

CHUA U, ET AL., PETITIONERS AND APPELLEES, VS. HON. MANUEL LIM, ETC., ET AL., RESPONDENTS AND APPELLANTS.*G. R. No. L-19639. February 26, 1965*

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

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/408f8f944fcc/>**REYES, J.B.L., J.:**

Direct appeal against a decision of the Court of First Instance of Bulacan, in a declaratory judgment suit (Civil Case No. 2317 of the court below) filed by petitioners-appellees, owners of factories producing "bijon" (rice spaghetti), to annul Resolution No. 10 of the Rice and Corn Board that declared that the "bijon" industry is included within the terms of Republic Act No. 3018, nationalizing the Rice and Corn Industry. At the original petitioners' behest, the court a quo issued a writ of preliminary injunction upon a bond of P2,000.00, which was duly accomplished and filed.

The case was submitted to the court of origin upon an agreed stipulation of facts, reciting as follows:

" '1. That petitioners were and are still owners and operators of the Bijon Factories in the province of Bulacan Tons before the passage of Republic Act No. 3018 with licenses duly paid and issued in the name of each of the respective petitioners;

" '2. That in the manufacture of Bijon, petitioners are using rice and/or corn as the principal ingredient;

" '3. That in the year 1960, the Congress of the Philippines passed a bill regulating the trade of. palay, rice and corn, which became and is now Republic Act No. 3018, and pursuant to said Act, the President of the Philippine created the Rice and Corn Board to implement and carry out the provisions of said Act and respondents are duly appointed and qualified members of the said Rice and Corn Board;

" '4. That the Federation of Chinese Chamber of Commerce in the Philippines sent a letter dated September 20, 1960, to the Rice and Corn Board, requesting information as to whether or not the manufacturers and/or dealers in bijon or noodle corn starch and gaugau, rice, wine and poultry or chicken feed of other by-products of rice and corn are within the scope of the provisions of Republic Act No. 3018. Copy of said letter is attached hereto as Annex "A";

" ' 5. That the respondents acting as members of the Rice and Corn Board ruled that the processing of rice and/or corn or its by-products are included in the aforesaid Republic Act No. 3018 and the petitioners are within the purview of the said Act, in a letter dated January 3, 1961, signed by its Acting Executive Director, Efren V. Mendoza, copy of which letter is attached hereto as Annex "B";

" '6. That although under Republic Act No. 3018, Section 2 thereof, persons who are not citizens of the Philippines and associations, partnerships or corporations the capital or capital stock of which is not wholly owned by citizens of the Philippines, who are engaged and duly licensed to engage in the rice and/or corn industry, as of the date of the approval of the law, shall file their statement of ownership, assets and liabilities with the proper office within 60 days from the approval thereof, that is, August 2, 1960; the respondent members of the Rice and Corn Board however have extended the period of filing of applications for permit to continue operation of aliens in the rice and corn industry up to January 31, 1961;

" '7. That petitioners filed" their present petition with this Court on January 25, 1961, with a prayer for a writ of preliminary injunction pending the determination of the present petition on the merits which was granted on said day.

" '8. That petitioners and respondents submit for determination of the issues as to whether Republic Act No. 3018 is applicable to the bijon industry, operated and owned by the petitioners as alleged in paragraph 1 of the complaint;" "

The lower court found for the petitioners, and declared that Republic Act No. 3018 did not include "bijon" manufacturers, because the latter did not deal in rice or corn or any of its by-products, and made its injunction permanent. Whereupon, the Rice and Corn Board, through the Solicitor General, appealed directly to this Court on points of law.

We agree with the Solicitor General that this case for declaratory judgment should have been dismissed for several reasons. In the first place, from the time the Rice and Corn Board issued a ruling that the petitioners-appellees were covered by the terms of Republic Act No. 3018, the way was open for said petitioners to appeal the Board's ruling its administrative superiors, and thereafter institute an ordinary judicial action to contest the Board's ruling and prohibit it from enforcing the ruling. This Court has repeatedly ruled that the remedy of declaratory judgment is proper only if adequate relief is not available through other existing forms of action or proceeding (*Ollada vs. Central Bank*, 115 Phil., 284; *Hoskyns vs. National City Bank, of New York*, 85 Phil. 201, cit. 1 C. J. S., 1027). As ruled in *Elliott vs. American Manufacturing, Co.*, 138 Fed. 2d, 678, courts are loath to interfere prematurely with administrative proceedings, and will not assume jurisdiction of declaratory judgment proceedings until administrative remedies have been exhausted. [[1]]

A second reason for denying relief is that the declaratory judgment herein sought would necessarily affect also other manufacturers and processors of rice and corn derivative products (such as gaw-gaw, face powder, etc.), which were not represented in these proceedings.

In the third place, it is also the rule in this jurisdiction that action for declaratory judgment must be brought before any breach of the statute or ordinance sought to be tested (*Rules 66, sec. 2; Santos vs. Aquino*, 94 Phil. 65).

But even if the declaratory judgment were proper, we believe that the facts stipulated are insufficient to warrant a verdict in this case. As observed in the appealed decision itself (*Rec. App. p. 26*), the avowed purpose of Republic Act No. 3018, as shown in the explanatory note to the original bill, was to do away with the possibility and practice of aliens creating artificial shortages of rice and corn by hoarding these commodities or cornering the market therefor, so as to enable them to dictate prices thereof. It thus becomes a necessary point of inquiry whether or not the producers of derivatives, in which rice or corn is the main ingredient, could singly, or in combination with others, create an artificial scarcity of the cereals at any given time; and for that purpose, complete data of the consumption capacity of these producers are material. Such particulars are not available in the record before us.

FOR THE FOREGOING CONSIDERATIONS, the judgment under appeal is reversed, and the action for declaratory judgment is ordered dismissed, without prejudice to other remedies as may be in law available to the parties. No costs.

Bengzon, C. J., Bautista Angelo, Concepcion, Barrera, Paredes, Dizon, Regala, Makalintal, Bengzon, J.P. and Zaldivar, JJ., concur.

[1] See also *Aetna Casualty & S. Co. vs. Quarles*, 92 Fed. (2d) 321; *Franklin L. Ins. Co. vs. Johnson*, 157 Fed.

2d.,653.

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.