Regional Trial Court (RTC) of Angeles City implemented the Writ of Execution and padlocked respondents' stall. The stall, however, was ordered reopened by the MTC within the same day due to the pendency of the Motion for Reconsideration.⁶

During the hearings on the Motion for Reconsideration, respondents reiterated their claim that they had already paid the rental arrearages and other fees and charges due to petitioner; hence, the Motion for Execution should be rendered moot and academic.⁷ On June 3, 1998, the Angeles MTC issued an Order upholding the Writ of Execution and commanding the sheriff to immediately implement the same. Consequently, on June 5, 1998, Daniel Pangan, Sheriff III of the MTC (Sheriff Pangan), implemented the writ and padlocked respondents' stall, viz:

Whereas, on June 5, 1998, the undersigned implemented the said Writ of Execution by padlocking the subject premises in question located at H-6 Santos-Yllana Shopping Center, Miranda St., Angeles City, together with the representative of the [petitioner] on the same date (June 5, 1998) the undersigned officially turned-over the subject premises to the plaintiff, duly acknowledged receipt by the plaintiff's representative, Juanita de Nucum.⁸

Aggrieved by the implementation of the Writ of Execution, respondents filed a Complaint for Damages with Prayer for Injunctive Relief against petitioner and Sheriffs Sicat and Pangan before the Manila RTC, Branch 44, alleging that the Writ of Execution was illegally implemented. They claim to have suffered damages as a result of the illegal closure of their

⁴ Id. at 34.

⁵ Id.

⁶ Id. at 34-35.

⁷ Id. at 35.

⁸ Id.

stall since important documents, checks, money, and bank books, among others, were locked inside the stall and could not be retrieved, thereby preventing them from operating their business, and causing their business to suffer and their goodwill to be tarnished. Respondents, thus, prayed that judgment be rendered ordering petitioner to pay them ₱500,000 as actual damages, ₱250,000 as moral damages, ₱250,000 as exemplary damages, and ₱100,000 as attorney's fees, plus ₱3,000 per appearance fee per hearing.⁹

Ruling of the RTC

The trial court observed that the undue haste by which the Angeles MTC issued the Writ of Execution violated respondents' right to due process and to question the propriety of the issuance of the Writ. Consequently, it held that the enforcement of the Writ was tainted with malice and bad faith on the part of petitioner.¹⁰ Due to the illegal closure of their business, respondents' personal properties were detained inside the stall, causing them to incur actual damages and unrealized profit derived from daily sales of ₱1,000 or a total amount of ₱500,000. Accordingly, the RTC of Manila, Branch 44 rendered a Decision,¹¹ finding for respondents and adjudged petitioner, as well as Sheriffs Sicat and Pangan, jointly and severally liable for the damages being claimed. The trial court disposed of the case in this wise:

WHEREFORE, in view of the foregoing, and the case having been proved by preponderance of evidence, this Court renders judgment by ordering the defendants jointly and severally, to pay plaintiffs the following, to wit:

1. Actual damages in the amount of Five Hundred Thousand (₱500,000.00) Pesos;
2. Moral Damages in the amount of Two Hundred Fifty Thousand (₱250,000.00) Pesos;
3. Exemplary Damages in the amount of Two Hundred Fifty Thousand (₱250,000.00) Pesos;
4. Attorney's Fees in the amount of ₱100,000.00, plus ₱3,000.00 appearance fee;
5. Plus costs of suit.

SO ORDERED.¹²

Dissatisfied, petitioner elevated the ruling on appeal.

Ruling of the CA

Echoing the observation of the RTC, the CA found that the sheriffs failed to observe the notice requirement mandated under Section 10(c)¹³ of

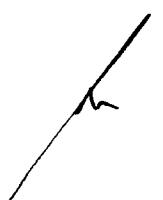
⁹ Id. at 35-36.

¹⁰ Id. at 402.

¹¹ Id. at 338-356.

¹² Id. at 355-356.

¹³ Section 10. Execution of judgments for specific act.



Rule 39 in the implementation of the Writ of Execution. The CA ruled that regardless of whether petitioner was adjudged rightfully entitled to the possession of the stall, the sheriffs are mandated to observe due process prescribed in the afore-stated Rule in ejecting respondents.¹⁴ The appellate court, however, relieved petitioner from any fault arising out of the manner of implementation of the Writ of Execution. Aside from being the successful party-litigant in the ejection case, the CA noted that there was no showing that petitioner was complicit with the sheriffs' implementation of the Writ.¹⁵

Despite the foregoing findings, the CA adjudged petitioner liable for damages to respondents. Except for the actual damages awarded, which were found to be unsubstantiated, the CA sustained the rest of the damages awarded by the trial court. The decretal portion of the CA Decision reads:

WHEREFORE, in view of the foregoing, the September 16, 1999 Decision of the Regional Trial Court (RTC) of Manila, Branch 44, in Civil Case No. 98-90087 is AFFIRMED with MODIFICATION in that the award for actual damages is hereby DELETED for insufficiency of evidence and the award for moral damages is reduced from P250,000.00 to P100,000.00; the exemplary damages, from P250,000.00 to P100,000.00 and the attorney's fees, from P100,00.00 to P50,000.00

SO ORDERED.

Petitioner moved for, but was denied, reconsideration in the CA's October 13, 2009 Resolution. Hence, this petition.

Relying on the CA's pronouncement in the adverted Decision that it "cannot ascribe any fault on the part of [petitioner] as to the manner of implementing the writ," and that "records is bereft of any showing that the defendant-appellant corporation has a hand in the non-compliance with the notice requirement mandated by law,"¹⁶ petitioner asserts that it cannot be charged jointly and severally with Sheriffs Sicat and Pangan for any damage caused upon respondents due to the implementation of the Writ of Execution. Prescinding from this conclusion, the damages awarded, according to petitioner, do not find support in the body of the decision.

In their Comment¹⁷ on the petition, respondents assert that the sheriffs' acts were upon the order and/or instruction of petitioner, who later benefited from them.

(c) Delivery or restitution of real property. The officer shall demand of the person against whom the judgment for the delivery or restitution of real property is rendered and all persons claiming rights under him to peaceably vacate the property within three (3) working days, and restore possession thereof to the judgment obligee; otherwise, the officer shall oust all such persons therefrom with the assistance, if necessary, of appropriate peace officers, and employing such means as may be reasonably necessary to retake possession, and place the judgment obligee in possession of such property. Any costs, damages, rents or profits awarded by the judgment shall be satisfied in the same manner as a judgment for money.

¹⁴ *Rollo*, pp. 41-42.

¹⁵ *Id.* at 43.

¹⁶ *Id.*

¹⁷ *Id.* at 593-601.

Respondents further appeal for the Court to reinstate the award of actual damages and reimpose the amounts of moral and exemplary damages and attorney's fees fixed in the RTC's Decision.

Petitioner, in its Reply¹⁸ to respondents' Comment, reiterates its earlier asseverations that it did not have a hand in the implementation of the writ of execution, and further argues that the CA's Decision as to damages had become final and can no longer be modified or altered as nowhere in the records does it show that respondents moved for reconsideration or filed an appeal of the said Decision.

Issue

Succinctly, the sole issue for the resolution of this Court is whether or not the CA erred in sustaining the moral and exemplary damages awarded, including attorney's fees, despite its finding that petitioner had no participation in the implementation of the Writ of Execution.

Ruling of the Court

The petition is meritorious. The joint and solidary liability of petitioner has no factual and legal basis.

It is undisputed that petitioner succeeded in securing a favorable judgment in the ejectment case; therefore, it was well within its right to move for the execution of the MTC's Decision pursuant to Sec. 19, Rule 70 of the Rules of Court. The rule allows for the immediate execution of judgment in the event that judgment is rendered against the defendant in an unlawful detainer or forcible entry case, provided that certain conditions are met, viz:

Section 19. Immediate execution of judgment; how to stay same.
— If judgment is rendered against the defendant, execution shall issue immediately upon motion unless an appeal has been perfected and the defendant to stay execution files a sufficient supersedeas bond, approved by the Municipal Trial Court and executed in favor of the plaintiff 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 determined by the judgment of the Municipal Trial Court. In the absence of a contract, he shall deposit with the Regional Trial 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 of the lower court on or before the tenth day of each succeeding month or period. The supersedeas bond shall be transmitted by the Municipal Trial Court, with the papers, to the clerk of the Regional Trial Court to which the action is appealed.

¹⁸ Id. at 615-622.

Petitioner clearly elected to exercise its right under the aforestated provision; thus, its move to execute the MTC judgment enjoys the disputable presumption under Sec. 3(ff),¹⁹ Rule 131 of the Revised Rules on Evidence that it obeyed the applicable law and rules in doing so.

We have, in *Philippine Agila Satellite Inc. v. Usec. Trinidad-Lichauco*,²⁰ elucidated that “a civil complaint for damages necessarily alleges that the defendant committed a wrongful act or omission that would serve as basis for the award of damages.” As such, it was incumbent upon respondents to overcome the aforestated presumption and to prove that petitioner abused its rights and willfully intended to inflict damage upon them before they can claim damages from the former. Otherwise, having the sole prerogative to move to execute the judgment, the disputable presumption that petitioner is innocent of wrongdoing against respondents prevails.

A reading of the RTC’s judgment shows that it was not conclusively proved that petitioner committed bad faith or connived with the sheriffs in the implementation of the Writ. Moreover, no less than the CA, in the body of its Decision, absolved petitioner from any fault and participation in the injury inflicted upon respondents by reason of the haphazard implementation of the Writ of Execution. The CA said:

Having enforced the writ of execution with undue haste and without giving [respondents] the required prior notice and reasonable time to vacate the subject stall, it is then safe to say that defendants-appellants sheriffs had indeed [run] afoul to the mandate of Section 10 (c) of Rule 39 of the Rules of Court. As a result, [respondents] suffered damages and the reputation of the judicial system is sullied by the isolated acts of a few (Deang vs. Sicat, 446 SCRA 22, 32 [2004]).

On this score, we cannot ascribe any fault on the part of [petitioner] corporation as to the manner of implementing the writ. As it is, the said corporation is the winning party in the ejectment case. Just like any others, it only desired the immediate execution of the judgment of the court, which was rendered favorable to them. **Records is bereft of any showing that defendant-appellant [had] a hand in the non-compliance with the notice requirement mandated by law.**²¹ (emphasis supplied)

The CA’s pronouncement is manifestly incongruent with the disposition of the case as stated in the *fallo* of the assailed Decision. The Court is not unmindful of the rule that “the operative part in every decision is the dispositive portion or the *fallo*, and where there is conflict between the

¹⁹ Section 3. *Disputable presumptions.* — The following presumptions are satisfactory if uncontradicted, but may be contradicted and overcome by other evidence:

x x x x

(ff) That the law has been obeyed.

²⁰ G.R. No. 142362, May 3, 2006, 489 SCRA 22.

²¹ *Rollo*, p. 43.

fallo and the body of the decision, the *fallo* controls.²² However, the rule is not without exception. Where the inevitable conclusion from the body of the decision is so clear as to show that there was a mistake in the dispositive portion, the body of the decision will prevail.²³

This case falls squarely under the exception. The CA's own categorical finding, as embodied and discussed in the body of the adverted decision, negates any liability on the part of petitioner to compensate respondents for the injuries they suffered due to the misconduct and culpability of Sheriffs Sicat and Pangan, for which they were accordingly administratively charged and disciplined.²⁴ To hold petitioners liable for damages, despite having been categorically absolved, is manifestly unjust and inequitable.

Applying the foregoing disquisition in the present case, We cannot sustain the judgment affirming petitioner's liability for damages to respondents.

Moral damages are awarded to enable the injured party to obtain means, diversions, or amusements that will serve to alleviate the moral suffering he has undergone, by reason of the defendant's culpable action.²⁵ For a claim for moral damages to prosper, the claimant must prove that: (1) *first*, there must be an injury, whether physical, mental or psychological, clearly sustained by the claimant; (2) *second*, **there must be culpable act or omission factually established**; (3) *third*, the wrongful act or omission of the defendant is the proximate cause of the injury sustained by the claimant; and (4) *fourth*, the award of damages is predicated on any of the cases stated in Article 2219²⁶ of the Civil Code.²⁷

As discussed, the culpable act or omission on the part of petitioner that resulted in injury to respondents was not factually established.

²² *Florentino v. Rivera*, G.R. No. 167968, January 23, 2006, 479 SCRA 522; citing *Mendoza, Jr. v. San Miguel Foods, Inc.*, G.R. No. 158684, May 16, 2005, 458 SCRA 664.

²³ *Cembrano v. City of Butuan*, G.R. No. 163605, September 20, 2006, 502 SCRA 494; citing *PH Credit Corporation v. Court of Appeals*, 421 Phil. 821, 833 (2001).

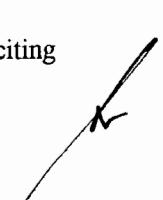
²⁴ See *Deang v. Sicat*, A.M. No. P-00-1423, December 10, 2004, 446 SCRA 22.

²⁵ *Kierulf v. Court of Appeals*, G.R. No. 99301, March 13, 1997, 269 SCRA 433.

²⁶ Article 2219. Moral damages may be recovered in the following and analogous cases:

- (1) A criminal offense resulting in physical injuries;
- (2) Quasi-delicts causing physical injuries;
- (3) Seduction, abduction, rape, or other lascivious acts;
- (4) Adultery or concubinage;
- (5) Illegal or arbitrary detention or arrest;
- (6) Illegal search;
- (7) Libel, slander or any other form of defamation;
- (8) Malicious prosecution;
- (9) Acts mentioned in article 309;
- (10) Acts and actions referred to in articles 21, 26, 27, 28, 29, 30, 32, 34, and 35. x x x

²⁷ *Arco Pulp and Paper Co., Inc. v. Lim*, G.R. No. 206806, June 25, 2014, 727 SCRA 275; citing *Francisco v. Ferrer, Jr.*, 405 Phil. 741, 749-750 (2001).



The Court likewise cannot affirm petitioner's liability for exemplary damages, attorney's fees, and cost of suit. The award of exemplary damages is proper only if respondents showed their entitlement to moral, temperate or compensatory damages; yet, similar to the moral damages claimed, respondents were not able to establish their entitlement. Anent the liability of petitioners for attorney's fees and cost of suit, the same must similarly be deleted in light of the reversal of judgment as to them.

Regrettably, the execution of the MTC judgment was tainted with irregularities that resulted in damage to respondents. Nevertheless, under the principle of *damnum absque injuria*, the legitimate exercise of a person's rights, even if it causes loss to another, does not automatically result in an actionable injury.²⁸ Petitioner must not bear the brunt of the sheriffs' misconduct in the absence of evidence that the latter acted upon its instructions to ignore the rules of procedure in implementing the Writ.

Anent the liability of Sheriffs Sicat and Pangan to respondents, records do not disclose if the former questioned the Decision of the CA before this Court. As such, the judgment against them stands.

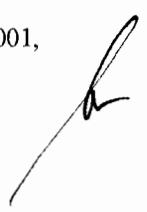
WHEREFORE, the petition is hereby **GRANTED**. The June 17, 2009 Decision and October 13, 2009 Resolution of the Court of Appeals in CA-G.R. CV No. 65768 are hereby **AFFIRMED** with **MODIFICATION**. The joint and solidary liability of petitioner Santos-Yllana Realty Corporation is hereby **DELETED**.

No pronouncement as to costs.

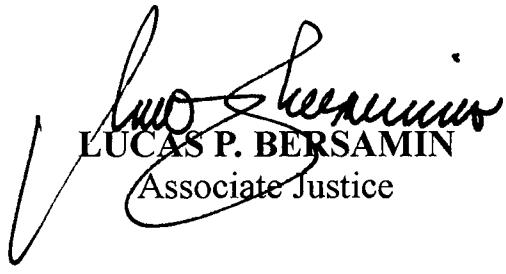
SO ORDERED.


PRESBITERO J. VELASCO, JR.
Associate Justice

²⁸ *Amonoy v. Spouses Jose Gutierrez and Angela Fornida*, G.R. No. 140420, February 15, 2001, 351 SCRA 731.



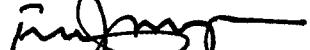
WE CONCUR:



LUCAS P. BERSAMIN
Associate Justice



BIENVENIDO L. REYES
Associate Justice



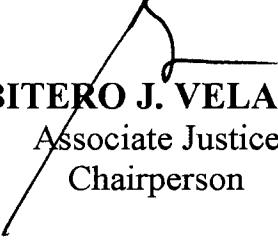
FRANCIS H. JARDELEZA
Associate Justice



NOEL GIMENEZ TIJAM
Associate Justice

ATTESTATION

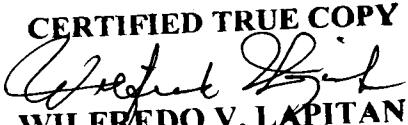
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

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WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

JUL 12 2017



MARIA LOURDES P. A. SERENO
Chief Justice