

HADJI MOHAMAD DAUD, PETITIONER AND APPELLEE, VS. THE COLLECTOR OF CUSTOMS OF THE PORT OF ZAMBOANGA CITY, RESPONDENT AND APPELLANT.

G.R. No. L-24003. November 28, 1975

Ponente: MARTIN, J.

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MARTIN, J.:

The imperative question presented to Us in this appeal from the Order, dated September 7, 1964, of the Court of First Instance of Zamboanga City in its Special Proceedings No. 1029 is whether or not a regular court possesses jurisdiction to order by writ of mandamus the redemption of a motor vessel forfeited by a Collector of Customs in favor of the Government for violation of the Tariff and Customs Code (Republic Act No. 1937, as amended).

The appellee Hadji Mohamad Daud is the owner of a motor launch identified as M/L "MISS HURAIRA". On March 23, 1964, the said vessel was intercepted by the elements of the Philippine Navy between the waters of Palawan and Zamboanga for carrying untaxed blue seal cigarettes. The Philippine Navy then brought the vessel, its crew, and its cargo of blue seal cigarettes to the custody of the appellant Collector of Customs for the Port of Zamboanga City. Immediately thereafter, the Collector of Customs initiated Criminal Case No. 1097 in the City Court of Zamboanga against the patron and crew of the vessel. Likewise, he instituted Seizure Identification Case No. 1265 (1149) against the vessel and the cargo of blue seal cigarettes.

On April 27, 1964, appellant Collector of Customs promulgated his decision in the seizure identification case, declaring the forfeiture of the vessel M/L "MISS HURAIRA" *** and the blue seal cigarettes in favor of the Government for violation of Section 2530, paragraphs (k) and (m) 1[1] of the Tariff and Customs Code.

Upon receipt of this decision, appellee Hadji Mohamad Daud sent a letter on April 28, 1964 to appellant Collector of Customs requesting that he be allowed to redeem his vessel, pursuant to Section 2307 of the Tariff and Customs Code, at the same time emphasizing therein that his request is not an appeal from the decision of the latter in the seizure identification case.

On May 12, 1964, appellant Collector of Customs denied the request of Hadji Mohamad Daud for the redemption of his vessel, stating that a Presidential directive forbids the redemption of vessels caught in smuggling and that the said redemption might prejudice the criminal prosecution of the vessel for smuggling activities.

Without appealing from the April 27, 1964 decision of the Collector of Customs or from his order of May 12, 1964, denying his request for redemption of the motor launch M/L "MISS HURAIRA", Hadji Mohamad Daud commenced a mandamus suit before the Court of First Instance of Zamboanga City.

In that court, the parties entered into a stipulation of facts, upon which the court rendered a decision on September 7, 1964, ordering appellant Collector of Customs to release the motor launch M/L "MISS HURAIRA" to Hadji Mohamad Daud after paying the appraised value thereof in accordance with Section 2307 of the Tariff and Customs Code, and upon due presentation of a bond in the amount of FIVE THOUSAND (P5,000.00) PESOS, on

condition that the said Hadji Mohamad Daud shall bring the motor launch within the jurisdiction of the court whenever so ordered in connection with pending Criminal Case No. 3321 involving the motor launch.

This prompted the Collector of Customs to institute the present appeal.

The appeal is meritorious; a fortiori, it must be sustained.

As early as June 30, 1955, the Court had already announced in *Millarez vs. Amparo*[2] that "Republic Act No. 1125, Section 7, effective June 16, 1954 gave the Court of Tax Appeals exclusive appellate jurisdiction to review an appeal, decisions of the Commissioner of Customs, involving 'seizure, detention or release of property affected * * * or other matter arising under the Customs Law or other law administered by the Bureau of Customs'. Specifically, in *Caltex (Philippines) Inc. vs. City of Manila*,[3] it was held that the law affords the Collector of Customs sufficient latitude in determining whether or not a certain article is subject to seizure or forfeiture and his decision on the matter is appealable to the Commissioner of Customs and then to the Court of Tax Appeals, not to the Court of First Instance. The fundamental reason is that the Collector of Customs constitutes a tribunal when sitting in forfeiture proceedings[4] beyond the interference of the Court of First Instance.[5] As expressed in *Pacis vs. Averia*,[6] "* * * the Court of First Instance should yield to the jurisdiction of the Collector of Customs. The jurisdiction of the Collector of Customs is provided for in Republic Act 1937 which took effect on July 1, 1957, much later than the Judiciary Act of 1948. It is axiomatic that a later law prevails over a prior statute. Moreover, on grounds of public policy, it is more reasonable to conclude that the legislators intended to divest the Court of First Instance of the prerogative to replevin a property which is a subject of a seizure and forfeiture proceedings for violation of the Tariff and Customs Code. Otherwise, actions for forfeiture of property for violation of Customs laws could easily be undermined by the simple device of replevin." The judicial recourse of the owner of a personal property which has been the subject of a seizure and forfeiture proceedings before the Collector of Customs is not in the Court of First Instance but in the Court of Tax Appeals, and only after exhausting administrative remedies in the Bureau of Customs.[7] If the property owner believes that the Collector's conclusion was erroneous, the remedy is by appeal to the Commissioner of Customs, and then to the Court of Tax Appeals should the Commissioner uphold the Collector's decision. The Court of Tax Appeals exercises exclusive appellate jurisdiction to review the rulings of the Commissioner in seizure and confiscation cases, and that power is to the exclusion of the Court of First Instance, which may not interfere with the Commissioner's decisions even in the form of proceedings for certiorari, prohibition or mandamus, which are in reality attempts to review the Commissioner's actuations.[8]

In the case before Us, appellee Hadji Mohamad Daud preferred not to trail the procedural path oft-repeated by the Court in its consistent rulings on the matter. Instead of appealing from the decision of the Collector of Customs in the seizure identification case declaring the forfeiture of his motor launch M/L "MISS HURAIRA" in favor of the Government or from the order denying his request to redeem the same, petitioner-appellee directly pursued the controversy in a petition for mandamus before the Court of First Instance of Zamboanga City to compel the redemption of the subject motor launch. Unexpectedly, the trial court entertained the suit and commanded the appellant Collector of Customs to release the motor launch in question to petitioner-appellee by way of redemption under Section 2307 of the Tariff and Customs Code. Such actuation of the trial court bespeaks of an utter desertion of its own jurisdictional limits and trenches upon those delineated for the Collector of Customs. Certainly, the trial court has no jurisdiction over the case.

The present case is strikingly similar to that of *Luna vs. Pacis*. [9] In that case, Donata Luna was the owner of a fishing boat named M/B "PANINDA" which was apprehended near the Calavite Lighthouse, in Occidental Mindoro, for carrying unmanifested and untaxed articles of foreign origin, consisting of blue seal cigarettes and other articles. Both the vessel and its cargo were made the subject of forfeiture proceedings instituted by Acting

Collector of Customs Pedro Pacis, pursuant to the provisions of the Tariff and Customs Code. After hearing, the Acting Collector of Customs rendered a decision ordering the fishing boat M/B "PANINDA" forfeited in favor of the Government. Subsequently, Luna's counsel wrote to the Acting Collector of Customs offering to redeem the fishing boat pursuant to the provisions of the Tariff and Customs Code. The Acting Collector of Customs denied the request for redemption upon the ground that the period within which the forfeited article might be redeemed had already expired and "that release of vessels apprehended for smuggling activities runs counter to the existing policy of the Government." Instead of appealing to the Commissioner of Customs from this decision of the Acting Collector, Luna filed a petition for mandamus with preliminary mandatory injunction (ex-parte) in the Court of First Instance of Manila, praying that "a writ of mandamus issue commanding the respondent to execute all the acts necessary to complete the surrender to petitioner of the vessel in question" upon payment of the appraised value thereof. The trial court dismissed the petition upon the ground that it had no jurisdiction over the case. On appeal by Luna, this Court ruled that the Court of First Instance of Manila had correctly dismissed the petition since it had no jurisdiction over the case. "What appellant should have done," held the court, "was to appeal to the Commissioner of Customs denying her offer to redeem the vessel in question, and, in the event of an adverse decision by the Commissioner of Customs, to appeal to the Court of Tax Appeals; and she still had a recourse of appeal to this Court in case of an adverse decision by the Court of Tax Appeals."

ACCORDINGLY, the appealed order of the Court of First Instance of Zamboanga City, dated September 7, 1964, in its Special Proceedings No. 1029, is hereby reversed and set aside and the mandamus suit commenced by petitioner-appellee ordered dismissed. Costs against petitioner-appellee.

SO ORDERED.

Teehankee, Makasiar, Esguerra, and Muñoz Palma, JJ., concur.

Castro, (Chairman), J., took no part.

[1] "Section 2530. Property subject to forfeiture under tariff and customs laws. — Any vessel or aircraft, cargo, articles and other objects shall, under the following conditions, be subject to forfeiture: . . .

k. Any beast actually being used for the conveyance of article subject to forfeiture under the customs and tariff laws, with its equipage or trappings, and any vehicles similarly used, together with its equipage and appurtenances, including the beast, team or other motive power drawing or propelling the same; but the forfeiture shall not be effected if it is established that the owner of the means of conveyance used as aforesaid, or his agent in charge thereof at the time, has no knowledge of the unlawful act.

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m. Any article sought to be imported or exported:

(1) Without going through a customhouse, whether the act was consummated, frustrated or attempted; (Note: See P.D. 34 amending Section 2530 (k) and (m) 1, promulgated October 27, 1972)

[2] 97 Phil. 284-85 (1955).

[3] L-30734, July 28, 1969, 25 SCRA 840; see also Collector of Customs vs. Arca, L-21389, July 17, 1964, 11 SCRA 537.

[4] Commissioner of Customs vs. Cloribel, L-20266, January 31, 1967, 19 SCRA 234; Auyong Hian vs. Court of Tax Appeals, L-25181, January 11, 1967, 19 SCRA 10; Auyong Hian vs. Court of Tax Appeals, L-28782, September 12, 1974, Second Division, per Zaldivar, J., 59 SCRA 130.

[5] *Lopez vs. Commissioner of Customs*, L-28235, January 30, 1971, 37 SCRA 33-34.

[6] L-22526, November 29, 1966, 18 SCRA 907; see also *Ponce Enrile vs. Vinuya*, L-29043, January 30, 1971, 37 SCRA 386-87.

[7] *Collector of Customs vs. Torres*, L-22977, May 31, 1972, 45 SCRA 281, and cases cited.

[8] *General Travel Service, Ltd. vs. David*, L-19259, September 23, 1966, 18 SCRA 66-67, citing cases.

[9] L-24237, March 31, 1971, 38 SCRA 193; see also *Pacis vs. Geronimo*, L-24068, April 23, 1974, Second Division, per Fernando, J., 56 SCRA 587-88.

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