ISAAC NAVARRE, PLAINTIFF AND APPELLEE, VS. VICENTE BARREDO, ET AL., DEFENDANTS AND APPELLANTS.

G.R. No. L-8660. May 21, 1956

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/8354adf5ce31/

BAUTISTA ANGELO, J.:

On December 16, 1944, Vicente Barredo and his wife Tomasa Marquinez executed in favor of Isaac Navarre a deed of mortgage on a parcel of land, together with the improvements thereon, situated in Makati, Rizal, to secure the payment of a loan of P30,000. This deed was ratified before a notary public on December 18, 1944 and registered in the Office of the Register of Deeds on December 20, 1944.

On the same day of the execution of the mortgage, that is, on December 18, 1944, the spoustes signed in favor of the mortgagee a promissory note for the amount of P3,000 payable in "either Philippine Silver (metal) Pesos, or Philippine Treasury Notes without interest, * * * within two years after the end of war in the Philippines", and providing therein that upon payment of said amount, "the real estate mortgagee covering my one parcel of land, together with the building and other improvements thereon— which mortgage I have executed in favor of Mr. Isaac Navarre is thereby cancelled and declared void of no further force and effect."

On January 20, 1954, the present action was instituted by Isaac Navarre against the spouses Vicente Barredo and Tomasa Marquinez alleging that the loan of P3,000 was long overdue but said spouses have refused to pay the same and praying that judgment be rendered for said amount of P3,000, plus P500 as attorney's fees, and other incidental expenses in the amount of P120 and that, in default of payment, the mortgage be ordered foreclosed in accordance with law.

Defendants answered the complaint alleging that the loan sought to be collected was. not yet due for the reason that the Philippines is still at war with Japan, there being no peace treaty signed between the two countries. No trial was held of the case because the parties agreed to submit it for decision on the pleadings. So on July 7, 1954, the lower court rendered judgment finding that the war in the Philippines ended "when Japan surrendered unconditionally to the Allied Powers on September 2, 1945" and, consequently, ordered that defendants pay the amounts claimed and, in default thereof, that the mortgage be foreclosed in accordance with law. Defendants appealed from this decision.

The main error assigned by appellants refers to the finding of the lower court to the effect that war in the Philippines ended "when Japan surrendered unconditionally to the Allied Powers on September 2, 1945 and that the obligation in Question became due and payable two years thereafter." It is contended that this finding is erroneous because it contravenes the ruling laid down by this Court in several cases involving the meaning of the phrase "termination of war", one of which being De la Paz, Fabie vs. Court of Appeals, et al., 96 Phi]., 683, wherein it was held that "war terminates when peace is formally proclaimed, except where the parties have intended otherwise and meant merely cessation of hostilities—in which case their intention must be given effect."

We have no quarrel with this contention of counsel as regards the correct interpretation that should be placed on

the phrase "termination of war" or "end of war" which has been used by the parties in several private contracts as an incidence of the last war in the Pacific. Indeed, in the case above-cited, this Court has stated that, as a general rule, "war terminates when peace is formally proclaimed, except when the parties have intended otherwise and meant merely cessation of hostilities—in which case their intention must be given effect" and that, "an exception to the general rule must be proven by adequate circumstances, facts, declaration, etc." In other words, the question is one of intent and if such is not manifest it should be presumed tyat the parties meant a termination of war by formal proclamation of peace.

But we differ with counsel in the application of the rule to the present case. It should be stated that when the parties executed the contract in question, and made reference therein to the phrase "end of war", they could not have had in mind the war then raging between the Philippines and Japan but the one declared between the latter country and the United States because at that time the Philippines was still a dependency of the United States and if it was dragged into war it was merely because of the involvement of the United States. It is therefore erroneous to hold that in contemplation of law the war between the Philippines and Japan has not yet ended simply because no peace treaty has so far been concluded between the two countries.

While counsel may be correct in his stand that war with Japan has not legally been terminated when said country surrendered unconditionally to the Allied Powers on September 2, 1945, we may say however that, in the legal sense, war formally ended in the Philippines the moment President Harry S. Truman officially issued a proclamation of peace on December 31, 1946 upon the theory that the. Philippines, even if already independent, was an ally of the United States because, according to this Court "war terminates when peace is formally proclaimed" (De la Paz, Fabie vs. Court of Appeals, supra). And if counsel meant that there should be a formal treaty of peace, we may say that this purpose has also been accomplished when the treaty of peace with,Japan had been signed in San Francisco, California on September 8, 1951 by the United States and the Allied Powers, including the Philippines. Indeed, the parties could not have referred to any other treaty when they executed the contract in question because the war that was then going on was the one declared between the United States and the Allied Powers on one hand and Japan on the other.

It appearing that the present action was initiated by the plaintiff in 1954, it follows that more than two years had elapsed since the end of the war whether this be computed from the date of the proclamation of peace by President Truman (December 31, 1946), or from the signing of the treaty of peace with Japan on September 8, 1951. Consequently, the action taken by the plaintiff is no longer premature as claimed by "appellants.

Wherefore, the decision appealed from is affirmed, with costs against appellants.

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

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

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.