

**FELIPE B. OLLADA, PETITIONER, VS. THE COURT OF TAX APPEALS,
SECRETARY OF FINANCE, UNDER-SECRETARY OF FINANCE,
COLLECTOR OF INTERNAL REVENUE, VICENTE I. CRUZ, SABINA E.
SORIANO, ...**

G.R. No. L-8878. July 24, 1956

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/4b4fb0e7ef8d/>

BAUTISTA ANGELO, J.:

This is a petition for review of a resolution of the Court of Tax Appeals entered on January 29, 1955 holding that it has jurisdiction to hear and decide the original case of mandamus then pending between the parties in the Court of First Instance of Manila under section 22 of Republic Act No. 1125.

It appears that original case of mandamus was pending in the Court of First Instance of Manila where it was originally filed when Republic Act No. 1125 creating the Court of Tax Appeals was enacted into law (July 16, 1954). On September 29, 1954, the Court of First Instance of Manila, upon a verbal motion of the Solicitor General and after the parties were given an opportunity to be heard, issued an order remanding the case to the Court of Tax Appeals for final disposition pursuant to section 22 of said Act.

On December 10, 1954, petitioner filed a motion before the Court of Tax Appeals praying that the case be ordered returned to the Court of First Instance of Manila for trial and final disposition on the ground that it involves primarily the issue of unfair competition and not a disputed assessment of the Collector of Internal Revenue and therefore it does not come under said section of Republic Act No. 1125. Respondents Vicente I. Cruz, Yam Nan, and New World Printing Press filed a written opposition to said motion stating, among other things, that the question of unfair competition raised by petitioner is but an incident of the main issue which is the authority of the Collector of Internal Revenue and the Secretary of Finance to approve and recommend for use by merchants any simplified set of bookkeeping records that comply with the requirements of the law and regulations pursuant to section 334 in relation to section 338 of the National Internal Revenue Code. And since this is a matter that arises under the National Internal Revenue Code, they contend that the Court of Tax Appeals has jurisdiction to try and decide the case. This contention having been upheld, petitioner interposed the present petition for review.

The question to be determined is whether the case of mandamus which was filed in the Court of First Instance of Manila by petitioner against respondents is one which should be remanded to the Court of Tax Appeals under section 22 of Republic Act No. 1125. Said section provides:

"Sec. 22. Pending cases to be remanded to Court.—All cases involving disputed assessment of Internal Revenue taxes or customs duties pending determination before the Court of First Instance shall be certified and remanded by the respective Clerk of Court to the Court of Tax Appeals for final disposition thereof."

In the amended petition filed by petitioner in the Court of First Instance of Manila, he alleged that through his intellectual effort and at great expense and sacrifice of time, effort and money, he had devised a simplified

book-keeping set; that scarcely had he placed said simplified bookkeeping set in the market when respondents Vicente I. Cruz, Sabina R. Soriano, New World Printing Press and Yam Nan flooded the market with their alleged simplified bookkeeping sets which they claim to be their own individual "devices" when, in truth and in fact, such sets were mere copies and reproductions of the instructions, forms and proforma financial statements contained in Revenue Regulations No. V—13; that the Secretary of Finance, Undersecretary of Finance, and the Collector of Internal Revenue, abetted and encouraged the unfair competition indulged in by their co-respondents in that, despite their knowledge that the bookkeeping sets of said co-respondents are virtual reproduction of the instructions, forms and pro-forma financial statements contained in said Internal Revenue Regulations, the aforesaid officials gave permission, approval, and authority to their co-respondents to print, publish, and sell to the public their bookkeeping sets; and that the above acts of respondents constitute unfair competition and a violation of existing law for which reason petitioner seeks relief by asking the court to enjoin said government officials from allowing the sale of the alleged fraudulent bookkeeping sets and to award him the damages he has suffered on account of the unfair competition resorted to by respondents.

In holding that it has jurisdiction to hear this case of mandamus under section 22 of Republic Act No. 1125, the Court of Tax Appeals intimated that, while said section apparently only refers to cases "involving disputed assessment of Internal Revenue taxes or customs duties pending determination before the Court of First Instance", and the present case admittedly does not involve any assessment of the Collector of Internal Revenue, it cannot be said that it is excluded from its operation and scope it appearing that the main issue involved arises under the National Internal Revenue Code. In other words, the Court of Tax Appeals has adopted the view that said section 22 should not be interpreted alone but in connection with section 7 of the same Act which, among other things, provides that the Court of Tax Appeals has jurisdiction to review by appeal "other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue." And after stating that in framing section 22 Congress must have committed an oversight in not including therein those cases specified in section 7, the Court of Tax Appeals made this remark: "The omission as pointed out above is clearly an oversight on the part of Congress and the deficiency should be supplied if we are to accomplish the purpose and intention of Congress in the creation of this court. Moreover, section 22 of Republic Act No. 1125, should be interpreted in such manner as would make it harmonize with section 7 of the same Act in order to avoid confusion and absurd consequences."

We agree with the view that section 22 of Republic Act No. 1125 should be interpreted in such a manner as to make it harmonize with section 7 of the same Act and that the primordial purpose behind the approval of said Act by Congress is to give to the Court of Tax Appeals exclusive appellate jurisdiction "over all tax, customs, and real estate assessment cases throughout the Philippines and to hear and decide them as soon as possible", but we disagree with the conclusion that the present case comes within the purview of the clause "other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue" appearing in section 7, paragraph 1, of Republic Act No. 1125.

Section 7 of Republic Act No. 1125 provides:

"Sec. 7. Jurisdiction.—The Court of Tax Appeals shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided,—

"(1) Decisions of the Collector of Internal Revenue in cases involving disputed assessments, refunds of internal revenue taxes, fees or other charges, penalties imposed in relation thereto, or other matters arising under the National Internal Revenue Code or other law or part of law administered by the Bureau of Internal Revenue.

"(2) Decisions of the Commissioner of Customs in cases involving liability for customs duties, fees or other money charges; seizure, detention or release of property affected; fines, forfeitures or other penalties imposed

in relation thereto; or other matters arising under the Customs Law or other law or part of law administered by the Bureau of Customs; and

"(3) Decisions of provincial or city Boards of Assessment Appeals in cases involving the assessment and taxation of real property or other matters arising under the Assessment Law, including rules and regulations relative thereto."

Note that the law gives to the Court of Tax Appeals exclusive appellate jurisdiction to review the decisions of the Collector of Internal Revenue, the Commissioner of Customs, and the provincial or city Boards of Assessment Appeals. Note also that in defining the cases that may be reviewed the law begins by enumerating them and then adds a general clause pertaining to other matters that may arise under the National Internal Revenue Code, the Customs Law and the Assessment Law. This shows that the "other matters" that may come under the general clause should be of the same nature as those that have preceded them applying the rule of construction known as *ejusdem generis*. In other words, in order that a matter may come under the general clause, it is necessary that it belongs to the same kind or class therein specifically enumerated. Otherwise, it should be deemed foreign or extraneous and is not included.

"It is a general rule of statutory construction that where general words follow an enumeration of persons or things, by words of a particular and specific meaning, such general words are not to be construed in their widest extent, but are to be held as applying only to persons or things of the same general kind or class as those specifically mentioned.

"This rule is commonly called the '*ejusdem generis*' rule because it teaches us that broad and comprehensive expressions in an act, such as 'and all others,' or 'any others,' are usually to be restricted to persons or things 'of the same kind' or class with those specially named in the preceding words. It is of very frequent use and application in the interpretation of statutes.

"Illustrations and Applications

"The rule of '*ejusdem generis*' is properly applied to a statute exempting from taxation certain enumerated kinds of property and 'other articles,' the general term being strictly confined to the similitude of those specifically named." (Black on Interpretation of Laws, 2nd ed., 203; See also *Smith, Bell & Co., Ltd. vs. Register of Deeds of Davao*, G. R. No. L-7084, promulgated October 27, 1954.)

"Where general words follow the designation of particular things, or classes of persons or subjects, the general words will usually be construed to include only those persons or things of the same class or general nature as those specifically enumerated. For example, where a law prohibits the exclusion of any persons on account of their color from 'barber shops, eating houses, or other places of public resort,' the latter phrase will be restricted to places of the same general character of those specifically enumerated. This is the rule known as '*ejusdem generis*', and it is founded upon the idea that if the legislature intended the general words to be used in an unrestricted sense, the particular classes would not have been mentioned." (Crawford, *The Construction of Statutes* pp. 326-327.)

The question involved in the mandamus case does not cover any disputed assessment or refund of any internal revenue tax, fee, charge or penalty imposed in relation thereto. Rather, involves unfair competition arising from the use of simplified set of bookkeeping records required by section 334 of the National Internal Revenue Code. This has nothing to do with any assessment or refund of any tax, fee or penalty. It cannot be pretended that for any violation of the Internal Revenue Law, Customs Law, or Assessment Law, the case may be appealed to the Court of Tax Appeals, for if such were the case, then the latter court would also have jurisdiction to review cases involving penal provisions such as those embodied in Title XI of the National Internal Revenue Code. Undoubtedly, such court does not have criminal jurisdiction.

Wherefore, the resolution appealed from is reversed. The Court orders. that the original case of mandamus (Civil Case No. 21227) be returned to the Court of First Instance of Manila for trial and final disposition, without pronouncement as to costs.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes A., Labrador, Concepcion, Reyes, J. B. L., and Endencia, JJ., concur.

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.