

FLORO ENTERPRISES, INC., PETITIONER, VS. HONORABLE COURT OF APPEALS AND TERESO TARROSA, RESPONDENTS.

G.R. No. L-52410. September 09, 1982

Ponente: GUTIERREZ, JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/a2efb7ece98b/>

GUTIERREZ, JR., J.:

Petitioner Floro Enterprises, Inc. asks for a reversal of the decision of the Court of Appeals dated October 30, 1979 in Floro Enterprises, Inc. v. Hon. Manuel E. Valenzuela and Tereso Tarrosa, CA-G.R. No. SP-09509 and for an order directing the respondent judge to inhibit himself from acting upon Civil Case No. 5882-P before his sala.

The issue raised by the petitioner is whether or not a judge who rendered a partial summary judgment in a case involving an alleged violation of lease contract but which summary judgment was set aside as arbitrary, capricious, and whimsical by the Court of Appeals and whose acts have led the petitioner to believe that the judge is unable to be fair and objective and is in effect railroading the proceedings should inhibit himself from hearing the remanded case on its merits.

The petitioner cites the following statements found in the questioned "summary judgment" of the respondent judge:

"AFTER A CAREFUL PERUSAL OF THE PLEADINGS ON FILE AND ANALYSIS OF THE ARGUMENTS PRESENTED DURING THE HEARING, THE COURT IS CONVINCED THAT THERE IS NO TRIABLE ISSUE OF FACTS LEFT IN THIS CASE, EXCEPT AS TO THE AMOUNT OF DAMAGES AND ATTORNEY'S FEES. THE TERMS OF THE CONTRACT CONSTITUTE THE LAW BETWEEN THE PARTIES. THEY ARE BOUND BY IT. THIS IS SPECIALLY SO - BECAUSE THERE IS NO DENYING THE FACT THAT THE DEFENDANT IS, UP TO THE PRESENT, STAYING IN THE PREMISES, DOING BUSINESS, PURSUANT TO THEIR AGREEMENT. A MAN IS PRESUMED TO TAKE ORDINARY CARE OF HIS CONCERNS. (SECTION 5(d) RULE 131, NEW RULES OF COURT)

"xxx xxx xxx xxx xxx

xxx xxx xxx xxx xxx

xxx xxx xxx xxx xxx.'

"CONSIDERING THE ADMISSION BY THE DEFENDANT OF THE FOLLOWING FACTS: THAT PLAINTIFF IS THE LESSEE OF A PARCEL OF LAND LOCATED AT THE MANILA INTERNATIONAL AIRPORT, MIA ROAD, PASAY CITY CONTAINING AN AREA OF 4,618 SQUARE METERS BE-LONGING TO THE PHILIPPINE GOVERNMENT UNDER THE ADMINISTRATION OF THE CAA BY VIRTUE OF A CONTRACT OF LEASE (ANNEX 'A' OF THE COMPLAINT); THAT ON MARCH 27, 1974, PLAINTIFF SUB-LEASED TO DEFENDANT A PORTION OF SAID LAND CONSISTING OF 2,768.20 SQUARE METERS BY VIRTUE OF A SUB-LEASE AGREEMENT WITH THE EXPRESSED APPROVAL AND CONFORMITY OF THE CAA (ANNEX 'B' OF THE COMPLAINT); THAT THE AGREED MONTHLY RENTAL IS P4,250.00 PAYABLE IN ADVANCE BY DEFENDANT TO

PLAINTIFF WITHIN THE FIRST FIVE (5) DAYS OF EACH MONTH; THAT OF THE SAID AMOUNT, P1,000.00 SHALL BE REMITTED BY DEFENDANT TO THE CAA TO BE CREDITED AGAINST PLAINTIFF'S BACK ACCOUNT WITH THE CAA UNTIL IT SHALL HAVE BEEN FULLY SETTLED, AND P788.00 AS THE MONTHLY RENTAL DUE TO THE CAA FROM PLAINTIFF UNDER THE CONTRACT OF LEASE (ANNEX 'A' OF THE COMPLAINT); THAT DEFENDANT HAD PAID PLAINTIFF AN ADVANCE RENTAL EQUIVALENT TO FOUR (4) MONTHS; THAT THE PERIOD OF THE SUB-LEASE AGREEMENT IS CO-TERMINUS WITH THE SAID CONTRACT OF LEASE OR UNTIL JUNE 19, 1993; AND THAT SHOULD THE DEFENDANT SUB-LESSEE FAILS TO PAY ANY THREE (3) MONTHLY RENTALS, THE ADVANCE RENTALS ALREADY PAID SHALL BE CONSIDERED FORFEITED AND THE PLAINTIFF SUB-LESSOR SHALL HAVE THE RIGHT TO TERMINATE THE AGREEMENT IMMEDIATELY WITHOUT PREJUDICE TO THE RECOVERY OF THE RENTALS CORRESPONDING TO THE UNEXPIRED PERIOD WHICH SHALL BECOME IMMEDIATELY DUE AND DEMANDABLE;

"CONSIDERING ALSO THE FACTS ALLEGED IN THE COMPLAINT WHICH ARE SUBSTANTIATED BY PLAINTIFF'S AFFIDAVIT OF MERIT ATTACHED TO THE MOTION FOR SUMMARY JUDGMENT, WHICH HAVE NOT BEEN OPPOSED BY COUNTER-AFFIDAVIT, THAT THE DEFENDANT HAS FAILED TO PAY THE AGREED RENTAL OF P4,250.00 A MONTH SINCE APRIL, 1977 DESPITE THE WRITTEN DEMAND OF PLAINTIFF'S COUNSEL, ATTY. APOLINAR S. FOJAS, XEROX COPY OF WHICH IS ATTACHED TO PLAINTIFF'S AFFIDAVIT OF MERIT AS ANNEX 'A' THEREOF; THAT PLAINTIFF HAS NOT VIOLATED ANY WARRANTY IN THE SUB-LEASE AGREEMENT; AND THAT DEFENDANT IS, IN FACT, OCCUPYING AND USING THE LEASED PREMISES UP TO THE PRESENT; AND

"CONSIDERING FURTHER THAT THE CONTINUED FAILURE OF THE DEFENDANT TO REMIT ITS OBLIGATION OF P1,788.00 PER MONTH TO THE CAA WARRANTS THE CANCELLATION OF THE CONTRACT OF LEASE AFORESAID WHICH, OTHERWISE, PLAINTIFF HAS THE RIGHT TO ENJOY UNTIL JUNE 19, 1993, THE COURT HAS NO ALTERNATIVE BUT TO RENDER A PARTIAL SUMMARY JUDGMENT PURSUANT TO THE PROVISIONS OF RULE 34 OF THE NEW RULES OF COURT.' (PAGES 11, 12, 13 & 14 - PARTIAL SUMMARY JUDGMENT)"

According to the petitioner, the above findings were made by the respondent judge inspite of the following averments in the answer:

"4. That the herein plaintiff violated its warranty as a lessor to the effect that the parcel of land subject matter of the lease agreement between the herein parties was free and unrestricted and would serve the purposes of the lessee to put up an extension of its bonded warehouse primarily for processing of Polaroid sunglasses; to use the premises as storage for cargoes coming from the Customs; to construct a one-storey building and other purposes;

"5. That the Civil Aeronautics Administration (CAA) as well as the City Engineer's Office of Pasay City refused to grant and allow all the necessary permits and/or licenses for the herein defendant to construct the building on the premises being leased by the Plaintiff to the defendant for the reason that the said land had been previously earmarked and intended for the construction and/or expansion of the road at the Manila International Airport (MIA);

"6. That the herein plaintiff was advised of this fact by the herein defendant upon discovery of the same which the plaintiff merely ignored;

"7. That due to the violation of the warranty by plaintiff as lessor to the effect that the land leased was available to the lessee for its purposes as stated in the lease contract between plaintiff and defendant, and for which purposes the defendant leased the land from the plaintiff, the same rendered the lease contract null and

void ab initio;

"8. That for the above mentioned reasons, the deposit as well as all the monthly rentals paid by the herein defendant to the plaintiff is deemed to have been received by the latter under a trust with the obligation on the part of the plaintiff to return the same to the defendant;

"9. That for the reason aforesated and for all legal intents and purpose, there was no meeting of the minds between the herein parties considering that the lessor misrepresented to the lessee that the land subject matter of the lease could be used by the lessee for the purposes mentioned in the lease contract and for which the lessee paid the rentals demanded by the plaintiff."

The petitioner explains why it seeks the inhibition or disqualification of the judge:

"In view of the above findings made by the Honorable Judge, it would be highly improbable to expect his Honor to view the evidence that your Petitioner may present in this case objectively and impartially inasmuch as whatever evidence petitioner may present, His Honor, influenced by his earlier pronouncements, would find it difficult to reverse the basis of his judgment. However upright the judge, and however free from the slightest inclination but to do justice, there is peril of his unconscious (sic) bias or prejudice (Del Castillo vs. Javellano, et al., L-16742, Sept. 29, 1962) and that any former opinion may still linger to affect unconsciously (sic) his present judgment, or lest he may be moved or swayed unconsciously (sic) by his knowledge of the facts which may not be revealed or stated at the trial, or cannot under the rules of evidence. We cannot be certain that the human mind will deliberate and determine unaffected by that which it knows, but which it should forget in that process. (Gutierrez vs. Santos, L-15824, May 30, 1961). In view of the close causal connection between 'Summary Judgment' and the trial of his case, sufficient reason exists for your Petitioner to entertain serious doubts and misgivings as to the degree of objectivity and neutrality with which the Respondent Judge can continue to try, and eventually decide the case, considering that your Petitioner has a counterclaim amounting to thousands of pesos against the Private Respondent, and his Honor was adjudged to have abused his discretion and erred in granting summary proceedings and in actually rendering a summary judgment against your Petitioner, so that to insure compliance with the demands of due process, to which every party is entitled, and in order that it may be said that every effort is always exerted to attain the ideal of an impartial administration of justice, the better alternative under the circumstances would be for the respondent judge to inhibit or disqualify himself from further continuing with the trial of this case, thus assuring your Petitioner 'the cold neutrality of an impartial judge' (Gutierrez vs. Santos, 2 SCRA 10) It is now beyond dispute that due process cannot be satisfied in the absence of that degree of objectivity on the part of a judge sufficient to reassure litigants of his being fair and just. (Mateo, Jr. vs. Villaluz, L-34756, March 31, 1973);"

In dismissing the petition for Floro Enterprises, Inc., and sustaining the decision of the respondent judge not to inhibit himself, the Court of Appeals ruled that (1) the reason given by the petitioner for the voluntary inhibition of the judge does not fall under any of the grounds for disqualification in Paragraph One of Section 1, Rule 137; (2) whether or not a judge should inhibit himself for just and valid reasons under the second paragraph of Section 1, Rule 137 depends on the exercise of his sound discretion; (3) no act indicative of arbitrariness or prejudice on the part of the judge has been established; and (4) the judge will be more careful and will not commit the same mistake again after having been corrected by the appellate court.

According to the respondent judge, he denied the petitioner's motion for voluntary inhibition because he was duty bound to hear the case on the merits "pursuant to the directive of the Court of Appeals." This reason is flimsy. The appellate court set aside the respondents' decision on a finding of grave abuse of discretion. The directive was to have a full blown hearing where evidence would be presented by the parties and the requirements of due process observed. There was no order that only the respondent should try the case himself. There is nothing in the Court of Appeals' decision which would preclude a voluntary inhibition for sound and valid reasons.

The respondents state that a motion for voluntary inhibition cannot legally compel a trial judge to inhibit himself from trying and deciding a case duly assigned to his sala. The respondents are correct in stating that in the absence of just or valid reasons, a judge has no discretion to inhibit himself. He must try the case. However, the issue before Us is precisely whether or not there are just and valid reasons for voluntary inhibition. Sufficient guidelines on the matter of voluntary inhibition or disqualification of a judge have been given in a long line of cases, among them *People v. Gomez*, 20 SCRA 293; *Pimentel v. Salonga*, 21 SCRA 160; *Luque v. Kayanan*, 29 SCRA 165; *Paredes v. Gopengco*, 29 SCRA 688; *Umale v. Villaluz*, 29 SCRA 688; *Paredes v. Abad*, 56 SCRA 522; *Palang v. Zosa*, 58 SCRA 776; *People v. Ancheta*, 64 SCRA 90; *Marcos v. Domingo*, 64 SCRA 206; *Martinez v. Gironella*, 65 SCRA 245; *Balieza v. Astorga*, 60 SCRA 444; *Villapando v. Quitain*, 75 SCRA 24; *Bautista v. Rebuena*, 81 SCRA 535; and *Ignacio v. Villaluz*, 90 SCRA 21. There is no basis for the respondents' contention that to grant the motion for inhibition would set a dangerous precedent in our procedural law. It is not alone the rendition of a just and impartial decision which is the test but its rendition. (*Martinez v. Gironella* , *supra*). If there are reasonable grounds for a litigant to entertain serious doubts and misgivings as to the degree of objectivity and neutrality of the judge as he tries and eventually decides a case and, as in this case, there are other judges not only in Pasay City but in the municipalities of Makati or Pasig to whom the case may be transferred with little or no expense and inconvenience to all concerned, the better course of action is for the judge to inhibit himself.

It was not alone the proceedings leading to the summary judgment or the judgment itself which constitute the reasonable grounds for the petitioner's doubts and misgivings. The fears of the petitioner were strengthened when even before he had received a copy of the Court of Appeals' decision in the inhibition case, the judge issued an order setting the case for hearing and on the date of the hearing, inspite of a manifestation that a motion for reconsideration had been filed, the judge was insistent on immediately proceeding with the trial. The court must have had many other cases and matters, perhaps older and more important, to work upon. A showing of objectivity sufficient to assure litigants of fairness and justice was not present.

WHEREFORE, the petition is hereby granted. The October 30, 1979 decision of the Court of Appeals is set aside and the respondent judge is directed to inhibit himself from hearing the remanded case. The Court of First Instance of Rizal at Pasay City is directed to re-affle Civil Case No. 5882-P among its different branches, excluding the sala presided over by the respondent judge.

SO ORDERED.

Teehankee, (Chairman), Melencio-Herrera, Plana, Vasquez, and Relova, JJ., concur.
Makasiar, J., on official leave.

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.