

****Title:****

Republic of the Philippines vs. Jose V. Bagtas, with Felicidad M. Bagtas as the Appellant

****Facts:****

On May 8, 1948, Jose V. Bagtas borrowed three bulls from the Republic of the Philippines through the Bureau of Animal Industry – a Red Sindhi, a Bhagnari, and a Sahiniwal – for a one-year period ending on May 7, 1949, for breeding purposes. This loan was subject to a 10% breeding fee based on the book value of the bulls. Upon the expiration of the contract, a request for renewal was made by Bagtas, which was partially honored, with the extension granted for one bull and the other two requested to be returned.

Bagtas expressed an intention to purchase the three bulls but failed to pay or return them, prompting the government to file an action demanding the return of the bulls or payment for their value, along with unpaid breeding fees, interests, and costs. Jose V. Bagtas defended the non-return of the bulls due to the peace situation in Cagayan Valley and depreciation issues pending appeal with administrative authorities.

Bagtas passed away on October 23, 1951, and the case continued against his estate managed by his widow, Felicidad M. Bagtas. Two of the bulls were returned, but the third was claimed to have been killed during a Huk raid. The government obtained a writ of execution against the estate, to which Felicidad M. Bagtas filed for a quashing. Her motion was denied, leading to an appeal to the Supreme Court.

****Issues:****

1. Whether or not the appellant (administratrix of the estate of Jose V. Bagtas) is liable for the third bull that was allegedly killed by a fortuitous event (Huk raid).
2. Whether or not the appellant is liable for the value of the returned bulls.
3. Whether or not the death of the borrower extinguished the civil action against him, or if and how it could continue against his estate.
4. The appropriate procedure to enforce the money judgment against the deceased debtor's estate.

****Court's Decision:****

1. The Supreme Court held that Felicidad M. Bagtas, as the administratrix of the estate, was liable for the third bull (Sahiniwal) that was not returned because the loan's period had long expired when the bull was killed, and there was an appraisal of its value. A contract of commodatum rendered the bailee liable for the loss of the thing due to fortuitous events if

retained longer than the period stipulated.

2. She was not held liable for the two bulls returned.

3. The Supreme Court ruled that the death of Jose V. Bagtas did not extinguish the civil liability, and that the continued prosecution against his estate was proper. Counsel's failure to notify the court of the defendant's death and subsequent probate proceedings was improper.

4. The Court concluded that the money judgment could not be enforced through writ of execution but must be presented to the probate court administering the estate of Jose V. Bagtas.

****Doctrine:****

The Court established that in a contract of commodatum, the bailee is liable for the loss of the thing, even if through fortuitous events, if retained past the stipulated period or without exemption for liability in case of fortuitous events in the presence of an appraisal of its value (Art. 1942, Civil Code). Additionally, the civil action does not extinguish with the death of the debtor but continues against his estate.

****Class Notes:****

- Commodatum is essentially gratuitous; if compensation is involved, it may be a lease.
- Bailee's liability in commodatum: responsible for loss of the thing even in fortuitous events if retained longer than the stipulated period, or if the thing has been delivered with appraisal of its value (Art. 1942, Civil Code).
- The death of a debtor does not extinguish civil actions relating to the estate; proper notifications and substitution are required for continuance (Section 17, Rule 3, Rules of Court).
- Enforcement of a money judgment against a debtor's estate must follow the process of presenting the claim to the probate court, not through writ of execution.

****Historical Background:****

This case was adjudicated during the era when the Philippines was dealing with significant rural unrest, particularly the Hukbalahap (Huks) communist insurgency. It reflects the complexity of legal issues arising from post-war conditions and the agrarian context in the Philippines.