

****Title**:** Magbanua v. Intermediate Appellate Court

****Facts**:**

The facts of the case are drawn from a joint decision in CAR Case Nos. 827, 828, and 829. The six plaintiffs (petitioners here), alleged to be share tenants of the defendants, claimed that the defendants diverted the free flow of irrigation water from their farm lots, resulting in portions of their landholdings drying up and causing significant damage. Consequently, the defendants' overseer told the plaintiffs to vacate their areas since planting palay was no longer viable.

The plaintiffs sought a judicial declaration that they were leasehold tenants and claimed attorney's fees along with various other damages.

****Procedural Posture**:**

1. ****Trial Court**:** The Court of Agrarian Relations in San Carlos City ruled in favor of the plaintiffs. It declared them agricultural lessees, enjoined the defendants from disrupting the water supply, made a previously issued writ of preliminary injunction permanent, mandated the Ministry of Agrarian Reforms to assist in fixing lease rentals, and awarded each plaintiff moral and exemplary damages of ₱10,000.00 along with ₱5,000.00 in attorney's fees. All other claims and counterclaims were dismissed.
2. ****Intermediate Appellate Court**:** The defendants appealed, leading to a ruling that deleted awards for moral and exemplary damages and attorney's fees but affirmed the rest of the trial court's decision. This ruling relegated the plaintiffs to petition the Supreme Court for reinstatement of the deleted awards.

****Issues**:**

1. Whether the Intermediate Appellate Court committed a grave abuse of discretion in eliminating the awards of moral and exemplary damages and attorney's fees.
2. Whether the plaintiffs were entitled to moral and exemplary damages and attorney's fees given the actions of the defendants.

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

1. ****Moral Damages**:** The Supreme Court determined that the petitioners were indeed entitled to moral damages, citing Article 2219 of the Civil Code, which allows such awards for acts mentioned in Article 21. The diversion of water by the defendants to force evacuation of the plaintiffs' landholdings was against morals, good customs, and public policy.

2. **Exemplary Damages**: The Court found basis for awarding exemplary damages pursuant to Article 2232 of the Civil Code, as the defendants acted oppressively by diverting the irrigation water supply.

3. **Attorney's Fees**: Given the Court's conclusion on moral and exemplary damages, attorney's fees were also found justifiable under the incurred necessity to protect the plaintiffs' rights.

4. **Modification**: The amounts for the awarded damages and attorney's fees were, however, moderated. The Supreme Court awarded each plaintiff ₱1,000.00 for moral damages, ₱500.00 for exemplary damages, and ₱1,000.00 for attorney's fees, totalling ₱2,500.00 per plaintiff.

Doctrine:

- **Article 2219, Civil Code**: Moral damages may be awarded for acts contrary to morals, good customs, or public policy.
- **Article 21, Civil Code**: Justifies compensation when someone causes harm that is not necessarily illegal but corrupt or incorrect in terms of morality.
- **Article 2232, Civil Code**: Justifies exemplary damages in cases of moral oppression.

Class Notes:

- **Agrarian Law**: The landowner's duty to ensure tenants are left undisturbed.
- **Legal Remedies**: The authority of courts to award both moral and exemplary damages, as well as attorney's fees.
- **Articles Cited**:
 - **Art. 2219**: Moral Damages
 - **Art. 21**: Injurious Acts Contrary to Morals
 - **Art. 2232**: Exemplary Damages

Historical Background:

The case reflects the agrarian conflicts during the period of significant agricultural reforms in the Philippines. Many cases like this one dealt with the rights of tenant farmers versus landowners and involved scrutinizing landowner behaviors in light of the legislative push towards protecting tenant rights and ensuring they are not dispossessed arbitrarily. This case highlights the judiciary's role in enforcing such protections and rights during a transformative era for agrarian law in the Philippines.