

**PEDRO CABILDO, AS PROVINCIAL TREASURER, ILOCOS NORTE,
ADOLFO CALAPINI, AS MUNICIPAL TREASURER, BURGOS, ILOCOS
NORTE, AND THE ILOCOS NORTE COCONUT PRODUCERS
ASSOCIATION, INC. PET...**

G.R. No. L-31865. November 26, 1973

Ponente: RUIZ CASTRO, J.

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RUIZ CASTRO, J.:

This is a petition for review on certiorari of the amended decision of the Court of First Instance of Ilocos Norte, in its civil case 4235, declaring valid and effective the redemption made by the private respondents, John F. Northcott, Jr. and Robert Patrick Northcott, of a parcel of land purchased by the petitioner Ilocos Norte Coconut Producers Association, Inc. at a public auction sale.

The essential facts are not controverted.

The Northcotts were the owners of the land covered by Transfer Certificate of Title 931 of the land records of Ilocos Norte. For tax delinquency, the land, which had an assessed value of P40,300, was sold at public auction by provincial treasurer Pedro Cabildo on December 27, 1963 to the petitioner Ilocos Norte Coconut Producers Association, Inc. for the sum of P6,326. The certificate of sale, together with the final bill of sale, was registered on December 29, 1965. When their administrator, Jose Francisco, the Northcotts sought redemption of the land, and accordingly tendered to Cabildo the sums of P5,647.60 on January 21, 1966, P676.30 on February 7, 1966 and P2,553.98 on February 15, 1966, or the total amount of P8,877.88 including interests. Because the vendee association resisted the redemption, the Northcotts instituted civil case 4235; after joinder of the only issue -- the timeliness of the redemption -- the trial court rendered a decision dismissing the complaint.

The respondents Northcotts (plaintiffs below) received a copy of the adverse decision on August 30, 1968. They filed their notice of appeal, appeal bond and record on appeal on September 21, 1968. Upon an opposition to the approval of the record on appeal, the court ordered its amendment on October 28, 1968. On January 9, 1969, which was the date set for hearing for the approval of the record on appeal, the court suspended the said hearing until the resolution of a motion for reconsideration filed by the Northcotts on January 2, 1969. The association opposed the motion. On January 18, 1969 the respondent court rendered an amended decision declaring valid and effective the redemption made by the Northcotts of the land in question. The petitioners appealed the amended decision to this Court; pursuant to our resolution dated February 6, 1960, they filed the present petition for review.

We gave due course to the petition on March 13, 1970, and the case was submitted for decision on February 23, 1971.

On August 8, 1973, thru new counsels, the parties filed, and moved for the approval of a compromise agreement which recites as follows:

"1.

That for himself and in behalf of the Northcott Family, Robert P. Northcott filed a Civil Case in the Court of First Instance of Ilocos Norte, Branch I, against the Ilocos Norte Coconut Producers Association in Civil Case No. 4235 for Ownership and which was appealed later by the defendant Association in the Supreme Court and now pending therein under G. R. No. L.-31865, regarding the Dungon-Dungon Estate, situated in the Municipalities of Burgos, and Bangui, Ilocos Norte;

“2.

That both parties in this case now on appeal before the Supreme Court have donated the entire land in litigation to the Provincial Government of Ilocos Norte, with the exception of 14 hectares thereof retained by and for them in equal shares of 7 hectares each, copy of said deed of donation is hereto attached as part of this Compromise Agreement, and the Provincial Government has immediately possessed the land donated to it upon the execution of this instrument;

“3.

That both parties in this case before the Supreme Court have mutually agreed to have the case dismissed in view of the donation already issued by both parties in favor of the Provincial Government of Ilocos Norte.”

On August 30, 1973 a "Manifestation" was filed by the law firm of San Jose, Cristi, Enriquez & San Jose, alleging, inter alia, that Atty. Manuel V. San Jose is the counsel of record of the Northcotts who had retained him on a contingent fee of 60% of all lands and properties which Atty. San Jose might recover for them; that the said lawyer had rendered services and spent considerable amounts pursuant to their retainer contract; that there is also an attorney's lien charged on the subject property in favor of one Atty. Manolo Tolentino; that Atty. San Jose has not been paid any amount; and that the donation made by Robert P. Northcott is intended to defraud him of his attorney's fee.

Required to comment on the "Manifestation," Robert P. Northcott stated as follows:

"In connection with the retainer contract dated December 22, 1969, wherein sixty per cent (60%) as retainer's fee will be given to my counsel, since then and until now, no property whatsoever has yet been recovered, received or delivered to me from the cases, so that there is nothing from which the 60% could be taken and given by me to my counsel; in other words, the 60% is only collectible if any property is recovered or received. This is the same situation with Atty. Manolo Tolentino, who never recovered anything.

"When the Lower Court set aside its original decision, it was already outside the reglementary period, so that the Appellate's opinion, most probably, will be against me, and I will not be able to realize anything except by virtue of the compromise agreement which was submitted for approval by this Honorable Tribunal in the interest of justice and equity."

By resolution of August 30, 1973 the Provincial Board of Ilocos Norte took note of the aforequoted compromise agreement and expressed its gratitude to the parties for donating the land to the province.

The claim for attorney's fees does not render infirm the compromise agreement and is no obstacle to its approval, for a client has an undoubted right to compromise a suit without the intervention of his lawyer.[1] However, since it is not disputed that Atty. Manuel V. San Jose had rendered legal services (although short of recovery by the Northcotts of any property) as stipulated in the retainer contract, and the non-recovery may in the very least be partially attributable to the Northcotts' entering into the compromise agreement, it is but fair and just that the said lawyer be compensated for his services on a quantum meruit basis and, to assure the payment thereof, that a lien

be constituted in favor of Atty. San Jose on the 7 hectares retained by the North-cotts under the deed of donation, without prejudice to the immediate effectivity of the compromise agreement.

ACCORDINGLY, the compromise agreement is approved, and the parties are hereby enjoined to comply faithfully with its terms. After this resolution shall have become final, let the record be remanded to the Court of First Instance of Ilocos Norte which is hereby ordered to hear and determine, on the basis of quantum meruit, the amount of the attorney's fee that may be due to Atty. Manuel V. San Jose. Let the corresponding lien be constituted upon the 7-hectare land retained by the respondents Northcotts under the deed of donation. No costs.

Makalintal, C.J., Teehankee, Makasiar, Esguerra, and Muñoz Palma, JJ., concur.

[1] *Rustia v. Judge of the CFI of Batangas, et al.*, 44 Phil. 62; *Aro v. Nañawa*, G.R. No. L-24163, April 28, 1969, 27 SCRA 1090.

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