

PATRICIO S. CUNANAN, PETITIONER, VS. HON. COURT OF APPEALS AND BASARAN (MORO), RESPONDENTS.

G.R. No. L-25511. September 28, 1968

Ponente: CONCEPCION, C. J.

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CONCEPCION, C. J.:

Patricio S. Cunanan seeks the review on certiorari of a decision of the Court of Appeals. As therein set forth, the factual background is as follows:

"x x x it appears that on February 14, 1948, Patricio S. Cunanan lodged a complaint for forcible entry against the herein defend-ant Basaran Nicolas, a Philippine Moslem, with the Justice of the Peace Court of Mati, Davao. The controversy between the two was, however, amicably settled when on March 20, 1948, the parties, assisted by their respect-ive counsel, entered into a compromise agreement in this tenor:

" 'COMPROMISE AGREEMENT

Come now the plaintiff and the defendant in the above-entitled case, thru their respective counsel, and to this Honorable Court respectfully submit the following Compromise Agreement:

“ That the plaintiff cedes and hereby ack-nowledges the right of ownership and possession of the defendant over a portion of land consisting of five (5) hectares together with the improvement thereon, which is a portion of a bigger parcel of land situated in Bobon-Tamisan, Mati, Davao, declared for purposes of taxation in the name of Basaran Nicolas (Moro) under Tax No. 2195 for the current year, and which corresponds to the Southwestern part of the land described in the com-plaint, and declared for purposes of taxation in the name of the plaintiff Patricia S. Cunanan, under Tax No. 5742 for the year of 1936;

" That the defendant likewise renounces and acknowledges the right of ownership and posses-sion of the plaintiff over the other half of the land above-mentioned, including the improvements there-on;

" Wherefore, the plaintiff and the defendant most respectfully pray that judgment be rendered in accordance with the foregoing agreement without pronouncement as to costs.

"Mati, Davao, March 20th, 1948.'

" On the basis of this compromise agreement, the Justice of the Peace Court of Mati, Davao, rendered judgment in accordance with its stipulations, enjoining the parties to comply therewith (See Exhibit C).

On August 26, 1953, plaintiff commenced the pre-sent proceedings [1], alleging that the defendant and he (plain-tiff), without any writ of execution, complied with the afore-said compromise agreement and the decision rendered in con-sonance with its prayer from March 20, 1948 until about the middle of 1951, when the defendant, taking advantage of plaintiff's frequent trips to Manila and Davao City, maliciously, illegally and forcibly encroached beyond the five (5) hectares ceded to him (defendant) and en-tered, occupied and harvested plaintiff's coconuts, to the great damage and prejudice of the plaintiff. The complaint prayed for

judgment ordering the execution of the decision of the Justice of the Peace Court of Mati, Davao (Exh. C), commanding the defendant to vacate the property allegedly usurped by the latter and condemning said defendant to pay to plaintiff actual damages and attorney's fees to the tune of P4, 435, plus the costs of the suit.

"Several motions and supplemental motions to dismiss as well as answer were filed by the defendant to the foregoing complaint. Against these, the plaintiff interposed his opposition.

"Holding that the compromise agreement, ante, was null and void because it did not confine itself to simply deciding the question of possession, which is the legitimate province of a forcible entry case, but also adjudicated ownership of a parcel of land, a matter obviously beyond the competence of an inferior court to pass upon; and that the revival of the action to execute the judgment in the forcible entry case, aforesaid, after the lapse of five years from the rendition thereof should have been brought in the very Court that gave judgment in said forcible entry case, the trial Court dismissed plaintiff's complaint and defendant's counterclaim, with costs against the plaintiff. "

On appeal, taken by Cunanan, the Court of Appeals declared the decision of the Justice of the Peace Court "null and void" upon the ground that the latter had no authority to pass upon the title to a real property and that the compromise agreement, on which said decision was based, had the same infirmity, for lack of approval by the Provincial Governor of Davao or his representative. Accordingly, the Court of Appeals restored the parties "to their position before the institution of this action, without special pronouncement as to costs.

The view taken by the Court of First Instance of Davao and the Court of Appeals is untenable. It is true that, in the compromise agreement, Cunanan ceded and, acknowledged "the right of ownership and possession" of Basaran over the Southwestern half of the land involved in the forcible entry case, whereas, Basaran renounced and acknowledged Cunanan's "right of ownership and possession x x over the other half" of said land. The approval of this agreement by the Justice of the Peace Court and its decision "rendered in accordance with the express terms and conditions stipulated therein, enjoining the parties to comply with the agreement," did not amount, however, to an adjudication on the title to the land aforementioned. The ownership thereof was mentioned in said agreement merely as a basis for the right of possession therein acknowledged by both parties. Such right of possession was the only question sought to be settled and actually decided, therefore, by the Justice of the Peace.

As regards the effect upon said agreement of the lack of approval thereof by the provincial governor or his authorized representative, Sections 145 and 146 of the Administrative Code of Mindanao and Sulu provide:

"Sec. 145. Contracts with non-Christians; requisites. - Save and except contracts of sale or barter of personal property and contracts of personal service comprehended in chapter seventeen hereof no contract or agreement shall be made in the Department by any person with any Moro or other non-Christian inhabitant of the same for the payment or delivery of money or other thing of value in present or in prospective, or in any manner affecting or relating to any real property, unless such contract or agreement be executed and approved as follows:

"(a) Such contract or agreement shall be in writing, and a duplicate thereof delivered to each party.

"(b) It shall be executed before a judge of a court of record, justice or auxiliary justice of the peace, or notary public, and shall bear the approval of the provincial governor wherein the same was executed or his representative duly authorized in writing for such purpose, indorsed upon it.

"(c) It shall contain the names of all parties in interest, their residence and occupation; x x x.

"(d) It shall state the time when and place where made, the particular purpose for which made, the special thing or things to be done under it, and, if for the collection of money, the basis of the claim, the source from

which it is to be collected and the person or persons to whom payment is to be made, the disposition to be made thereof when collected, the amount or rate per centum of the fee in all cases; and if any contingent matter or condition constitutes a part of the contract or agreement, the same shall be specifically set forth.

(e) x x x

“(f) The judge, justice or auxiliary justice of the peace, or notary public before whom such contract or agreement is executed shall certify officially thereon the time when and the place where such contract or agreement was executed, and that it was in his presence, and who are the interested parties thereto, as stated to him at the time; the parties making the same; the source and extent of authority claimed at the time by the contracting parties to make the contract or agreement, and whether made in person or by agent or attorney of any party or parties thereto.

"Sec. 146. Void contracts. - Every contract or agreement made in violation of the next preceding section shall be null and void; x x x x."

The foregoing provisions manifestly contemplate ordinary contracts, not agreements for the settlement of judicial proceedings, approved by the court before which the same are pending. The evident purpose of said provisions is to forestall the conflicts - some of which may affect peace and order - that often ensue in contracts made by or with non-Christians, when they have not clearly understood the import and effects thereof. The evils thus sought to be avoided can hardly exist in compromise agreements, like the one under consideration, the parties thereto having had the assistance of their respective counsel, and the benefit of judicial scrutiny and approval. In fact, the Justice of the Peace considered, not only whether the parties fully understood their commitment under the agreement, but, also, whether the same infringed any existing laws or violated any "customs or usages observed in the locality." Besides, both parties forthwith took possession of the portions respectively allotted to them, thereby leaving no room for doubt that they were well aware of the nature of their undertakings and that the same reflected their true intent.

Needless to say, we cannot assume that said sections 145 and 146 intended to attach to the administrative approval given by a provincial governor or his representative a greater weight than that due to the approval given by a court of justice. This is especially true when we consider that, without a formal contract between the parties, and in consequence merely of the allegations and/or admissions in their respective pleadings, the Justice of the Peace Court could have rendered a valid decision sanctioning Basaran's right to possess the Southwestern half of the land in dispute, and upholding Cunanan's identical right as regards the rest of the land. The questioned decision of the Justice of the Peace Court is, thus, clearly valid and binding upon the parties.

This notwithstanding, plaintiff herein is not entitled, in the case at bar, to a writ of execution of said decision, because the same had already been executed, both parties having voluntarily complied with it, and because, otherwise, plaintiff should have either applied for a writ of execution in the forcible entry case, before the lapse of five (5) years since the rendition of the decision therein, or filed with the Justice of the Peace Court an action for the revival thereof, after the expiration of said period.

Inasmuch, however, as, according to Cunanan's complaint in the Court of First Instance, Basaran had usurped the portion pertaining to him (Cunanan) for over a year, before the institution of the present action publiciana, the same is in order and plaintiff is entitled to a determination of the issues of fact raised in the pleadings therein.

WHEREFORE, the decision of the Court of Appeals and that of the Court of First Instance are hereby reversed and let this case be remanded to the Court of First Instance of Davao for further proceedings, with the cost of this instance against Basaran Nicolas.

IT IS SO ORDERED.

Reyes, J.B.L., Makalintal, Sanchez, Castro, Angeles, Fernando, and Capistrano, JJ., concur.
Dizon and Zaldivar, JJ., did not take part.

[1] In the Court of First Instance of Davao.

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