

**TESTATE ESTATE OF AMADEO MATUTE OLAVE, DECEASED, CARLOS V. MATUTE, GENERAL ADMINISTRATOR?APPELLANT, MATIAS S. MATUTE CO-ADMINISTRATOR-APPELLANT, PATERNO R. CANLAS, APPELLANT, VS...**

*G.R. No. L-27832. May 28, 1970*

Ponente: REYES, J.B.L., J.

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**REYES, J.B.L., J.:**

Perfected prior to the effectivity of Republic Act No. 5440, this appeal by Carlos V. Matute and Matias V. Matute, co-administrators of the Testate Estate of the late Amadeo Matute Olave (Special Proceedings No. 25876 of the Court of First Instance of Manila), and by their attorney-at-law, Paterno Canlas, was interposed to seek reversal, on points of law, of the probate court's order of 22 April 1967 requiring these appellants to surrender seventeen (17) titles to diverse pro-perties of the estate to the assistant clerk of court for safekeeping.

The incident originated in a motion filed by respondents Jose S. Matute, Anunciacion Candelario, and Elena and Amadeo, both surnamed Matute y Candelario, praying that the former ad-ministrator, Matias S. Matute, be ordered to surrender 17 titles to various properties of the Estate to the assistant clerk of court, from whom said Matias had received them on 28 September 1966. The motion was vigorously resisted by the co-administrators Mattes and Carlos Matute and several other heirs (through counsel Paterno Canlas), who pleaded that the removal of Matias as administrator and his replacement by Jose S. Matute were still under appeal; that the titles aforesaid had been delivered to both Matias and Carlos Matute; that the latter "is at present and from time to time in possession of the said seventeen (17) titles", and "the co-administrator Matias S. Matute is no longer in possession of said titles" (Record on Appeal, page 6); that Attorney Paterno Canlas had a pending claim for P261,000.00, on account of legal services rendered to the estate for the study, preparation, drafting, due execution and probate of the 1952 testament of the deceased; that the claim was later compromised for P200,000.00; that -

"the undersigned who is from time to time also in possession of the seventeen (17) titles belonging to the Estate in his capacity as counsel for the Estate is also retaining said titles in the exercise of his retention lien for services rendered to the estate (not to the Administrators) . . . . .;" (Record on Appeal, pages 7 - 8)

and invoked Rule 138, Section 37, of the Rules of Court.

As aforesaid, the probate court granted the motion to surrender the documents to the clerk of court for safekeeping, "in order to prevent any possible controversy regarding any transaction involving the re-maining properties of the estate" (Record on Appeal, page 18).

Reconsideration of the order was sought and denied 29 May 1967, the Court ordering Attorney Paterno S. Canlas to surrender said documents "immediately ..... upon receipt hereof".

Wherefore, the oppositors duly perfected the present appeal, in-sisting that it was error for the court below to have granted the motion to surrender the titles in question in view of Rule 138, Section 37, of the Rules of Court,

specifically prescribing that -

"SEC. 37. Attorneys' liens. -- An at-torney shall have a lien upon the funds, documents and papers of his client which have lawfully come into his possession and may retain the same until his lawful fees and disbursements have been paid, and may apply such funds to the satisfaction thereof. . . . ."

The explicit terms of this section afford no alternative but to uphold the claim of appellant Paterno Canlas with respect to the seventeen documents in his possession. His right, as counsel for the deceased and his estate, "to retain the same until his lawful fees and disbursements have been paid" is incontestable, and under the rule and section aforesaid, the attorney can not be compelled to surrender the muniments of title mentioned without prior proof that his fees have been duly satisfied.[1] The courts, in the exercise of their supervisory authority over attorneys as officers of the court, are bound to respect and protect the attorneys' lien as a necessary means to preserve the decorum and respectability of the profession.[2]

But if it be entirely indispensable for the court to gain possession of the documents that have come to the attorney and are held by him in the course of his employment as counsel, it can require surrender thereof by requiring the client or claimant to first file proper and adequate security for the lawyers' compensation (*Rustia vs. Abeto*, 72 Phil. 139).

"We are aware of the inconvenience that may accrue to the client because of the retention of important papers by an attorney claiming fees for services rendered, but this is the reason and essence of the lien. Withal, the courts may require the attorney to deliver up the papers in his possession which may serve to embarrass his client, provided the client files proper security for the attorney's compensation. This proceeds from the power of the courts to control its own officers and to compel attorneys to act equitably and fairly towards their clients. (*Chitton v. Pardon*, *Turner & Russel's Reports*, 301; *Richards v. Platel*, *Craig & Philipp's Report*, 79; *Matter of Jewitt*, 34 Beav. 22; *Matter of Galland*, 31 Chancery Division, 296; *Robinson v. Rogers*, 237 N. Y. 467, 472-473.)"

In so far as the court below required surrender of the documents here in question without first providing for satisfaction of his fees or, at least, proper security for their payment, the appealed order is plainly in error.

Whatever doubt may have arisen on account of the lawyer's ambiguous expression that he "is from time to time also in possession of the seventeen (17) titles belonging to the Estate" (*Record on Appeal*, page 7) is set at rest by the finding of the probate court, in its order of 29 May 1967, that Attorney Paterno Canlas "has admitted the fact that he is in possession of the 17 titles of the properties of the estate" (*Record on Appeal*, page 30). In the light of this order, it is patent that the stated possession "from time to time" of the documents in question should be construed to mean that the attorney came into possession thereof at different times, a circumstance that does not impair his right of retention until payment.

Our ruling in *Inton vs. Matute*, L-21283, 31 August 1966, 17 SCRA 1010, is not in conflict with the present decision. In that case, the retention of documents belonging to the estate was denied because the counsel had served not the estate but the administrator in his individual capacity.

IN VIEW OF THE FOREGOING, the orders of the probate court dated 22 April 1967 and 29 May 1967, in so far as denying appellant Attorney Paterno Canlas' right to retain the seventeen (17) documents in his hands, as counsel for the estate, and requiring him to surrender the same without his claim for fees being first satisfied, are hereby reversed and set aside. Costs against appellees.

Concepcion, C.J., Dizon, Makalintal, Zaldivar, Fernando, Teehankee, Barredo, and Villamor, JJ., concur.  
Castro, J., took no part.

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[1] Rustia vs. Abeto, 72 Phil. 133, 138; Rotea vs. Delupio, 67 Phil. 330; Dauz vs. Fontanosa, Adm. Case No. 403, 30 September 1963, 9 SCRA 14.

[2] Rustia vs. Abeto, *jam cit.*, page 139; Ulanday vs. MRR Co., 45 Phil. 540.

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