

REPARATIONS COMMISSION, PETITIONER, VS. HON. GUILLERMO SANTOS, PRESIDING JUDGE OF BRANCH XI, COURT OF FIRST INSTANCE OF MANILA, AND PAN PHILIPPINE SHIPPING, INC., RESPONDENTS.

G.R. No. L-26559. August 29, 1980

Ponente: CONCEPCION JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/0f4f6963ab31/>

CONCEPCION JR., J.:

Petition for certiorari and mandamus, with preliminary injunction, to annul and set aside the order of the respondent Judge, dismissing the petitioner's appeal in Civil Case No. 63757 of the Court of First Instance of Manila, entitled: "Pan Philippine Shipping, Inc., plaintiff, versus Reparations Commission, defendant."

The record shows that on July 3, 1957, the herein private respondent, Pan Philippine Shipping, Inc., a domestic corporation organized and existing under the laws of the Philippines, filed with the National Economic Council, an application for the procurement through reparations of three (3) ocean-going vessels with an estimated total cost of US \$10 million dollars. The said application was duly processed and approved by the National Economic Council and subsequently included in the second year agreed reparations schedule, for which reason and in accordance with the procedure then being followed by the Mission, the then Chief of the Philippine Reparations Mission in Japan,[1] for and in behalf of the Republic of the Philippines, entered into a procurement contract with the Kanasashi Ship Building Co., Ltd. of Japan for the procurement of two (2) units ocean-going vessels with a total price of Y1,478,880,000 (or US \$4,108,000) with the Pan Philippine Shipping, Inc. as end-user thereof. However, the contract was not implemented because, according to the Report of the Chief of the Philippine Reparations Mission to the Office of the President, said contract could not be verified for lack of funds, although in the Reparations Report for the period from September 20, 1956 to December 31, 1958, out of US \$34,779,709 available funds in the second year agreed schedule, the Japanese government actually disbursed the sum of US \$13,350,502 in payment of projects carried from the first year agreed schedule and the sum of US \$18,786,901 corresponding to the second year agreed schedule. Consequently, it was recommended that the acquisition of the vessels be included in the third year reparations schedule. On May 22, 1958, the herein petitioner, Reparations Commission, which had taken over the reparations matters caused the publication in the newspapers (May 25, 1958 issue of the Philippines Herald) of the third year reparations schedule for the procurement of, among others, under the Category B-Private Sector, Item 1, the two (2) ocean going vessels for the Pan Philippine Shipping, Inc. But, the procurement contract was not again implemented allegedly due to lack of funds.[2] Consequently, the Pan Philippine Shipping, Inc. filed an action against the Reparations Commission (a) to compel the implementation of the procurement contract, executed by and between the Philippine Government, and the Japanese supplier for the benefit of the plaintiff, so as to include in the reparations schedule the plaintiff's project regarding the construction of two (2) ocean-going vessels by the Kanasashi Ship Building Co., Ltd. (Japan), and the allocation of the requisite funds therefor; (b) to secure the verification of said procurement contract by the Japanese government; and (c) to order the defendant to pay damages to the plaintiff in the amount of not less than

P50,000.00.[3]

After trial thereof, the respondent Judge found that "the Procurement Contract, Annex "A", having been entered into between the Republic of the Philippines and Kanasashi Ship Building Co., Ltd., under and pursuant to the terms of the Reparations Agreement, except as to its verification; but the same having been concluded under the direction of the President prior to the creation of the Reparations Commission, and, thereafter had been included in the second and third Reparations schedules - the same now constitutes a perfected and valid contract which respondent REPACOM is under obligation to implement," and rendered judgment, as follows:

"WHEREFORE, judgment is hereby rendered GRANTING the Petition for Mandamus and DIRECTING respondent REPACOM to implement the Procurement Contract, Annex A, within the next Reparations schedule. All other claims are hereby DISMISSED."[4]

On July 26, 1966, the Reparations Commission filed a Notice of Appeal, manifesting its intention to appeal to the Supreme Court on both question of law and fact.[5]

On August 3, 1966, the herein private respondent filed a pleading, denominated: "Alternative Motion and Opposition to the Notice of Appeal of Respondent," praying that an order be issued:

(1) Dismissing the appeal on the ground that the same was rendered moot and academic by the prior execution of the acts ordered to be done by this Honorable Court, or in the alternative, confirming the acts of execution already performed and directing the respondent to complete all the acts required of the decision pending appeal in accordance with Section 2, Rule 39 of the Rules of Court, and

(2) Making the writ of preliminary injunction dated March 14, 1966, as amended by the order of March 17, 1966, permanent under the broad powers of this Honorable Court to protect and preserve the right of the parties pursuant to Section 9, Rule 41 of the Rules of Court.

The Pan Philippine Shipping, Inc. therein claimed that the Reparations Commission had complied with the decision of the lower court by including the procurement of the two (2) ocean-going vessels by the plaintiff in the Tentative Eleventh Year Schedule (July 23, 1966 to July 22, 1967), which draft has been submitted to, and approved by, the President of the Philippines; and that the Chairman of the Reparations Commission had publicly announced the inclusion of said project in the draft schedule for the 11th reparations year, notwithstanding the filing of the Notice of Appeal.[6]

On August 6, 1966, the respondent Judge issued an order, as follows:

"Considering the 'Notice of Appeal' (Rec. 320), and the 'Alternative Motion and Opposition to the Notice of Appeal of Respondent' (Rec. 323); it appearing that the Chairman of the Reparations Commission had expressed that the Commission would implement the Decision in this case, the Notice of Appeal is hereby disapproved and the appeal is DENIED due course."[7]

The Reparations Commission filed a motion for the reconsideration of said order,[8] but the said motion was denied for lack of merit.[9]

On September 7, 1966, the plaintiff filed a motion seeking the execution of the judgment.[10]

Hence, the filing of the instant petition. As prayed for, a temporary restraining order was issued, restraining the respondent Judge from enforcing and/or giving effect to its decision.[11]

The petitioner claims that the respondent Court had no jurisdiction to resolve the "Alternative Motion and Opposition to the Notice of Appeal of Respondent" and to dismiss its appeal, since the appeal was perfected upon the filing of the Notice of Appeal, the action being a special civil action where no record of appeal is required on

appeal, and the appellant is a governmental instrumentality, and, therefore, exempt from filing an appeal bond.

The respondents, upon the other hand, maintains that the petitioner had lost its right to appeal when it voluntarily complied with the decision of the trial court and included in the 11th reparations schedule the plaintiff's acquisition of two (2) ocean-going vessels.

However, the issue of whether or not the petitioner may be allowed to appeal from the decision of the respondent Judge appears to be moot and academic as the decision of the trial court, even if affirmed, can no longer be implemented. Thus, on February 15, 1980, this Court adopted a resolution^[12] requiring the parties to show cause why this case should not be dismissed for being moot and academic. The then counsel of private respondent Atty. Alfredo B. Concepcion, now Judge of the Court of First Instance of Cavite, Branch IV, Tagaytay City, in his Compliance^[13] with the aforesaid resolution, states "x x x the undersigned honestly believes that the issues involved in this case have become moot and academic due to the expiration of the Reparations Treaty between the Republic of the Philippines and Japan." The Solicitor General in his Explanation, Compliance and Motion,^[14] likewise states "x x x petitioner hereby respectfully submits that with the termination of the Reparations Agreement to pay \$550,000,000 worth of goods and services to the Philippines having been fully complied with, there is nothing more to procure by way of reparations from Japan and therefore the questioned decision of the respondent Court ordering the petitioner 'to implement the Procurement Contract, Annex 'A', within the next reparation schedule' has become moot and academic. Since the questioned decision can no longer be executed due to the termination of the Reparations Agreement, the decision of the respondent Court should be vacated and another entered by this Honorable Court dismissing Civil Case No. 63757 for lack of cause of action."

Indeed, the Reparations Agreement between the Republic of the Philippines and Japan is only for the period of not more than twenty (20) years and more than twenty-three (23) years have already elapsed from the time the reparations agreement was first implemented in 1956. The pertinent portion of the Reparations Agreement provides, as follows:

ART. 1 - Japan, by way of reparations, shall supply the Republic of the Philippines with services of the Japanese people and the products of Japan in the form of capital goods, the total value of which will be so much in yen as shall be equivalent to five hundred fifty million United States dollars (\$550,000,000) at present computed at one hundred ninety-eight billion yen (¥198,000,000), within the period and in the manner herein after prescribed.

ART. 2 - The supply of the services and products referred to in the preceding Article shall be made on an annual average of so much in yen as shall be equivalent to twenty-five million United States dollars (\$25,000,000) at present computed at nine billion yen (¥9,000,000,000), during the ten year period from the date of coming into force of the present Agreement, and on an annual average of so much in yen as shall be equivalent to thirty million United States dollars (\$30,000,000) at present computed at ten billion eight hundred million yen (¥10,800,000,000), during the succeeding ten-year period. However, by agreement between the two Governments, this latter period may be reduced to a period shorter than ten years, provided the outstanding balance is settled in full within the remainder of the reduced period.

While the procurement of the two ocean-going vessels for the Pan Philippine Shipping, Inc. have been included in the Tentative 11th Reparations Schedule, "x x x when the petitioner, on September 21, 1966, was able to secure the Temporary Restraining Order enjoining the respondent Judge 'from enforcing and/or giving effect to (his) decision, dated July 13, 1966, in Civil Case No. 63757 of the Court of First Instance of Manila, entitled Pan Philippine Shipping, Inc. versus Reparations Commission", petitioner became free to delete and so it did delete the project of respondent Pan Philippine Shipping, Inc. from the Tentative Eleventh Year Schedule under Resolution No. 263(66).^[15]" Under the circumstances, procurement contract for the acquisition of reparations

vessels can no longer be implemented.

ACCORDINGLY, the instant petition is dismissed for being moot and academic. Without costs.

SO ORDERED.

Aquino, (Acting Chairman), Guerrero,[*] De Castro,**] and Melencio-Herrera,[***]. JJ., concur.

[*] Mr. Justice Juvenal K. Guerrero, a member of the First Division, was designated to sit in the Second Division in lieu of Mr. Justice Antonio P. Barredo, who did not take part being the counsel for private respondent Pan Philippine Shipping, Inc.

**] Mr. Justice Pacifico P. de Castro, a member of the First Division, was designated to sit in the Second Division.

***] Madame Justice Ameurfina Melencio-Herrera, a member of the First Division, was designated to sit in the Second Division in lieu of Mr. Justice Vicente Abad Santos who is on official leave.

[1] It was only on April 29, 1958 that the Reparations Commission began to control reparations matters. (See Sec. 3 of Partial Stipulation of Facts, Rollo, p. 34).

[2] Partial Stipulation of Facts, Rollo, pp. 34--40.

[3] Rollo, p. 12.

[4] Id., p. 157.

[5] Id., p. 169.

[6] Id., pp. 170-175.

[7] Id., p. 176.

[8] Id., p. 177.

[9] Id., p. 181.

[10] Id., p. 182.

[11] Id., p. 187.

[12] Id., p. 340.

[13] Id., p. 354.

[14] Id., p. 356.

[15] Id., p. 336.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.