

## THIRD DIVISION

[ G.R. No. 234384, April 26, 2021 ]

**ELISEO N. JOSEPH, PETITIONER, VS. SPOUSES JOSEFINA JOSEPH AND DANILO JOSEPH, RESPONDENTS.**

### DECISION

**LOPEZ, J., J.:**

This is a Petition<sup>[1]</sup> for Review on *Certiorari* under Rule 45 of the Revised Rules of Court seeking the reversal of the Decision<sup>[2]</sup> dated September 15, 2017 of the Court of Appeals (CA) in CA-GR. CV No. 105625, which affirmed with modification the Decision<sup>[3]</sup> dated July 28, 2015 rendered by the Regional Trial Court (RTC) Branch 172 of Valenzuela City in Civil Case No. 44-V-05, with the CA decreeing that the unpaid purchase price of the subject property in the amount of P30,000.00 shall earn interest at the rate of 12% *per annum* from May 20, 2005 until June 30, 2013, and 6% *per annum* from July 1, 2013, until its full satisfaction; and that the moral damages and attorney's fees shall earn interest at the rate of 6% *per annum* from the finality of the judgment until full satisfaction thereof.

### FACTS AND ANTECEDENT PROCEEDINGS

Respondents Spouses Josefina and Danilo Joseph (*respondents*) are the registered owners of a parcel of land (*subject property*) situated in the Barrio of Balangcas, Valenzuela City, covered by TCT No. V-46412, and measuring Two Hundred Twenty Five square meters (225 *sq. m.*) more or less.<sup>[4]</sup> On January 15, 2002, respondents and petitioner Eliseo Joseph (*petitioner*) entered into an Agreement to Sell of the subject property in consideration of the sum of Two Hundred Twenty Five Thousand Pesos (P225,000.00), with petitioner making a downpayment of One Hundred Thousand Pesos (P100,000.00) upon the signing of the contract and the balance of One Hundred Twenty Five Thousand Pesos (P125,000.00) shall be paid by petitioner within one year from and after the execution of the contract.<sup>[5]</sup>

According to petitioner, he was able to fully pay the agreed consideration of the subject property. Consequently, he demanded from respondents the execution of a deed of absolute sale in his favor, which was however signed only by respondent Josefina Joseph while respondent Danilo Joseph refused to sign the same unless petitioner pays an additional sum of money which is beyond the price agreed upon by the parties in their contract to sell.<sup>[6]</sup> After exerting earnest efforts for amicable settlement, which proved futile, petitioner filed a complaint for specific performance and damages dated February 23, 2005 against respondents praying that they be ordered to execute a final deed of absolute sale concerning the subject property, in his favor.<sup>[7]</sup>

In their Answer with Compulsory Counterclaim,<sup>[8]</sup> respondents claimed that in addition to the purchase price of P225,000.00, the parties also agreed for petitioner

to pay them an additional amount of Eighty Thousand Pesos (*P80,000.00*), representing the value of the fence constructed by respondents around the subject property and the filling materials therein, before a Deed of Absolute Sale may be executed in favor of petitioner. After some negotiations, respondents agreed that petitioner will only pay an additional sum of Thirty Thousand Pesos (*P30,000.00*) thus increasing the purchase price of the property to *P255,000.00*, from the original contract price of *P225,000.00*. As such, a Deed of Absolute Sale for the price of *P255,000.00* was drafted with the agreement that the balance of *P30,000.00* will be paid by petitioner upon signing of the agreement. Respondents, however, claimed that with the refusal of petitioner to pay the amount of *P30,000.00* despite repeated demands, their refusal to sign the Deed of Absolute Sale is justified.

After the parties filed their respective pleadings, due proceedings were conducted, and in a Decision dated July 28, 2015, the RTC Branch 172 of Valenzuela City ruled in favor of respondents,<sup>[9]</sup> disposing the case as follows:

WHEREFORE, plaintiff is ordered to pay the defendants the unpaid additional purchase price of *Php30,000.00* within ten (10) days upon finality of this decision and for the defendants to execute the deed of absolute sale immediately thereafter in favor of the plaintiff.

The plaintiff is further directed to pay the defendants the amount of *Php50,000.00* as moral damages and *Php50,000.00* as attorney's fees and costs of litigation.

**SO ORDERED.**

Aggrieved, petitioner brought an appeal before the Court of Appeals, which was denied.

The CA found that the consideration of the sale of the subject property in the amount of *P225,000.00* was increased by the parties to *P255,000.00*. Respondents<sup>[10]</sup> repeatedly claimed that they entered into an agreement with petitioner<sup>[11]</sup> to increase the purchase price of the subject property by *P30,000.00*, corresponding to the expenses incurred for the improvements made on the subject property. Aside therefrom, the Deed of Absolute Sale prepared by petitioner and the letter of demand he sent to respondents show that he explicitly claimed that he already paid in full the purchase price of *P255,000.00*. Such fact was even admitted by him during his testimony in court.<sup>[12]</sup>

The CA also held that the Statute of Frauds is no longer applicable since the contract has already been partially consummated. It found that the verbal amendment of the contract to sell, increasing the purchase price of the subject property to *P255,000.00*, had already been partially executed through the partial payments made by petitioner and received by respondents. Petitioner had, on separate occasions, paid *P100,000.00* to respondents and *P125,000.00* to the bank. Thus, the contract is no longer within the purview of the Statute of Frauds.<sup>[13]</sup>

In ruling that petitioner is liable to pay respondents a sum of money, the CA declared that petitioner submitted receipts totaling *P94,810.00*. When added to the *P100,000.00* downpayment, it would appear that the purchase price was not paid in full. What is being disputed is that the remaining *P30,000.00* has already been paid by petitioner. Since no other evidence was offered to prove that petitioner was able

to pay in full the purchase price of P255,000.00, the CA concluded that the remaining balance of P30,000.00 remains unsettled. As it was the petitioner who filed the complaint against respondents before the RTC, it was incumbent upon him to prove full payment of the amount of P255,000.00 by preponderance of evidence. This, he failed to do so.<sup>[14]</sup>

The CA likewise affirmed the award of moral damages and attorney's fees in favor of respondents and modified the award of damages in accordance with the case of *Nacar v. Gallery Frames*, ultimately disposing the case as follows:

**WHEREFORE**, premises considered, the Appeal is **DENIED**. The Decision dated July 28, 2015 of the Regional Trial Court, Branch 172, Valenzuela City, in Civil Case No. 44-V-05 is **AFFIRMED with the Modification** that the unpaid purchase price of the subject property in the amount of P30,000.00 shall earn interest at the rate of 12% per annum from May 30, 2005 until June 30, 2013, and 6% *per annum* from July 1, 2013, until its full satisfaction; and that the moral damages and attorney's fees shall earn interest at the rate of 6% *per annum* from the finality of the judgment until full satisfaction thereof.

**SO ORDERED.**<sup>[15]</sup>

Aggrieved, petitioner brought the instant petition for review on *certiorari* under Rule 45 seeking to reverse the CA Decision.

On the part of the respondents, after filing a series of extensions to file Comment, they were able to file their Comment to the petition on June 27, 2018, echoing the CA Decision, principally arguing that the very Deed of Absolute Sale which petitioner seeks to be signed by respondents states that the consideration for the sale is P255,000.00. Likewise, the letter from petitioner's counsel admits that the consideration for the sale is P255,000.00.<sup>[16]</sup> Further, the testimony of petitioner during trial showed that he admitted that there were improvements, although dilapidated, that were already existing on the subject property when the parties agreed on its sale.<sup>[17]</sup> Having no cause of action, petitioner was not justified in bringing suit against respondents; thus, the award of moral damages, attorney's fees and costs of suit was proper.<sup>[18]</sup>

## **ISSUES**

The issues brought forth by petitioner are the following:

### **I.**

Whether the Court of Appeals gravely erred in ruling that there was a subsequent agreement between the parties increasing the consideration by Thirty Thousand Pesos, thus making him liable therefor

### **II.**

Whether the Court of Appeals gravely erred in ruling that petitioner is liable to pay respondents moral damages, attorney's fees and costs of litigation

## **RULING**

The petition lacks merit.

Rule 45 of the Revised Rules of Court provides a party with the remedy of filing a verified petition for review before this Court when seeking to assail a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, which petition shall raise only questions of law that must be distinctly set forth.<sup>[19]</sup> Consistent therewith, it has been held that it is not this Court's function to once again analyze or weigh evidence that has already been considered in the lower courts.<sup>[20]</sup>

A question of law arises when there is doubt as to what the law is on a certain state of facts, while there is a question of fact when the doubt arises as to the truth or falsity of the alleged facts. For a question to be one of law, the same must not involve an examination of the probative value of the evidence presented by the litigants or any of them. The resolution of the issue must rest solely on what the law provides on the given set of circumstances. Once it is clear that the issue invites a review of the evidence presented, the [question] posed is one of fact. Thus, the test of whether a question is one of law or of fact is not the appellation given to such question by the party raising the same; rather, it is whether the appellate court can determine the issue raised without reviewing or evaluating the evidence, in which case, it is a question of law; otherwise, it is a question of fact.<sup>[21]</sup>

In the instant case, it is the amount of P30,000.00 as an additional amount to the consideration in the sale of the subject property that is being contested by petitioner. As argued by petitioner, the P30,000.00 increase of the consideration was not due to improvements (e.g. fencing and filling) made thereon. Petitioner claims that except for the respondents' allegations, nothing in the records would show that there were, in fact, improvements made after the execution of the Contract to Sell. Petitioner averred that it is highly unlikely that after the respondents have already contracted to sell the subject property to the petitioner, and with the latter actually paying for part of the consideration, the former would subsequently, without the consent of petitioner, introduced improvements on the subject property.<sup>[22]</sup>

Petitioner adds that the respondents never denied receipt of the letter of demand from the petitioner asking for the execution of the Deed of Absolute Sale by reason of full payment. If he has not yet, in fact, paid for the full price, then it would have been more in accordance with human nature and experience for the respondents to have denied, in writing, full payment of the contract price and, at the same time, to mention the increase of the contract price as a result of the alleged improvements. However, this was not the case.<sup>[23]</sup>

All of the arguments raised by petitioner are factual in nature, which requires a re-examination of the evidence presented during trial. The issue of whether full payment was indeed made by petitioner requires the presentation of relevant and competent evidence to produce proof that would satisfy the burden of proof that a party bears. This falls outside the ambit of a petition for review on *certiorari* under Rule 45. Time and again, it has been held that the Supreme Court is not a trier of facts. The function of the Court in petitions for review on *certiorari* under Rule 45 of the Rules of Court is limited to reviewing errors of law that may have been committed by the lower courts. As a matter of sound practice and procedure, the Court defers and accords finality to the factual findings of trial courts. To do

otherwise would defeat the very essence of Rule 45 and would convert the Court into a trier of facts, which is not its intended purpose under the law.<sup>[24]</sup>

Nonetheless, there are recognized exceptions to the rule that petitions filed under Rule 45 shall only be limited to questions of law, which are as follows:

- (1) When the conclusion is a finding grounded entirely on speculation, surmises or conjectures;
- (2) When the inference made is manifestly mistaken, absurd or impossible;
- (3) Where there is a grave abuse of discretion;
- (4) When the judgment is based on a misapprehension of facts;
- (5) When the findings of fact are conflicting;
- (6) When the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee;
- (7) The findings of the Court of Appeals are contrary to those of the trial court;
- (8) When the findings of fact are conclusions without citation of specific evidence on which they are based;
- (9) When the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and
- (10) The finding of fact of the Court of Appeals is premised on the supposed absence of evidence and is contradicted by the evidence on record.

These exceptions similarly apply in petitions for review filed before this court involving civil, labor, tax, or criminal cases.<sup>[25]</sup>

None of the exceptions apply to the case of petitioner. Rather than presenting arguments in support of any of the aforementioned exceptions, petitioner harps on speculations, theorizing why respondent Danilo did not want to sign the Deed of Absolute Sale. According to petitioner, the fact that he has already fully paid the contract price was bolstered by the fact that respondent Josefina had already signed the Deed of Absolute Sale on January 6, 2005. Petitioner claimed that it even appears that respondent Danilo's refusal to sign was an afterthought to extort more money from him. Petitioner also alleged that the increase in the price was due to the payment of mortgage on the subject property he has made in excess of the contract price. In support thereof, petitioner averred that the TCT introduced in evidence shows several annotations pertaining to previous mortgages on the subject property cancelled by a subsequent mortgage obtained by the petitioner and his live-in partner in 2004, the year the Deed of Absolute Sale appears to have been drafted.<sup>[26]</sup>

Explaining the motive behind the alleged non-performance of an obligation is not for this Court to rule upon. These are matters for the trial court to consider based upon the appreciation of the evidence presented by the parties. In any case, proceeding with the petition will not result in the reversal of the assailed CA Decision.

The settled rule is that one who pleads payment has the burden of proving it. Even where the creditor alleges non-payment, the general rule is that the *onus* rests on the debtor to prove payment, rather than on the creditor to prove non-payment. The debtor has the burden of showing with legal certainty that the obligation has