

MODESTA GANABAN, ET A.L., PLAINTIFFS-APPELLANTS, VS. MAGDALENA BAYLE, DEFENDANT-APPELLEE.

G.R. No. L-28864. November 27, 1969

Ponente: CONCEPCION, C.J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6676b4efbc26/>

CONCEPCION, C.J.:

Appeal, taken by the plaintiffs, from a decision of the Court of First Instance of Ilocos Sur, absolving defendant Magdalena Bayle from their complaint and dismissing the case without costs.

As heirs of Leon Ganaban, who died on October 21, 1952, plaintiffs herein seek to recover from the defendant: (1) the sum of P5,550 allegedly received by the latter from the deceased, for the purchase for him of a 3.5 hectares riceland, which the defendant did not make; (2) P1,470 a year from 1952, as damages resulting therefrom and from her failure to refund said sum of P5,550, despite repeated demands; (3) P3,756, as attorney's fees; and (4) the costs. Upon being summoned, the defendant filed a motion to dismiss the complaint, which was denied, where-upon she filed an answer alleging that she owed the deceased no more than P1,500, pursuant to a deed of conditional sale, copy of which had been attached to said motion to dismiss, and that plain-tiff Modesta Ganaban and her husband, Eulalio Fernandez, had taken from her a Dodge pick-up, valued at P3,500, which, despite repeated demands, they had not returned, and praying that plaintiffs be ordered to pay P2,000, as damages and attorney's fees. In their reply, plaintiffs denied that defendant's debt to the deceased was limited to said sum of P1,500, and alleged that the conditional sale referred to in defendant's answer represents a transaction en-tirely distinct from that involving the sum of P5,550, which is the subject-matter of the complaint; that Mr. and Mrs. Eulalio Fernan-dez have not received the pick-up mentioned in said answer; and that, whatever transaction Eulalio Fernandez may have had with the defendant had nothing to do with plaintiff Modesta Ganaban or her co-plaintiffs, said Eulalio Fernandez being neither an heir of Leon Ganaban nor a party herein.

This case was set for hearing in the lower court, on Novem-ber 20, 1963, January 20 and March 18, 1964, but, despite notices duly served, neither the defendant nor her counsel appeared on any of said occasions. After waiting for them, in vain, for 30 minutes, on the date last mentioned, the court proceeded to receive plaintiffs' evidence, which established the following facts:

Leon Ganaban died intestate, on October 21, 1952. Being single and having been survived by neither descendants nor ascen-dants, his heirs are plaintiffs herein, namely, his brother and sis-ters Dalmacio, Modesta and Anaclea Ganaban, and the children of their deceased sister, Cristina Ganaban, the other plaintiffs here-in, to wit: Nila, Melo, Fe Josefina, Emma, Editha, Jose, Ulpiano and Leon, all surnamed Calanno. On August 24, 1952, Leon Ganaban delivered to defendant, Magdalena Bayle - the widow to a first cou-sin of the former - the sum of P5,550, for which the defendant signed a receipt, Exhibit A, in the Ilocano dialect, stating that said amount was to be invested in a loan, secured by a mortgage on an agricul-tural land, although the Spanish translation, Exhibit A-1, submitted by counsel for the plaintiffs, uses the term "venta con pacto de retro," or conditional sale. Said delivery took place and the re-ceipt was signed in the presence of Eulalio Fernandez, who, like-wise, affixed his signature thereto, as a witness. Despite repeated demands made by the plaintiffs, defendant, who acknowledged

re-ceipt of said amount[1], did not refund the same, despite promises to do so, except the sum of P302.50[2]. Hence, plaintiffs were constrained to engage the services of counsel, and file the present action, with the obligation to pay P3,000, as attorney's fees.

In due course, the lower court rendered its appealed decision holding that, although the amounts sought to be collected by the plain-tiffs aggregate P25,173, the case is "below" its jurisdiction, be-cause Modesta Ganaban testified that said sum of P302.50, paid by the defendant, had been distributed among the plaintiffs, and the latter pray, in their complaint, that the aforementioned sum of P25,173 be divided among them as follows: one-fourth (1/4) to Modesta Ganaban; one-fourth (1/4) to Dalmacio Ganaban; one-fourth (1/4) to Anacleto Ganaban; and the balance of one-fourth (1/4) to the other plaintiffs, surnamed Calanno. The lower court deduced from these circumstances "that each and everyone of the plaintiffs have different and distinct interest over the estate left by Leon Ganaban" and - citing *Abon vs. Pablo*³, *Soriano y Cia vs. Jose*⁴ and *Argonza vs. International etc.*⁵, as well as Republic Act No. 2613 - held that the amount due to each one of the plaintiffs "shall furnish the jurisdictional test"; that the claim of each is "below the original jurisdiction of courts of first in-stance"; and that "the action should have been filed in the cor-responding inferior Court." Their motion for reconsideration of said decision having been denied, plaintiffs interposed the present appeal.

The same is well taken. The first paragraph of section 88 of Republic Act No. 296, as amended by Republic Act No. 2613, reads:

"SEC. 88. Original jurisdiction in civil cases. - In all civil actions, including those men-tioned in Rules fifty-nine and sixty-two of the Rules of Court, arising in his municipality or city, and not exclusively cognizable by the Court of First Instance, the justice of the peace and the judge of a municipal court shall have exclusive original juris-diction where the value of the subject-matter or amount of the demand does not exceed five thousand pesos, exclusive of interests and costs. Where there are several claims or causes of action bet-ween the same parties embodied in the same com-plaint, the amount of the demand shall be the total-ity of the demand in all the causes of action, irres-pective of whether the causes of action arose out of the same or different transactions; but where the claims or causes of action joined in a single com-plaint are separately owned by or due to different parties, each separate claim shall furnish the ju-risdictional test. In forcible entry and detainer proceedings, the justice of the peace or judge of the municipal court shall have original jurisdiction, but the said justice or judge may receive evidence upon the question of title therein, whatever may be the value of the property, solely for the purpose of determining the character and extent of possession and damages for detention. In forcible entry pro-ceedings, he may grant preliminary injunctions, in accordance with the provisions of the Rules of Court, to prevent the defendant from committing further acts of dispossession against the plaintiff.

"xxx xxx xxx"

Presumably, the lower court felt that the present case falls within the purview of the second sentence of the foregoing provi-sion, which makes reference to "several claims or causes of ac-tion between the same parties embodied in the same complaint," thereby overlooking the fact that the "distinct interest" of each of the plaintiffs "over the estate left by Leon Ganaban," is something entirely different from their "cause of action" against defendant herein. Plaintiffs' complaint sets forth only one cause of action, namely, the right of Leon Ganaban to recover the money admittedly entrusted by him to the defendant. The singleness of that cause of action is not affected by the circumstance that its enforcement is now sought by his heirs, who, as such, have merely stepped into his shoes, and are thus his alter egos. The truth of this assertion becomes more apparent when we bear in mind that the present case could have been brought by the administrator - had there been one - of the estate of the deceased. The fact that several persons would profit by such case would not have the effect of splitting the cause of action therein into as many claims or causes of action as there are beneficiaries or heirs of the deceased.

Needless to say, the cases relied upon by the lower court are not in point. In that of *Abon vs. Pablo*⁶, there were fifty-one (51) plaintiffs, each one of whom held, as tenant of the defendant, a property distinct from that leased to each of the other plaintiffs, under individual contracts separately made, with each one of them, by the defendant. Allying that the latter had collected, by way of rentals, more than what was legally demandable from each of them, said plaintiffs filed, with the Court of First Instance of Manila, a complaint to recover the aforementioned excess payments, aggregating P6,843.67. None of their individual claims exceeded P5,000.00. The *Soriano* case⁷ involved several employees or laborers, who, having been dismissed allegedly without cause, filed a joint complaint to recover, from their common employer, their respective separation pays, aggregating P5,235, even if the largest single claim was P300. The case of *International Colleges vs. Argonza*⁸ similarly referred to a complaint, filed by several employees of the International Colleges, for the recovery of salaries due to them individually, which, altogether, amounted to P14,211.13, although the highest individual claim did not exceed P1,300.

In these three cases, it is clear that the cause of action of each one of the plaintiffs was distinct, separate and independent from that of the other plaintiffs, so that the jurisdiction over the subject-matter of the litigation, insofar as it was dependent upon the amount involved, should be determined by the sum claimed by each one of the plaintiffs, not by the aggregate amount of their claims put together. In the case at bar, plaintiffs herein sued, as heirs of the deceased Leon Ganaban, to enforce a right of the latter, thereby setting up no more than one cause of action against the defendant. As a consequence, the sum total of the judgment prayed for in plaintiffs' complaint, which lies within the competence of the lower court, not of a municipal or city court, is determinative of the jurisdiction over the case.

Defendant alleges, however, that plaintiffs' appeal has been filed out of time, because their motion for reconsideration in the lower court was neither verified nor supported by an affidavit of merits. This pretense is manifestly untenable, inasmuch as said verification and affidavit of merits are not required by section 2 of Rule 37 of the Rules of Court except when the motion for reconsideration is based either upon "(f)raud, accident, mistake or excusable negligence", none of which was the ground relied upon by plaintiffs herein. Their motion for reconsideration was predicated upon the theory that the lower court had jurisdiction over the subject-matter of the case, for which neither a verification of the motion nor an affidavit of merits was necessary, because the facts and the law invoked in support thereof appear on record.

It having been established that defendant had received the sum of P5,550, in trust for Leon Ganaban, and had not, with the exception of a partial payment of P302.50 made by her, refunded said amount, it follows that she should reimburse the difference of P5,247.50, with interest thereon at the rate of six per centum (6%) per annum, from October 21, 1952, until fully paid. Moreover, considering that the defendant had no semblance of justification for said failure to discharge her aforementioned obligation, thereby compelling the plaintiffs to litigate, since June 20, 1963, up to the highest court of the land, and to engage, in connection therewith, the services of counsel, it is Our considered opinion that she should, also, pay twenty per centum (20%) of the principal of said obligation, as and for attorney's fees.

WHEREFORE, the judgment appealed from is hereby reversed and another one shall be entered sentencing the defendant Magdalena Bayle to pay the plaintiffs herein: (1) the sum of P5,247.50, with interest thereon, at the legal rate, from October 21, 1952, until full payment; (2) twenty per centum (20%) of said sum of P5,247.50, as attorney's fees; and (3) the costs.

IT IS SO ORDERED.

Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Castro, Fernando, Teehankee, and Barredo, JJ., concur.

[1] See Exhibit D.

[2] See Exhibit E.

3 L-18096, January 31, 1963.

4 86 Phil. 523.

5 It should be *International Colleges v. Argonza*, 90 Phil. 470.

6 *Supra*.

7 *Supra*.

8 *Supra*.

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.