

Title: Serafin Tijam and Felicitas Tagalog vs. Magdaleno Sibonghanoy aka Gavino Sibonghanoy, and Manila Surety and Fidelity Co., Inc. (Cebu Branch)

Facts:

The spouses Serafin Tijam and Felicitas Tagalog initiated a civil case (No. R-660) on July 19, 1948, against the spouses Magdaleno Sibonghanoy and Lucia Baguio to recover P1,908.00 plus legal interest and costs. A writ of attachment against the defendants' properties was issued then dissolved upon the defendants' counter-bond filed by the Manila Surety and Fidelity Co., Inc. (Surety). After trial, a judgment favored the plaintiffs. When the writ of execution against the Sibunghanoy returned unsatisfied, the plaintiffs moved to execute against the Surety's counter-bond. The surety opposed this, alleging failure to prosecute and absence of demand for payment. The Court denied this motion for lack of demand only, which was then followed, but the Surety still did not satisfy the judgment.

After several back and forth motions between the plaintiffs and the Surety, involving objections and requests for reconsideration regarding the execution against the Surety's bond, the Court of Appeals resolved this by setting aside its decision and certified the case to the Supreme Court.

The Surety, in its motion entitled "MOTION TO DISMISS", for the first time raised the issue that the Court of First Instance of Cebu lacked jurisdiction due to the amount involved being within the original exclusive jurisdiction of inferior courts after the Judiciary Act of 1948 — an issue not raised in the Court of Appeals or the trial court.

Issues:

1. Whether the Surety is barred by laches from raising the issue of jurisdiction at this advanced stage.
2. Whether the Court of First Instance of Cebu had original jurisdiction over the action.
3. Whether the Surety should be liable on the counter-bond after the writ of execution against the Sibonghanoy spouses was returned unsatisfied.

Court's Decision:

The Supreme Court denied the Surety's motion to dismiss on the ground of lack of jurisdiction, holding that the Surety was barred by laches from invoking this plea after active participation in the case for almost fifteen years without raising such objection. The Court affirmed the rulings of the Court of Appeals and the actions of the trial court and directed that the Surety is liable to pay under the counter-bond.

Doctrine:

The doctrine established is that a party who actively participates in the proceedings of a case and submits its case for decision without objecting to the court's jurisdiction cannot later repudiate or question that same jurisdiction on account of an adverse decision. This is an illustration of the doctrine of estoppel by laches which bars a party from asserting a right that it has neglected to invoke in a timely manner, especially when it has led the other party to believe that the right has been abandoned.

Class Notes:

- Jurisdiction over the subject matter is determined by law and is crucial for the authority of the court to hear a case.
- Laches is the failure to assert a right within a reasonable amount of time, leading to a presumption that the right has been waived or abandoned.
- A party is barred from challenging the jurisdiction of a court if it has sought affirmative relief from the court and subsequently received an unfavorable decision.
- If an issue regarding jurisdiction was not raised timely, especially before an appellate court, the party may be deemed to have waived the right to do so.

Relevant Legal Statutes:

- Section 17, Rule 59 of the Rules of Court (Rights and obligations regarding counter-bonds and execution of judgments)
- Judiciary Act of 1948, Secs. 44 and 86 (Jurisdiction of lower courts)
- Doctrine of Laches in relation to the passage of Judiciary Act No. 296

Historical Background:

This case's context is rooted in the jurisdictional changes brought about by the Judiciary Act of 1948 (Republic Act No. 296), which reorganized the Philippine Judiciary and altered the jurisdiction of courts over certain cases based on the value of the subject matter. The case also exemplifies the judicial principle that prohibits a party from assailing the court's jurisdiction after availing of its processes and receiving a ruling, illustrating a post-colonial Philippine legal system's commitment to procedural fairness and the integrity of judicial proceedings.