

**LAPANDAY AGRICULTURAL AND DEVELOPMENT CORPORATION,
PLAINTIFF-APPELLANT, VS. ILANG-ILANG QUIJANO AND DR. ROMEO
F. QUIJANO, DEFENDANTS-APPELLEES.**

Ponente: INTING, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6691d94108f4/>

INTING, J.:

Before Us is an Appeal taken under Rule 41 of the Rules of Court from the Decision[1] dated November 26, 2007 issued by the Regional Trial Court, 11[th] Judicial Region, Branch 17, Davao City in Civil Case No. 29,074-02. The dispositive portion[2] of which reads:

WHEREFORE, finding the cause of action of plaintiff corporation against the defendants, not proved by sufficient preponderance of evidence, is DENIED and this case ordered DISMISSED.

On the other hand, plaintiff corporation, LAPANDAY AGRICULTURAL & DEVELOPMENT CORPORATION, is ordered to pay defendant, DR. ROMEO QUIJANO, reasonable attorney's fees of FIFTY THOUSAND (P50,000.00) PESOS, as a result of the filing of this case against the defendants, who suffered damages through incurring unnecessary expenses for the services of counsel, to protect his right and interest against the unjustifiable filing of this case.

The prayer of defendants however, for an award of moral damages, is DENIED for failure to prove they are entitled for said award.

SO ORDERED.

The facts are as follows:

Plaintiff-appellant Lapanday Agricultural and Developmental Corporation is principally engaged in the business of farming, producing, growing, marketing, and merchandising on wholesale of all kinds of farm produce, fruits, vegetables, and other agricultural products. It likewise operates a banana plantation located at Camucan, Aplaya, Hagonoy, Davao del Sur, with an estimated area of six hundred thirty-two (632) hectares, where plaintiff-appellant plants, grows and harvest bananas for export.

To protect as well as to ensure the quality of its export-grade bananas, plaintiff-appellant employs pest-control measures, among which, is the use of pesticides.

On March 6, 2000, defendants-appellees wrote and caused the publication of an article entitled "Poisoned Lives" in The Philippine Post, a broadsheet newspaper of nationwide and general circulation. The complete contents of this article were quoted verbatim in the plaintiff-appellant's memorandum.

Plaintiff-appellant claimed that defendants-appellees acted willfully and with extreme malice in writing and causing the publication of the subject article, which is replete with falsehoods and fabrications, and which falsely and irresponsibly portrays plaintiff-appellant as being engaged in illegal and unjust activities, and in causing hardship and suffering, even death, to the villagers mentioned in the article.

On April 10, 2002, plaintiff-appellant corporation filed a complaint for damages on the basis of the alleged libelous article before the Regional Trial Court of Davao City.

Pre-trial was conducted. The parties came up with the sole issue of whether or not the causes of action of the plaintiff against the defendant, has factual and legal basis, along with the evidence of defendant, to prove its defenses.

Thereafter, trial ensued for several settings. After the presentation of the parties' respective evidence, the lower court required them to file their respective memorandum.

The lower court on November 26, 2007 rendered a decision dismissing the instant complaint for lack of cause of action and ordered the plaintiff-appellant to pay the defendants-appellees in the amount of P50,000.00 representing reasonable attorney's fees as a result of the case.

Aggrieved, plaintiff-appellant interposed the present appeal and raised the following assignment of errors[3]:

A.

WITH DUE RESPECT, THE COURT A QUO ACTED CONTRARY TO LAW AND THE EVIDENCE ON RECORD WHEN IT DISMISSED THE COMPLAINT AND WHEN IT GRANTED DEFENDANTS-APPELLEES' COUNTERCLAIMS NOTWITHSTANDING THE PREPONDERANCE OF EVIDENCE SHOWING THAT:

1)

DEFENDANTS-APPELLEES MALICIOUSLY FABRICATED TALES IN THEIR SUBJECT ARTICLE ABOUT THE ADVERSE EFFECTSS OF THE OPERATION OF PLAINTIFF-APPELLANT'S BANANA PLANTATION ON THE VILLAGER'S HEALTH.

2)

PLAINTIFF-APPELLANT'S USE OF PESTICIDES IN ITS PLANTATION HAVE HAD NO ADVERSE EFFECTS ON HEALTH AND THE ENVIRONMENT.

3)

DEFENDANTS-APPELLEES FALSELY AND MALICIOUSLY WROTE IN THEIR SUBJECT ARTICLE THAT PLAINTIFF-APPELLANT VIOLATED LABOR LAWS.

4)

DEFENDANTS-APPELLEES' MALICE AND BIAS WERE EVIDENT FROM DEFENDANT-APPELLEE ROMEO QUIJANO'S TESTIMONY SHOWING HIS BIAS AGAINST THE USE PER SE OF PESTICIDES.

5)

DEFENDANTS-APPELLEES' CLAIM THAT PLAINTIFF-APPELLANTS' USE OF PESTICIDES HAVE CAUSED DEATH IS UNSUBSTANTIATED BASED ON HEARSAY.

6)

DEFENDANTS-APPELLEES' CLAIM THAT PLAINTIFF-APPELLANT'S USE OF PESTICIDES HAVE CAUSED FISHKILL IS LIKEWISE UNSUBSTANTIATED AND BASED ON HEARSAY.

7)

DEFENDANTS-APPELLEES' MALICE IS CLEAR IN THEIR UNSUBSTANTIATED AND UNPROVEN CLAIM THAT THE VILLAGE OF KAMUKHAAN IS A WASTELAND.

8)

DEFENDANTS-APPELLEES' MALICE IS CLEAR IN THEIR UNSUBSTANTIATED AND UNPROVEN CLAIM THAT PLAINTIFF-APPELLANT REFUSED "TO PAY FOR THE HOSPITAL BILLS OF THE PEOPLE AFFECTED PESTICIDE POISONING."

9)

DEFENDANTS-APPELLEES' MALICE IS CLEAR IN THEIR FAILURE TO OBSERVE THE BASIC RULE OF FAIR PLAY WHEN THEY DID NOT BOTHER TO GET THE SIDE OF PLAINTIFF-APPELLANT PRIOR TO PUBLISHING THE SUBJECT ARTICLE.

10)

PLAINTIFF-APPELLANT IS ENTITLED TO AN AWARD OF MORAL DAMAGES FROM DEFENDANTS-APPELLEES.

11)

PLAINTIFF-APPELLANT IS LIKEWISE ENTITLED TO AN AWARD OF EXEMPLARY DAMAGES AND ATTORNEY'S FEES FROM DEFENDANTS-APPELLEES.

B.

WITH DUE RESPECT, THE COURT A QUO PLAINLY ERRED WHEN IT RULED THAT:

1)

THERE WAS NO PERSONAL MOTIVATION ON THE PART OF THE DEFENDANTS-APPELLEES IN MAKING THE SUBJECT PUBLICATION.

2)

THE CREDIBILITY OF PLAINTIFF-APPELLANT'S WITNESSES IS NOT RELIABLE.

3)

DEFENDANT-APPELLEE DR. ROMEO QUIJANO'S EVIDENCE IS BASED ON PERSONAL KNOWLEDGE.

4)

THE SUBJECT PUBLICATION CONSTITUTES QUALIFIED PRIVILEGED COMMUNICATION.

C.

THE COURT A QUO PLAINLY ERRED WHEN IT HELD THAT PLAINTIFF-APPELLANT IS NOT ENTITLED TO DAMAGES AND IS LIABLE TO DEFENDANTS-APPELLEES FOR ATTORNEY'S FEES.

On June 13, 2013, this Court issued a Resolution[4] referring the instant controversy to the Philippine Center for Mediation (PMC) pursuant to A.M. No. 04-3-15 SC PHILJA dated March 23, 2004 (Resolution No. 04-04), the Revised Guidelines for the Implementation of Mediation in the Court of Appeals.

Subsequently, on November 25, 2013, Court of Appeals-Mindanao Station PMC Coordinator Melody Ugang Salise filed an Appellate Court Mediation's Report.[5] The relevant portion of which states:

x x x x x x x x

"On the said mediation conference, the case was successfully mediated.

WHEREFORE, the PMC prays of this Honorable Court of Appeals to render judgment pursuant to the terms of the Compromise Agreement.

The case is hereby submitted to the Twenty-Second Division and back to appellate court proceedings."

x x x x x x x x

The attached Compromise Agreement[6] before the Court of Appeals, Mindanao Station, Philippine Mediation Center (PMC) executed by the parties with the assistance of Appellate Court Mediator, Atty. Benjamin E. Pelaez, reads:

x x x x x x x x

"After a lengthy discussion, the parties were able to effect an amicable settlement with the following terms and conditions:

1)

Plaintiff-Appellant voluntarily withdraw the above captioned case;

2)

In consideration thereof, Respondents-Appellees will not anymore collect the Fifty Thousand [P50,000.00] representing monetary award by the RTC, Branch 17, Davao City;

3)

The parties agreed that they will not make any disclosure or statement in the future in relation to the case;

4)

That the parties agreed that they will no longer pursue their case against each other and hereby pray that the instant case be dismissed;

IN WITNESS WHEREOF, the Parties hereto have mutually and voluntarily agreed to the above stipulations, and sign this Agreement, at the Philippine Mediation Center, Court of Appeals, on this 25[th] DAY OF NOVEMBER 2013 for the consideration and approval of the Honorable Court.”

x x x x x x x x

Article 1306 of the Civil Code provides that “contracting parties may establish such stipulations, clauses, terms, and conditions, as they may deem convenient, provided that they are not contrary to law, morals, good customs, public order, or public policy.” A compromise agreement is a contract whereby the parties make reciprocal concessions, avoid litigation, or put an end to one already commenced.[7] It is an accepted, even desirable and encouraged, practice in courts of law and administrative tribunals.[8]

The parties are instructed that a compromise agreement intended to resolve a matter already under litigation, like in this case, is a judicial compromise. Having judicial mandate and entered as its determination of the controversy, such judicial compromise has the force and effect of a judgment. It transcends its identity as a mere contract between the parties, as it becomes a judgment that is subject to execution in accordance with the Rules of Court. Thus, a compromise agreement that has been made and duly approved by the court attains the effect and authority of *res judicata*, although no execution may be issued unless the agreement receives the approval of the court where the litigation is pending and compliance with the terms of the agreement is decreed.[9]

Generally favored in law, such agreement is a bilateral act or transaction that is binding on the contracting parties and is expressly acknowledged by the Civil Code as a juridical agreement between them. Provided it is not contrary to law, morals, good customs, public order or public policy, it is immediately executory.[10] To be valid, a compromise agreement is likewise required by law to be based on real claims and to be actually agreed upon in good faith.[11] In this case, both conditions are present. The claims of the parties are valid, and the agreement done without any fraud or vice of consent.

WHEREFORE, finding that the Compromise Agreement dated November 25, 2013 is not contrary to law, morals, good customs, public order and public policy, this Court APPROVES it, and GRANTS the prayer that a judgment based on the Compromise Agreement dated November 25, 2013 be rendered.

Judgment based upon the Compromise Agreement dated November 25, 2013 is RENDERED, and the afore-quoted terms and conditions are deemed an integral part of the dispositive portion of this Decision. Parties are ORDERED to faithfully comply with the terms and conditions of the compromise agreement.

Accordingly, the Division Clerk of Court is hereby directed to issue an entry of judgment pursuant to Rule VII, Sec. 1, par. (b) of the 2009 Internal Rules of the Court of Appeals.

SO ORDERED.

Lopez (Acting Chairperson) and Badelles,[*] JJ., concur.

[*] Vice J. Camello, per Raffle dated January 16, 2014.

[1] Rollo, pp. 159-184, penned by Hon. Renato A. Fuentes.

[2] Ibid., p. 184.

[3] Ibid., pp. 116-118.

[4] Ibid., pp. 192-193.

[5] Ibid., p. 198.

[6] Ibid., p. 200.

[7] Article 2028, Civil Code of the Philippines; Harold v. Aliba, G.R. No. 130864, October 2, 2007, 534 SCRA 478, 486.

[8] DMG Industries, Inc. v. Philippine American Investments Corporation, G.R. No. 174114, July 6, 2007, 526 SCRA 682, 687.

[9] Viesca v. Gilinsky, G.R. No. 171698, July 4, 2007, 526 SCRA 533, 557-558.

[10] MIAA v. ALA Industries Corp., G.R. No. 147349, February 13, 2004 citing Amarante v. CA, 232 SCRA 104, 108, May 3, 1994, v. CA, 321 Phil. 224, 231, December 4, 1995, Article 1306 of the Civil Code and Rosaura v. Judge Villanueva Jr., 389 Phil. 699, 706, June 26, 2000.

[11] National Commercial Bank of Saudi Arabia v. Court of Appeals, et al., G.R. No. 124267, January 17, 2005.

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.