

MARTA ESPINOSA ET AL., PETITIONERS, VS. HONORABLE QUERUBE C. MAKALINTAL ET AL., RESPONDENTS.

G.R. No. L-1334. August 29, 1947

Ponente: PERFECTO, J.

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PERFECTO, J.:

Petitioners pray that the Court of First Instance of Iloilo be ordered to dismiss civil case No. 200 for lack of jurisdiction.

The complaint in said case prays that defendants be ordered to return to the plaintiff the material possession of the parcel of public forest land described in the complaint and to pay plaintiff as damages P12,000, plus P4,000 for each year of illegal possession of the land in question. The land is located in the municipality of Barotac Nuevo, Iloilo; is the object of lease agreement No. 123, executed on February 12, 1941, between plaintiff and the Commonwealth of the Philippines, represented by the Secretary of Agriculture and Commerce; is now a fishpond; and is described as follows:

"The land covers lots Nos. 1096 and 1081 of Barotac Nuevo Cadastre, B. L. Case No. 4, bounded on the north by lot No. 1211, on the east by lot No. 1086, on the south by cultivated land, and on the west by cultivated land and lot No. 1210; containing an area of approximately 23.60 hectares."

On December 27, 1945, defendants moved for the dismissal of the complaint upon the theory that the lower court has no jurisdiction over the subject matter of the case. Their theory is that the litigation properly belongs to the jurisdiction and competency of the Department of Agriculture and Commerce, who had absolute and discretionary authority to decide cases of conflicting claims regarding the disposition of public lands for fishpond purposes.

After the parties were given full opportunity to argue the motion, the lower court denied it on January 15, 1946. On January 18, defendants filed their answer. On January 29, plaintiff filed an amended complaint, including Tereso Sason as defendant, who filed his answer on January 27. On March 11, plaintiff filed his reply to the answers.

On February 8, 1947, defendants moved for reconsideration of the order of January 15, 1946, insisting that the amended complaint be dismissed for lack of jurisdiction. The motion was denied on February 11, 1947. In his complaint, plaintiff alleged that since the date of the execution of the lease agreement entered into by him with the Commonwealth on February 12, 1941, he was in peaceful, continuous and open possession of the land in question, enjoying the exclusive use of its products, and complying with his duties and enjoying all rights granted him under said lease agreement; that in the month of February, 1944, through force, intimidation, and strategy, and availing themselves of the aid and services of government officials, employees and soldiers, and taking advantage of the chaotic conditions incident to the war, defendants entered upon the land, claiming ownership thereto, and since February, 1944, they have been removing and taking all the products of the land, consisting mainly of milkfish, and selling the same and using the proceeds for their personal benefit; and that by reason of

said illegal acts of defendants, plaintiff suffered damages in the sum of P8,000 and will suffer damages at the rate of P4,000 a year for each year of illegal possession.

The two original defendants alleged in their answer that the fishpond in question was formally granted in lease to Tereso Sason who, on April 24, 1936, mortgaged his rights to plaintiff in the form of sale with right to repurchase within eight years from said date; that on February 4, 1941, Sason sold for the sum of P6,000 his rights to repurchase to defendants who delivered to Sason the sum of P3,864, which Sason paid to plaintiff on February 14, 1944; that plaintiff has never been in the possession of the fishpond and that, in violation of his agreement with Sason, through false representations, obtained lease agreement No. 123. Sason alleged in his answer that the fishpond was adjudicated to him in 1927; that on February 27, 1930, he mortgaged it to plaintiff to guarantee a debt of P2,000, the document having been executed in the form of a pacto de retro sale; that on April 24, 1936, Sason and plaintiff executed another contract increasing the mortgage indebtedness to P3,864 payable within eight years, the document having been made also in the form of sale with right to repurchase; that plaintiff, taking advantage of the instrument, secured a fishpond permit over the area in litigation and subsequently converted the said permit into fishpond lease agreement No. 123; that on February 4, 1941, Sason sold his rights to defendant Marta Espinosa who took immediate possession of the fishpond, while Sason offered to pay the plaintiff his mortgage indebtedness of P3,864, but plaintiff refused to accept the same, and Marta Espinosa then assumed the payment of the yearly interest of P600 and had paid the same to plaintiff for three years; that on February 14, 1944, Sason redeemed his mortgaged indebtedness by paying P3,864 to plaintiff, the amount having been supplied by Marta Espinosa. Sason counterclaimed from plaintiff P2,241, an amount in excess of the alleged usurious interest paid by him to plaintiff.

In support of their stand, petitioners invoke sections 3, 4 and 63 of Act 4003, as amended by Commonwealth Act 471, paragraph (o) of section 33 of Administrative Order No. 14 of the Department of Agriculture and Commerce and sections 2, 3, and 4 of Commonwealth Act 141. Apparently, petitioners are laboring under a misunderstanding of the provisions of law they themselves invoke, as nothing can be found in them to the effect of granting the Secretary of Agriculture and Commerce the judicial power, whether exclusive or concurrent, to decide the legal controversies as raised by the pleadings, of both parties, besides the fact that, even in the false hypothesis that such power has been granted by law, the grant shall not have any effect, as all judicial powers have been lodged by the Constitution exclusively in the Supreme Court and in such inferior tribunals as may have been established by law. (Section 1, Art. VIII, of the Constitution.) The powers granted to the Secretary of Agriculture and Commerce by the pertinent provisions of law invoked by petitioners are all of executive and administrative nature, such as granting of licenses, permits, leases, and contracts, or approving, rejecting, reinstating, or cancelling applications, or deciding conflicting applications. The controversies between the parties, as raised in the pleadings in case No. 200 of the Court of First Instance of Iloilo appear to have arisen upon disagreements in civil or contractual relations between the litigants to which the legal provisions invoked by petitioner are not and cannot be applicable. It should be far-fetched to recognize in the Secretary of Agriculture and Commerce the power of determining whether or not, as alleged by Paranpan, he has been deprived by defendants of the possession of the fishpond in question and of the legal effects of such alleged deprivation, or upon the nature of the two contracts of mortgage in the form of sale with right to repurchase between Sason and Paranpan, as alleged by defendants, or whether Paranpan has charged Sason with usurious interests. These are questions judicial in nature and only courts of justice can decide them.

Petition denied with costs against petitioners.

Paras, Feria, Pablo, Hilado, Bengzon, Briones, and Padilla, JJ., concur.

MORAN, C.J.:

I concur in the result.

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