

REPUBLIC OF THE PHILIPPINES, PETITIONER-APPELLANT, VS. LEE BON UI ALSO KNOWN AS VICENTE LEE BEON UI, RESPONDENT-APPELLEE.

G.R. No. L-33504. September 28, 1984

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

This is an appeal taken by the Government through the Solicitor General from an order of the Court of First Instance of Manila denying the motion to cancel the Certificate of Naturalization issued in favor of appellee Lee Bon Ui alias Vicente Lee Beon Ui.

On June 24, 1960, the Court of First Instance of Manila rendered judgment declaring that Lee Bon Ui alias Vicente Lee Beon Ui possessed all the qualifications and none of the disqualifications to be admitted a citi-zen of the Philippines and granted his application for admission as a Filipino citizen.

On June 26, 1962, the respondent-appellee filed a motion for execution of the decision with a prayer that a date be set, for the reception of his evidence proving that he had satisfied the requirements of the law from the date the decision was promulgated and, thereafter, he be allowed to take his oath as a Filipino.

To this motion, the Acting Chairman-Manager of the Philippine Tobacco Administration (PTA), through the Solicitor General, filed an opposition alleging that the appellee entered into a contract with the PTA to buy 22,019 bales of its native tobacco for the total amount of P2,486,600.00 and that the appellee's refusal and failure to pay the corresponding agreed purchase price of the 21,820 bales of native leaf tobacco valued at P2,467,157.60 which he bought from PTA under an amended contract and later sold to Tabacalera and Insular Export Corporation, although fully paid by the two purchasers, as well as his filing of a complaint against the PTA for recovery of damages disclosed him as a person who is not of good moral character and who has not conducted himself in a proper and irreproachable manner during the entire period of his residence in the Philippines in his relations with the duly constituted government as well as with the community in which he is living and/or one who has committed acts prejudicial to the interests of the nation.

In his reply to the opposition, the respondent-appellee claims that the non-payment of the purchase price of the subject tobacco is justified because he suffered tremendous damages due to breach of contract committed by the PTA, and, therefore, it could not be an "act pre-judicial to the interest of the nation" as contemplated by Section 1 of Republic Act No. 530 which would justify denial of his oath-taking.

On December 14, 1962, the petitioner-appellant filed a Supplemental Opposition and Memorandum in Support of Opposition to Petitioner's Motion to Take Oath of Alle-giance to the Republic of the Philippines on the following grounds:

1. The appellee is not a person of good moral character;
2. The appellee has not conducted himself in an irreproachable manner;

3. The appellee has committed acts prejudicial to the interest of the nation;
4. The appellee is not sincere in his desire to become a citizen of the Philippines; and
5. The appellee does not have all the qualifications and none of the disqualifications to become a citizen of the country.

In his reply to the supplemental opposition, the appellee countered that the decision granting the application for citizenship became final and executory when no appeal therefrom was interposed by the government thirty (30) days after its promulgation on June 24, 1960; that there was an amicable settlement between the PTA and himself; that he acted in good faith, without fraud or misrepresentation in his dealing with the PTA as borne out by the records and evidence in the case; and that the enrolment of his children of school age in schools where students are mostly Chinese is not one of the grounds under Republic Act No. 530 to be established prior to oath-taking and admission of an alien as a Filipino citizen as there is already a finding on this matter in the decision of the trial court.

In an order dated December 26, 1960, the trial court denied the opposition and ordered that the appellee be allowed to take his oath of allegiance as a Filipino citizen after the order shall have become final and likewise directed the clerk of court to issue in favor of the appellee the corresponding certificate of naturalization.

On February 9, 1963, the appellee took his oath of allegiance as a Filipino citizen.

On September 26, 1968, the Solicitor General filed a motion to cancel the Certificate of Naturalization issued to the appellee on the ground that it was null and void having been fraudulently and/or illegally obtained.

Appellant assigns the following errors allegedly committed by the court a quo:

I

THE TRIAL COURT ERRED IN RULING THAT RESPONDENTS LACK OF INTENTION TO PAY HIS OBLIGATION TO THE PHILIPPINE TOBACCO ADMINISTRATION CANNOT BE INFERRED FROM MERE INABILITY OR FAILURE TO PAY

II

THE TRIAL COURT ERRED IN ADMITTING IN EVIDENCE A DOCUMENT NOT PROPERLY AUTHENTICATED, PURPORTING TO BE A PERMISSION TO RENOUNCE CHINESE NATIONALITY ISSUED BY THE MINISTER OF THE INTERIOR OF THE REPUBLIC OF CHINA.

III

THE TRIAL COURT ERRED IN DENYING THE GOVERNMENT'S MOTION TO CANCEL THE CERTIFICATE OF NATURALIZATION ISSUED TO THE RESPONDENT LEE BON UI.

We find merit in the first assignment of error.

The records show that during the two-year period after the promulgation of the decision granting the application for citizenship and before the appellee took his oath of allegiance as a Filipino citizen, he incurred an indebtedness of P2,647,157.60 with the Philippine Tobacco Administration.

When the appellee filed his motion for execution of the decision, the Government opposed the petitioner's oath-taking on the ground that the appellee withdrew P2,647,157.60 worth of tobacco from PTA bodegas, sold the tobacco to the Cia General de Tabacos or Tabacalera and the Insular Export Corporation, was fully paid by the

two buyers but refused to pay the amount due to PTA. Paren-thetically, it was not even necessary before the appellee pays PTA, that he would be able to sell and would be paid for the tobacco withdrawn from PTA bodegas. This was alleged as evidence that the appellee was not a person of good moral character and had not conducted himself in a proper and irreproachable manner as required by the Revised Naturalization Act.

To overcome the objections to his oath-taking, the appellee induced the officials of PTA to enter into an amicable settlement with him whereby his original indebt-edness of P2,746,157.60 was reduced to P1,600,000.00. As a result, PTA withdrew its objections to the oath-taking and the appellee took his oath as a citizen. However, the appellee paid only P574,000.00 on the reduced liability and inspite of the amicable settlement which cleared the way for his oath-taking refused and failed to pay the balance under the compromise agreement.

The appellee does not deny the non-payment of the balance of P1,026,000.00 under the compromise agreement. Instead, he argues that "whatever lack of payment had supervened after the two-year probationary period, not to mention justification for non-payment, is already beyond inquiry in this case except in an ordinary civil action for collection or foreclosure by the parties respectively." The appellee states that the alleged willful, fraudulent, and malicious refusal to pay the purchase price to PTA under the original transaction cannot be realleged in the cancellation proceedings because these were raised in the opposition to the oath-taking, were dismissed by the lower court, and no appeal or protest was made by the Government within the period before finality of the decision. In other words, the appel-lee contends that the PTA transaction involves a purely civil obligation which is not a bar to naturalization and more so, is not a ground for denaturalization. He states that after the court decided that there was no fraud and the government did not contest the decision, the time is already past to ask the court to change its decision after it had lost control of the case or the time to appeal had passed.

We find the stand of the appellee to be untenable. A naturalization proceeding is not a judicial adversary proceeding. The decision rendered therein is not *res judicata* as to any matter that would support a judgment cancelling a certificate of naturalization on the ground of illegal or fraudulent procurement thereof. A certi-ficate of naturalization may be cancelled if it is dis-covered subsequently that the applicant therefor obtained it by misleading the court upon any material fact. (*Go Tian An v. Republic*, 17 SCRA 1053; *Republic v. Reyes, et al.*, 17 SCRA 170).

The two-year intervening period after a decision granting naturalization is a period of actual test of fitness of the petitioner. If an applicant fails in this test, the State would not have any guarantee that once the petitioner is sworn in as a citizen, he will abide by the laws of his adopted country. (*Go Kay See v. Republic*, 6 SCRA 888)

In *Yao Mun Tek v. Republic* (37 SCRA 55), this Court stressed the well-imbedded principle that a judgment directing the issuance of a certificate of naturalization is a mere grant of a political privilege and that neither estoppel nor *res judicata* may be invoked to bar the State from initiating an action for the cancellation or nulli-fication of the certificate of naturalization thus issued.

It is evident from the records that the compromise agreement entered into between the appellee and the PTA was utilized as a scheme to remove an obstacle to oath-taking. The Government, which withdrew its opposition thus leading the lower court to order the oath-taking, and the court which ordered the issuance of the Certifi-cate of Naturalization were obviously misled by the appellee. This is the only conclusion which can be drawn from the subsequent refusal of the appellee to comply with his undertaking in the compromise agreement and his setting up of the defense that anyway the Government may file a civil suit to collect. Since payment of the reduced liability was a *sine qua non* to withdrawal of the opposi-tion, the appellee may not use the promise to pay to enable him to acquire citizenship and then renege on the obligation once he becomes a citizen. Insincerity and deceit amounting to fraud are obvious from the records.

We ruled in *Po Soon Tek v. Republic* (60 SCRA 98) that a naturalization certificate may be cancelled if it is shown that it was obtained fraudulently or illegally. Misleading both the Government and the lower court in order to be allowed to take an oath as citizen is certainly an act of fraud.

The Solicitor-General raises other grounds to warrant cancellation including the erroneous grant of exemption from the filing of a declaration of intention, the competence of the two character witnesses utilized by the appellee to support his application for naturalization, and the lack of permission from the Government of China authorizing the appellee to renounce his citizenship. Considering the evidence of fraud as abovestated, we see no need to pass upon these additional grounds invoked by the Solicitor-General.

WHEREFORE, the order appealed from is REVERSED, and the oath of allegiance taken on February 9, 1963, by appellee, Lee Bon Ui alias Vicente Lee Beon Ui, as well as the certificate of naturalization issued in pursuance thereto, are hereby declared NULL and VOID. The appellee is also directed to surrender the afore-mentioned certificate of naturalization to the Clerk of the Regional Trial Court of Manila within ten (10) days after this decision shall have become final.

SO ORDERED.

Melencio-Herrera, Plana, Relova, and De la Fuente, JJ., concur.

Teehankee, J., (Chairman), in the result.

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