

Facts:

Anacleto Caballero, who held the position of Caretaker of cemeteries for the City of Cebu, was removed from his position without due investigation, prompting him to file a petition for Mandamus with the Court of First Instance (CFI) of Cebu on April 11, 1955, against several officials of Cebu City, seeking reinstatement and back wages from April 15, 1953. The CFI of Cebu, under Judge Edmundo Piccio, granted the petition and ordered his reinstatement and payment of back wages, making the decision final as no appeal was taken.

A writ of execution was issued, and the City of Cebu paid Caballero P3,224.00 for back salaries. Caballero's position was abolished and not recreated despite the order, leading to further legal action by both parties. The City of Cebu filed a separate action (Civil Case No. R-5243) against Caballero for the recovery of the same amount paid, plus damages, claiming the payment was wrongful and illegal as the City was not a party in the Mandamus case. Caballero filed a motion to dismiss, which the CFI granted.

The City of Cebu, dissatisfied with the dismissal, filed a petition for certiorari (G.R. No. L-13012) and an appeal (G.R. No. L-14876) before the Supreme Court, questioning the legality of the payment and the non-inclusion of the city as a party in the Mandamus case. Both the petition for certiorari and the appeal raised similar points of law, essentially focusing on the appropriateness of the city's liability for back salaries and the dismissal of the recovery case.

Issues:

1. Whether the non-inclusion of the City of Cebu in the original Mandamus case rendered the payment of back salaries to Caballero wrongful or illegal and not binding on the City.
2. Whether the dismissal of the recovery case was appropriate.

Court's Decision:

The Supreme Court dismissed the petition for certiorari based on lack of merits and affirmed the CFI's order dismissing the complaint. The court held that Caballero had the right to demand payment for his back salaries, and the payment was not made through mistake, thus not constituting solutio indebiti. The issue of the City not being a formal party was deemed immaterial, referencing the Mangubat vs. Osmeña case where the liability of a municipal corporation for back salaries due to wrongful removal was established, whether or not the municipality was named in the pleadings.

Doctrine:

The liability of a municipal corporation for back wages due to the wrongful removal of an employee persists, regardless of the formal inclusion of the municipality in the pleadings, in cases where municipal officers have been included in their official capacities and have acted within the scope of their authority.

Class Notes:

- Solutio indebiti requires (a) a payment made when not obliged to do so, and (b) payment through essential mistake of fact.
- Judgment against a municipal officer in their official capacity binds the municipality.
- The official acts within the scope of authority are deemed acts of the principal.
- Formal inclusion of a municipal corporation as a party in legal proceedings can sometimes be considered a formality, provided the substance of due process has been complied with.

Historical Background:

The case reflects the legal landscape in the mid-20th century Philippines, wherein issues of government accountability, due process, and procedures for reinstating unlawfully terminated public employees were being tested. It underscores the Supreme Court's stance on protecting the rights of employees vis-a-vis procedural technicalities and ensuring that municipal corporations honor their obligations even in the face of administrative oversights.