

Title: Manila Herald Publishing Co. Inc. and Printers Inc. vs. Simeon Ramos, et al. (88 Phil. 94)

Facts:

The case began when Antonio Quirino filed a libel suit (Civil Case No. 11531) against the editor, managing editor, and reporter of the Daily Record newspaper, demanding damages of PHP 90,000. Quirino posted a bond of PHP 50,000 to secure a writ of preliminary attachment, leading to the Sheriff of Manila attaching office and printing equipment on the premises of the Daily Record.

Manila Herald Publishing Co., Inc., and Printers, Inc. filed separate third-party claims with the sheriff, claiming ownership of the attached property. Consequently, the sheriff required counterbonds from Quirino, initially set at PHP 41,500 and PHP 59,500, but lowered to PHP 11,000 and PHP 10,000, respectively, by court order.

Unsuccessful in lifting the attachment, both companies filed a joint suit (Civil Case No. 12263) against the sheriff, Quirino, and Alto Surety & Insurance Co., Inc., seeking an injunction against the attachment and damages of PHP 45,000. The case landed in the court branch of Judge Pecson, who issued a writ of preliminary injunction halting the attachment.

Quirino petitioned ex parte to dissolve the injunction, and Judge Simeon Ramos, presiding over the transferred case, initially granted the request on a PHP 21,000 bond but reversed it after the companies' motion for reconsideration. The hearing was scheduled, and Judge Ramos later dismissed Case No. 12263, considered unnecessary and instructing the companies to intervene in the libel case instead.

The companies elevated the matter to the Supreme Court via a petition for certiorari, arguing Judge Ramos' dismissal was without authority and questioning jurisdictional issues.

Issues:

1. Whether Judge Ramos had the authority to dismiss Civil Case No. 12263 on his initiative without a formal motion.
2. Whether Manila Herald Publishing Co., Inc. and Printers, Inc. were required to intervene in Civil Case No. 11531 instead of filing a separate action.
3. Whether Judge Pecson or Judge Ramos had jurisdiction in Case No. 12263 to quash the attachment levied in Case No. 11531.

Court's Decision:

1. On the Authority to Dismiss Without Formal Motion:

The Supreme Court found that Judge Ramos' dismissal was without authority since Rule 8, Section 1, requires a formal motion for dismissal, which had not been filed. The court ruled that Judge Ramos acted with grave abuse of discretion in dismissing the case *sua sponte*.

2. On the Requirement to Intervene:

The court clarified that Section 14 of Rule 59 allows a third-party claimant to challenge an attachment through an independent action, not just intervention. The rules permit the commencement of a new action, and it is improper to read them as mandating intervention only. The decision emphasized that independent action does not create multiplicity of suits nor contradict the procedural rules.

3. On Jurisdiction to Quash the Attachment:

The Supreme Court held that separate action by the third-party claimant is appropriate and includes jurisdiction over interlocutory matters, such as injunctions to release attached property. This jurisdiction is inherent in the authority to hear the main action. The court concluded that entertaining the motion to quash in Case No. 12263 did not interfere with the libel case (Case No. 11531).

Doctrine:

1. Rule 8, Section 1, requiring a formal motion for dismissal, must be adhered to, and the court cannot dismiss a case on its own without it.
2. Section 14 of Rule 59 confirms that third-party claimants of attached property can file independent actions beyond intervention within the primary case.
3. Courts managing independent actions related to disputed property have jurisdiction over incidental matters, such as provisional measures to protect the claimant's and defendant's interests.

Class Notes:

1. Motion to Dismiss: Requires formal presentation (Rule 8, Section 1).
2. Third-Party Claims: Can commence independent actions (Sec. 14, Rule 59).
3. Interlocutory Orders: Courts have jurisdiction over ancillary tasks pending the main action.
4. Intervention vs. Independent Action: Intervention is discretionary, while independent action is a right.

Historical Background:

The procedural complexities in the case underscore the transitional legal landscape of the mid-20th century in the Philippines. The integration of new procedural rules from various sources, including the U.S. Federal Rules of Procedure, sought to streamline judicial processes and ensure just outcomes, reflecting broader judicial reforms during the era.