

PAULINO V. NERA, PETITIONER AND APPELLEE, VS. FELIPE L. VACANTE, JUSTICE OF THE PEACE OF LAMBUNAO, ILOILO, AND SANTIAGO P. DAKUDAO, RESPONDENTS AND APPELLANTS.

G.R. No. L-15725. November 29, 1961

Ponente: PADILLA, J.

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PADILLA, J.:

Santiago P. Dakudao appeals from a judgment of the Court of First Instance of Iloilo holding that the Justice of the Peace Court of Lambunao, province of Iloilo, is without jurisdiction to hear and determine civil case No. 214, Santiago P. Dakudao, plaintiff, vs. Paulino V. Nera, defendant, and that its order dated 6 January 1959, denying the therein defendant's motion to dismiss and setting the case for hearing on 19 January 1959 at 8:00 o'clock in the morning is null and void, declaring permanent the writ of preliminary injunction issued on 30 January 1959, and granting the petitioner's prayer for a writ of certiorari (civil No. 5094).

On 22 October 1958 Santiago P. Dakudao (the appellant) filed a complaint dated 21 October 1958 for detainer against Paulino V. Nera (the appellee) in the Justice of the Peace Court of Lambunao, Iloilo (the respondent Court), alleging that on 17 October 1956, in the City of Iloilo, the appellant and the appellee entered into a contract whereby the former agreed to sell to the latter seven parcels of agricultural land for and in consideration of the sum of P32,000 payable as follows: P7,000 upon signing the contract and the balance of P25,000 by installment, P10,000 on 30 June 1958 and P15,000 on June 1960, the unpaid balance to draw interest at the rate of 6% per annum, payable in Davao City within thirty days after 31 December of each and every year; that in addition to the foregoing terms and conditions, the contracting parties stipulated that the appellant would deliver possession of the seven parcels of land to the appellee after signing the contract, including the standing crop during the year 1956-1957 and the improvements thereon; and that a violation of any of the terms and conditions of the contract would render it null and void and whatever amount paid would be considered as rentals of the land and the improvements existing thereon would be forfeited in favor of the appellant, who is authorized to take possession of the land and improvements, from the appellee or anybody acting in his behalf, without any court order or permission; that the appellee had failed to pay the sum of P10,000 when it fell due on 30 June 1958; that despite repeated demands made by the appellant to pay the said sum the appellee had refused and failed to pay it; that the appellant had made demands upon the appellee to deliver to him the possession of the seven parcels of land but the latter had refused and failed to comply with the former's demands and instead by means of force, intimidation, threat, strategy or stealth, since 30 June 1958, has unlawfully withheld possession of the said parcels of land and has deprived the appellant of the enjoyment thereof, to his damage and prejudice; that as a result of the appellee's unlawful withholding of the possession of the parcels of land the appellant has suffered damage in the sum of P4,000 and will continue to suffer it at rate of P400 a month until possession thereof shall have been restored to him; that in seeking redress and vindication of his right the appellant has to employ the services of counsel whom he had paid the sum of P600, and praying that the appellee be ordered to vacate the seven parcels of land and restore possession thereof to the appellant; to pay the appellant damages in the sum of P4,000 and

P400 monthly thereafter as reasonable rental for the use and occupation of the parcels of land; and to pay the appellant the sum of P600 as attorney's fees, the cost of litigation, and the Court to grant him other just and equitable relief (civil No. 214, Annex A).

On 3 December 1958 the appellee filed a motion to dismiss on the ground that the complaint states no cause of action and that the respondent Court has no jurisdiction of the subject matter of the suit. He argued that the contract entered into by and between him and the appellant is a consummated sale, and both of them have reciprocal obligations thereunder; that granting that there has been a violation of the terms and conditions of the contract on his part, yet the appellant singly or unilaterally cannot rescind the contract; that such being the case the appellant should first seek a judicial rescission of the contract before instituting an action for detainer against the appellee; and that the respondent Court has no jurisdiction over actions for rescission of contracts (Annex B).

On 22 December 1958 the appellant filed a reply to the appellee's motion to dismiss contending that having failed to pay the stipulated amount on the due date, the appellee's right to hold possession of the parcels of land, pursuant to their contract, already has ceased; that for that reason the appellee is unlawfully withholding possession of the parcels of land; and that his remedy is a detainer action cognizable by the respondent Court (Annex C).

On 6 January 1959 the respondent Court denied the appellee's motion to dismiss and set the case, for hearing on 19 January 1959 at 8:00 o'clock in the morning (Annex D).

On 29 January 1959 the appellee filed a petition for certiorari with preliminary injunction in the Court of First Instance of Iloilo against the appellant and the respondent Court alleging that the object of the former's complaint is not for detainer but for rescission of contract, which is not cognizable by the latter; that the denial by the respondent Court of the appellee's motion to dismiss and setting the case for hearing amounts to grave abuse of discretion and constitutes lack or excess of jurisdiction; that the appellee has no other plain, speedy and adequate remedy in the ordinary course of law except this petition for certiorari; and that the enforcement of the order of the respondent Court dated 6 January 1959 would cause great and irreparable injury and would work injustice to the appellee, and praying that the order of the respondent Court, dated 6 January 1959, denying the appellant's motion to dismiss civil case No. 214 for detainer and setting it for hearing on 19 January 1959 at 8:00 o'clock in the morning (Annex D), be annulled and set aside; that pending determination of the case, and upon the filing of a bond to be fixed by the Court, a writ of preliminary injunction be issued restraining the respondent Court from enforcing the order complained of (Annex D); and that the appellee be ordered to pay the costs, and for other just and equitable relief (civil No. 5094). On 30 January 1959 the Court entered an order directing the appellant and the respondent Court to answer the petition within ten days from receipt of notice and granting the writ of preliminary injunction prayed for upon the filing of a bond by the appellee in the amount of P500. Upon the filing of the required bond, on the same date, 30 January 1959, the Court issued the writ. The next day it was served upon the appellant and the respondent Court.

On 9 February 1959 the appellant filed his answer to the petition for certiorari contending that it is premature because the appellee had not sought a reconsideration of the order of the respondent Court denying his motion to dismiss; that it lacks legal basis because the appellee has not shown that the respondent Court has no jurisdiction; and that it is filed for the sole purpose of molesting and harassing the appellant and delaying the disposition of the case. On the same date, the respondent Court filed its answer contending that on the face of the complaint filed in civil case No. 214, it appears that the action is for detainer which is within its exclusive original jurisdiction and that the appellee's allegations tending to divest it of jurisdiction are matters of evidence. Both of them prayed for dismissal of the petition, with costs against the appellee.

On 25 February 1959 the appellant filed an "urgent motion" to set the hearing of the case on a date much earlier than 30 March 1959, the date originally set by the Court. On 28 February 1959 the Court directed the Clerk of Court to set the case for hearing as soon as possible. The Clerk of Court set the case for hearing on 16 March 1959 at 8:00 o'clock in the morning. After hearing, on 18 March 1959, the Court rendered judgment holding that the mere failure of a party to a contract imposing reciprocal obligations upon the parties thereto, to comply with the terms of the contract, does not automatically operate to rescind it; that to rescind a contract of that nature judicial action is necessary; that there being no allegation in the appellant's complaint that the contract to sell had been judicially rescinded, it follows that the complaint did not allege facts sufficient to constitute a cause of action; and that since justice of the peace courts have no jurisdiction to hear and determine cases of rescission or annulment of contracts, the respondent Court acted without or in excess of jurisdiction in denying the appellee's motion to dismiss and setting the case for hearing. The dispositive part of the judgment is as stated in the early part of this opinion.

On 3 April the appellant filed a motion for reconsideration and on 10 April 1959 the appellee, an objection thereto. On 9 May 1959 the Court denied the motion for reconsideration. On 28 May 1959 the appellant filed a notice of appeal and an appeal bond. In his notice the appellant states that he appeals to this court from the judgment rendered in the case "as the questions at issue involve questions of law purely." In his brief he discusses only questions of law.

The facts are stated by the trial court, as follows:

* * * On October 17, 1956, in the City of Iloilo, respondent Santiago P. Dakudao as vendor and petitioner as vendee, entered into a "Contract to Sell" whereby the vendor, in consideration of P32,000.00, agreed to sell to the vendee seven (7) parcels of land located in the Municipality of Lambunao. According to the agreement, the amount was to be paid as follows:

P 7,000.00 upon the signing of the document;
10,000.00 on June 30, 1958; and
15,000.00 on June 30, 1960.

Paragraphs 3, 4, 5 and 6 of the agreement read as follows :

"3. That the sums of ten thousand pesos (P10,000.00) and fifteen thousand pesos (P15,000.00) shall earn interest at the rate of six (6%) per cent per annum, payable in Davao City, within thirty days (30) after December 31st of every year, until after complete payment is effected.

"4. That upon full payment in cash of the balance of twenty five thousand pesos (P25,000.00) and its interest of 6% per annum, a Deed of Sale shall be executed by Santiago P. Dakudao, the vendor, in favor of Paulino V. Nera.

"5. That violation of any condition and stipulation of this contract shall render the same null and void and whatever sum paid previous thereto shall be considered as rentals of the land subject of the contract, and whatever improvements existing thereon shall belong to the vendor who is hereby authorized to take possession of the land without benefit of Court Order or permission thereby Excluding Paulino V. Nera or his laborers or others who act in his representation from the premises in question.

"6. That the vendor shall deliver the possession of the above mentioned seven parcels of land to the vendee after signing of this contract including all the present crop of 1956—1957, with the improvements thereon, and relocation of boundaries shall be at the cost of the vendee."

On October 21, 1958, Santiago P. Dakudao commenced an action of illegal detainer (Civil Case No. 214) against the herein petitioner in the Justice of the Peace Court of Lambunao, Iloilo. He alleged in his complaint

that defendant therein (petitioner in this case) had violated paragraph five of the "Contract to Sell" because he had not paid the first installment of P10,000.00 when it fell due on June 30, 1958. He prayed that said defendant be ordered to restore unto him the possession of the seven (7) parcels of land aforesaid. (See Annex A of the petition) On December 3, 1958, the herein petitioner filed motion to dismiss on the grounds (1) that the complaint stated no cause of action and (2) that the court had no jurisdiction over the subject matter of the suit. (See Annex B of the petition). On January 6, 1959, the court denied the motion to dismiss and set the case for trial on the merits on January 19, 1959, at 8 o'clock A. M. (See Annex D of the petition.) A violation by a party of any of the stipulations of a contract or agreement to sell real property would entitle the other party to resolve or rescind it. An allegation of such violation in a detainer suit may be proved by competent evidence. And if proved a justice of the peace court might make a finding to that effect, but it certainly cannot declare and hold that the contract is resolved or rescinded. It is beyond its power so to do. And as the illegality of the possession of realty by a party to a contract to sell is premised upon the resolution of the contract, it follows that an allegation and proof of such violation, a condition precedent to such resolution or rescission, to render unlawful the possession of the land or building erected thereon by the party who has violated the contract, cannot be taken cognizance of by a justice of the peace court. A stipulation entitling one party to take possession of the land and building if the other party violates the contract does not ex proprio vigore confer upon the former the right to take possession thereof if objected to without judicial intervention and determination.

The judgment appealed from is affirmed, without pronouncement as to costs.

Bengzon, C.J., Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L., Barrera, Paredes, Dizon, and De Leon, JJ., concur.

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