

CELESTINA B. RAMOS AND DE DIOS RAMOS, PETITIONERS, VS. LAUREANO AND ESPERANZA POTENCIANO, SPOUSES; LAND TENURE ADMINISTRATION (NOW LAND AUTHORITY), REPRESENTED BY THE ADMINISTR...

G.R. No. L-27104. December 20, 1976

Ponente: MAKASIAR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/9262d36f9d43/>

MAKASIAR, J.:

Appeal by certiorari from the order of the Court of First Instance of Manila dated December 7, 1964, dismissing petitioners' complaint in Civil Case No. 43738 entitled "Celestina B. Ramos and De Dios Ramos vs. Laureano and Esperanza Potenciano" (pp. 115-119, ROA; p. 9, rec.).

Petitioners maintain that:

"The lower court erred in issuing the order of 7 December 1965 (should have been 1964) and dismissing the complaint on mere motion of defendants and in not trying the case on the merits" (p. 1, Appellants' Brief; p. 40, rec.).

The dispute began when on January 28, 1957, plaintiff Celestina B. Ramos filed with the Land Tenure Administration a complaint against defendants Potenciano spouses alleging that the "Agreement to Sell" entered into between the Potenciano spouses and the Bureau of Lands (then the government entity in charge of the administration and disposition of the property in dispute--Lot 2-B, Block No. 1, Tuason Estate, Sta. Mesa, Manila, Psd-26869) was violative of the rules and regulations governing such encumbrance in that said agreement was hatched up: (a) without the benefit of a formal investigation; (b) without notifying complainant of said contract; and (c) without giving her an opportunity to present proofs of her being the preferred allocatee of the subject lot (p. 2, Brief for Land Authority; p. 50-A, rec.).

Plaintiff Ramos, thus, sought the nullification of the said "Agreement to Sell", and prayed for a formal investigation to determine who between her and the other party is rightfully entitled to the questioned lot.

After conducting a formal investigation, the Land Tenure Administration, on June 3, 1957, rendered a decision sustaining the validity of the disputed "Agreement to Sell", stating that defendants Potenciano spouses are legitimately entitled to the lot in point.

On January 20, 1959, Celestina B. Ramos appealed the decision of the Land Tenure Administration to the Office of the President.

Pending action by the Office of the President, the Potenciano spouses and the Land Tenure Administration filed Civil Case No. 32748, for the recovery of possession of the southern part of the lot in question, containing an area of 93.75 square meters which had been enclosed by Celestina B. Ramos with a fence (p. 3, Brief for Land Authority, p. 50-A, rec.).

On June 18, 1960, the trial court rendered a decision in Civil Case No. 32748 directing Celestina B. Ramos to vacate the area abovementioned and to return its possession to the Potenciano spouses (p. 3, Brief for LTA; p. 50-A, rec.).

On July 22, 1960, plaintiffs-appellants filed with the Court of First Instance of Manila Civil Case No. 43738 against respondents, with 97 averments, but primarily praying:

"That the Agreement to Sell executed by defendant spouses Laureano and Esperanza Potenciano with Land Tenure Administration over the subject lot be declared null and void, it being entered into in violation of the rules and regulations governing the disposition of government-owned lots" (p. 44, ROA; p. 9, rec.),

alleging that she (Celestina B. Ramos) has long been a bona fide occupant of the lot in question even before the government acquired the same, for which she filed an application as early as January 4, 1954, and that the respondent Potencianos are mere squatters therein (pp. 3, 5, 8-10, ROA; p. 9, rec.).

Meanwhile, on July 19, 1961, the Office of the President ruled in favor of the Potencianos and the Land Tenure Administration (p. 30, rec.).

On October 4, 1961, respondents filed a motion with the trial court to execute the decision in Civil Case No. 32748 dated June 18, 1960 on the ground that the same has already become final.

On December 8, 1961, the trial court granted the above-mentioned motion.

On February 8, 1962, herein plaintiff-appellant Celestina B. Ramos, together with her brother Adolfo Benavides, filed a petition for certiorari and prohibition with preliminary injunction with the Supreme Court, docketed as G.R. No. L-19436.

This petition, in part, avers:

"23. That, in the midst of the foregoing proceedings in Civil Case No. 32748, there is another action pending before the same respondent Court between the principal parties herein involving the same subject matter;

"Thus, docketed before the Court of First Instance of Manila, Branch XVI, as Civil Case No. 43738. x x x (T)he plaintiffs therein assail and dispute that agreement to sell numbered 13806 executed by the defendants on November 5, 1953 covering the property in issue for being in frontal contravention of the mandatory provisions of Commonwealth Act 539 and is, therefore, totally NULL and VOID. This agreement to sell is the SOLE basis of Civil Case No. 32748. Removed, respondents Laureano and Esperanza Potenciano would have ABSOLUTELY NO CAUSE OF ACTION for ejectment. Not even the Land Tenure Administration as registered owner is entitled to possession of the subject property in view of the vested right to possession and ultimate award and adjudication thereof in favor of the petitioners on the basis of their being BONA FIDE tenants of the Tuason Estate since time immemorial. But then, this is a question of fact and precisely pending determination on the merits before the respondent Court.

xx xx xx

"WHEREFORE, in view of the foregoing, petitioners most respectfully pray for the immediate issuance ex parte of a writ of preliminary injunction restraining the respondents, their representatives or agents (from) effecting the issuance and implementation of the writ of execution, or in any manner enforce the decision of June 18, 1960, rendered by the respondent Court in Civil Case No. 32748; restraining the respondents Laureano and Esperanza Potenciano and the Land Tenure Administration, their attorneys, representatives or agents, from implementing or in any manner enforcing, that Agreement to Sell numbered 13806 executed by the said respondents on November 5, 1953 pending determination on the merits of Civil Case No. 43738; x x x" (pp. 10-12, Original Petition in G.R. No. L-19436; pp. 11-13, rec. in L-19436; Italics supplied).

On November 29, 1963, the Supreme Court, through Justice Bautista Angelo, denied the above-said petition for certiorari and prohibition, stating:

"With regard to the error imputed to the court a quo in denying petitioners' motion to suspend the ejectment case to await the result of the administrative case pending before the Office of the President involving the ownership of the land in question, aside from the fact that the two cases involved different subject matter, it appears that the administrative case has ALREADY been decided by that office in favor of respondents on the ground of lack of merit" (Ramos vs. Potenciano, L-19436, Nov. 29, 1963, 9 SCRA 589, 593; underscoring and Italics supplied),

which in effect sustained the final decision in Civil Case No. 32748 evicting petitioners from the premises.

On July 11, 1964, the Ramos spouses and Adolfo Benavides filed another petition for certiorari and prohibition with preliminary injunction, this time with the Court of Appeals (docketed as CA G.R. No. 34271-R), similar to the petition in L-19436 which, as stated, was earlier dismissed by the Supreme Court (p. 50-A/5/, rec.).

On August 26, 1964, the Court of Appeals denied the above-said petition.

On September 9, 1964, petitioners appealed the Court of Appeal's denial to the Supreme Court in a certiorari petition docketed as G.R. No. L-23500, which, on October 6, 1964, the Supreme Court dismissed thus:

"After a consideration of the allegations of the petition for review of the decision of the Court of Appeals in L-23500 (Adolfo Bena-vides, et al. vs. Court of Appeals, et al.), and the motion to dismiss filed by the respondents, THE COURT RESOLVED to dismiss the petition for lack of merit" (pp. 109-110, ROA; p. 9, rec.).

Subsequently, a motion to dismiss Civil Case No. 43738 (now object of this appeal) for want of jurisdiction and/or sufficient cause of action was filed by newly-substituted defendant Land Authority (in lieu of the Land Tenure Administration) on October 22, 1964 on the ground that the above-quoted resolution of the Supreme Court in G.R. No. L-23500 dismissing the appeal by certiorari of herein plain-tiffs-appellants IMPLIEDLY confirmed the decision of the Court of Appeals. This decision of the Court of Appeals includes a pronouncement that the decision rendered by the Court of First Instance in Civil Case No. 32748, where a counterclaim became in substance the basis of the complaint in Case No. 43738 (now on appeal), has the effect of prior judgment.

On December 7, 1964, the trial court issued the challenged order dismissing the complaint and stating that:

"This is a motion filed by the defendant Land Authority to dismiss the complaint (Case No. 43738).

"The original complaint in this case was filed against the spouses Laureano and Esperanza Potenciano, Land Tenure Administration and Manuel Castañeda, Julian U. de Vera, Walfrido de los Angeles, Leonardo Española and Emilio Regala. Subsequently, the Land Tenure Administration was substituted by the Land Authority as one of the parties defendant.

"It is alleged in the complaint that the plaintiffs are in possession of a parcel of land known as Lot No. 2, Block 1, of the subdivision plan, PSD-26869 of the Tuason Estate No. 2, containing an area of 93.75. It is likewise alleged that the said lot was awarded to be sold to the defendant spouses by the various government agencies. Contending that the award of the right to buy the property in question in favor of the spouses Laureano and Esperanza Potenciano is illegal, unjustified and made with connivance of (sic) other defendants, plaintiffs appealed the decision to sell the properties to the Potenciano spouses to the office of the President for final administrative decision. x x x

"It is likewise alleged in the complaint that prior to its filing, Laureano and Esperanza Potenciano and the Land Tenure Administration now known as "Land Authority", filed a complaint to recover possession of the

property in question from the present plain-tiffs. This action to recover possession of the same property from the present plaintiffs was decided favorably to the Potenciano spouses and the decision ordered the present plaintiffs to deliver possession of the property to the Potenciano spouses. The judgment became final and a writ for the demolition of the fence constructed by the present plaintiffs over the lot was issued.

"The present plaintiffs elevated the case to the Court of Appeals which dis-missed the petition for certiorari. This order of dismissal was later on affirmed by the Supreme Court. The Petition under consideration was filed seeking the dis-missal of the complaint.

"The plaintiffs opposed the petition, maintaining that the action which was finally decided by this Court and ori-ginally docketed as Civil Case No. 32748 was merely an action to recover posses-sion and therefore, did not involve the right to the ownership of the same property. It is contended by the plain-tiffs that the decision of the Court in said case, which in effect was declared final and executory by the highest tri-bunal of the land, is not a bar to the continuation of the present case.

"The present case should have been dismissed on October 18, 1960, when the counsel for the defendant moved to dis-miss this case on the ground that the plaintiffs have not yet exhausted their administrative remedies because as alleged in the complaint, their appeal against the decision of the Land Tenure Adminis-tration to sell the lot in question to the Potenciano spouses was still pending before the Office of the President and the appeal would be handed down before this case would be ready for trial. It was the belief of the Court that if the complaint was to be dismissed and later on the appeal (of) the present plaintiffs would have to file a similar complaint and would incur double expenses, not to mention the multiplicity of suits which would ensue (sic).

"In the meantime, however, Civil Case No. 32748 was decided by this Court declar-ing that the plaintiffs have no right to the possession of the land in ques-tion. The judgment is now final.

While ordinarily, the contention of the plaintiffs in their opposition to the motion to dismiss the complaint in the present case is correct, because an action for possession involves mere possession and is distinct from an action involving ownership, the present case, however, is an exception. The right of the tenants to purchase lot from the Land Tenure Administration is precisely based on the right of possession. Since it is now definite that the plaintiffs have no right to possess the land, it follows that they cannot have a right to buy said land from the Land Authority. There-fore, the right of the Potencianos to purchase said property as recognized by the Land Tenure Administration should prevail.

"In view of the foregoing considera-tions, the Court hereby grants the motion to dismiss and dismisses the complaint without pronouncement as to costs" (pp. 115-119, ROA; p. 9, rec.),

from which herein petitioner appealed to the Court of Appeals, which, believing that the appeal involves a pure question of law, elevated the same to this Court by resolution of December 29, 1966 (pp. 52-53, rec.).

Respondents should be sustained.

Indeed, the decision of the trial court in Civil Case No. 32748 -- which has already become final and executory -- constitutes a bar to another decision in Civil Case No. 43738 (now on appeal) for the reason that the question of possession in the dispute is not essentially distinct from the question of the validity of the award by the government of the Agreement to Sell the lot in question in favor of the Potencianos. The sole basis of the award mentioned above is legitimate possession of the lot in point. The right of the grantees to the possession of the lot in question determines the validity of the award to them. Hence, the issue of possession in Civil Case No. 32748 is the very same issue involved in Civil Case No. 43738. As defendants in Civil Case No. 32748, herein petitioners interpose as defense and counterclaim the claim that they have long been the bona fide occupant of the lot, which is their main cause of action as plaintiffs in Civil Case No. 43738 seeking the nullification of the award to private respondents of the lot and a declaration that they are the bona fide occupants with preferen-tial right to

the award.

The award by the Land Tenure Administration of the questioned lot to the respondent spouses was affirmed by the Office of the President, which pre-sidential affirmance is not questioned by herein petitioners and therefore should not be disturbed by US.

It also bears stressing that the present plain-tiffs-appellants, as defendants in Civil Case No. 32748, invoked their alleged preferential right to the lot in issue in their answer and counterclaim therein. As elsewhere stated herein, the trial court in that case held for respondents Potenciano spouses -- and the judgment therein has long become final and executory. This finality was further underscored, when on November 29, 1963, WE denied the petitioners' petition for certiorari and prohibition in L-19436. Between the parties, therefore, the above final decision is the law of the case.

But petitioners still filed Civil Case No. 43738, invoking the same preferential right which they already invoked in vain in the previous Civil Case No. 32748.

After the decision in Civil Case No. 32748 became final, the principle of res judicata applies to Civil Case No. 43738.

The obstinacy of petitioners in saddling the courts with several suits alleging the same or substantial averments and cause of action, is further shown by their filing with the Court of Appeals an identical petition (CA G.R. No. 34291-R), which was dismissed by the Court of Appeals and the Supreme Court (L-23500).

The situation in the case under review does not depart from *Pua vs. Lapitan* (L-14148, Feb. 25, 1960, 107 Phil. 95, 98-99) wherein this Tribunal, also thru Mr. Justice Felix Bautista Angelo, held:

"If such counterclaim, which in substance is the basis of the present action of appellant, was already in issue in the former case, it is logical that the decision rendered therein has now the effect of a prior judgment in the present under the principle of res judicata. Such being the case, we cannot but hold that the trial court acted correctly in dismissing the complaint on that ground."

In a long line of cases (*Cruz vs. Mossesgeld*, L-20495, Aug. 31, 1968, 24 SCRA 1006; *Abes vs. Rodel*, L-20996, July 30, 1966, 17 SCRA 822, 824; *Phil. Farming Corp., Ltd. vs. Llanos*, L-21014, Aug. 14, 1965, 14 SCRA 949, 951; and *Ipekdjian Merchandising Co, Inc. vs. Court of Tax Appeals*, L-15430, Sept. 30, 1963, 9 SCRA 72, 75), WE laid down the following essential requisites for the existence of res judicata:

- (1) The former judgment must be final;
- (2) It must have been rendered by a court having jurisdiction of the subject matter and parties;
- (3) It must be a judgment on the merits; and
- (4) There must be between the first and the second actions
 - (a) identity of parties;
 - (b) identity of subject matter; and
 - (c) identity of cause of action.

WE find all these requisites obtaining in cases Nos. 32748 and 43738 (subject of this appeal).

Executive Judge Arsenio G. Solidum conducted a long-drawn investigation and submitted under date of June 29, 1976 his report finding respondent definitely guilty of the first count of dishonesty, and giving him "some benefit of doubt" as regards the second and third counts.

The charge of dishonesty is based on respondent judge's having deposited in his personal account with the Metropolitan Bank branch at Tabaco a check for P8, 000.00 posted on June 21, 1973 as cash bail bond by Nestor Locsin, who was accused in Criminal Case No. 4577 pending in respondent's court, obviously converting the trust fund to his own use. Notwithstanding that said accused upon motion granted by respondent substituted the said cash bond with a surety bond on June 26, 1973, respondent could not then and there return to him the cash (which should have remained intact) and returned to him the sum of only P5,000.00 almost a month later on July 20, 1973 and up to this very date, has failed to return the balance of P3,000.00.

The investigating judge submitted the following findings and observations in his report:

"In Criminal Case No. 4577 of the Municipal Court of Tabaco, Albay the accused therein Nestor Locsin in order to gain his release from confinement filed a bond in the form of a Pacific Banking Corporation check in the amount of P8, 000. 00 issued by the Legazpi Oil Co., Inc. in favor of the Municipal Court of Tabaco, Albay [Exhibit 'B']. The respondent Judge required said check to be substituted with a Manager's check. Accordingly on the next day, June 22, 1973, a Manager's check issued by the same bank was issued in favor of the same Municipal Court of Tabaco, Albay for the same amount [Exhibit 'C']. This Manager's check was later on deposited by the respondent in his personal account with the Metropolitan Bank and Trust Co., Tabaco Branch.

"On June 26, 1973 Nestor Locsin thru counsel requested the Municipal Court presided over by the respondent Judge that the Manager's check so put up as cash bond be substituted with a surety bond [Exhibit 'D'] but despite the showing that the said motion to substitute his cash bond with a surety bond was granted, of the P8, 000. 00 cash, only the amount of P5, 000.00 in the form of a Cashier's check issued by the Metropolitan Bank and Trust Co. was handed over to Nestor Locsin [Exhibit 'E'] thereby leaving an unaccounted balance of P3, 000. 00. As of the filing of this administrative case until this date the P3,000.00 remains unpaid member of the bar himself, he did not want to perjure himself. It is very obvious therefore that the idea of the loan of P3, 000.00 was resorted to by the respondent as a last desperate line of defense which, precisely because it is not true and by the sheer weight of its own lack of any persuasive effect, must simply yield to what is true, logical and reasonable."

Upon receipt of the report, the Court heard respondent in oral argument on December 14, 1976 in order to give him every opportunity to air his side. The hearing as well as our review of the record and the evidence have served to confirm respondent's manifest guilt of the grave charge of dishonesty.

The investigating judge submitted the recommendation that "the respondent be suspended from office for not less than one (1) year, (to) refund the amount of P3, 000.00 to Nestor Locsin with legal interests to be counted from June 26, 1973 until fully paid and, after service of his suspension, (that) the respondent be considered resigned and/or retired from the judiciary. In considering him resigned and/or retired, in a final act of compassion, the Honorable Supreme Court is asked that he be declared still entitled to the benefits granted him under existing laws".

The Court is constrained to reject such recommendation of leniency. His grave acts of dishonesty and misappropriation to his own use of fiduciary funds (the cash proceeds of the check) which came into his possession and by law should have been immediately deposited by him with the municipal treasurer as official custodian of such funds, compounded by his subsequent false claims and statements that were "as unbelievable as they are illogical" (to borrow a phrase of the investigating judge) and show a callous disregard of the truth, and his dismal record warrant no less than the imposition of the severest penalty of dismissal from the service and consequent forfeiture of all retirement benefits.

In a previous administrative case against respondent, *Concepcion Dia-Añonuevo vs. Mun. Judge Bonifacio B. Bercacio*,^[1] respondent already showed a weakness in handling funds entrusted to him when he obstinately

failed and refused to return to the therein complainant the sum of P3, 500.00 which said complainant had deposited with him for the purpose of exercising her right to legal redemption of a certain property and which he returned only after therein complainant had to engage the services of another counsel who secured the corresponding court order requiring respondent to return the sum. The Court found therein as follows:

"Respondent's obstinate refusal or failure to accede to complainant's request for almost a year led the latter to secure the services of another counsel who was compelled - what to him must have been an unpleasant task - to ask from no less than a member of the Judiciary the return of the P3, 500. 00 deposited with the latter otherwise he would have to take the necessary steps to protect the interest of his client. That demand of Atty. Madrid was made in March of 1973, but instead of delivering the amount, respondent still held it putting up the excuse in a letter to Atty. Madrid (see pp. 4-5 of this Decision) that the money did not belong entirely to Mrs. Añonuevo and that the latter had agreed to his keeping the money during the pendency of the case. That of course was untrue, because, first, there was nothing in the record to show that the P3, 500.00 belonged to persons other than Mrs. Añonuevo from whom respondent received it, and secondly, it was Mrs. Añonuevo who had personally been asking all along for the return of said amount. It is to the discredit of respondent that it took a court order issued on September 13, 1973, for him to return complainant's money to Atty. Madrid."

In the decision of November 27, 1975, the Court found him guilty of illegally engaging in the practice of law despite his disqualification as a municipal judge and of failure to return promptly the amount deposited with him. The Court therein held that "(W)hile the Court does not make a categorical finding that respondent made use of the money deposited with him, nonetheless, We hold that by his actuations, respondent placed his honesty and integrity under serious doubt", and meted upon him the penalty of six (6) months' suspension from office "with the warning that commission of other acts unbecoming of a Judge will warrant a more severe penalty from the Court".

There is no place in the Judiciary for those who cannot meet the exacting standards of judicial conduct and integrity. As Justice Muñoz Palma stated for the Court in said earlier case against respondent, "(A)lthough every office in the government service is a public trust, no position exacts a greater demand on moral righteousness and uprightness of an individual than a seat in the Judiciary. A magistrate of the law must comport himself at all times in such a manner that his conduct, official or otherwise, can bear the most searching scrutiny of the public that looks up to him as the epitome of integrity and justice. To a certain degree, respondent herein failed to meet these exacting standards of judicial conduct."

ACCORDINGLY, respondent Bonifacio B. Ber-cacio is hereby dismissed as municipal judge of Tabaco, Albay, with forfeiture of all retirement benefits and privileges and with prejudice to rein-statement in any branch of the government service, whether pertaining to the national or local Government, including government-owned and/or controlled instrumentalities and agencies.

In view of the manifest guilty respondent and the time that this case has been pending, this decision shall be immediately executory upon promulgation.

Castro, C.J., Fernando, Barredo, Makasiar, Antonio, Palma, and Martin, JJ., concur.

Concepcion, Jr., J., on leave.

Aquino, J., no part.

[1] 68 SCRA 81, 88-89 (Nov. 27, 1975), per Muñoz Palma, J.

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.