

**CONCEPCION MOSCOSO AND GAUDIOSO CABRILLOS, PETITIONERS,
VS. HON. LORENZO M. QUITCO, MUNICIPAL JUDGE OF VALLADOLID,
NEG-ROS OCCIDENTAL, HON. JOSE F. FER-NANDEZ, JUDGE OF FIRST
IN...***G.R. No. L-29486. December 26, 1970*

Ponente: VILLAMOR, J.

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These two cases are inextricably related to each other, hence are being resolved jointly.

On April 5, 1966, a complaint was filed by Maria Luisa I. Vda. de Donato with the Court of Agrarian Relations, Ba-colod Branch (CAR Case No. 3236) against five of her agri-cultural share-tenants, two of whom are herein petitioners Concepcion Moscoso and Gaudioso Cabrillos. In her complaint the plaintiff averred that the defendants disobeyed her law-ful orders in connection with the stacking of the palay harvests and exhibited lack of loyalty and cooperation, and, with respect to defendants Moscoso and Cabrillos, that they owed her 111 cavans and 90 cavans and 18 gantas of palay, respectively. It was accordingly prayed that all five de-fendants be ordered ejected from their landholdings, and that the two above-mentioned defendants be ordered to de-liver to the plaintiff the quantities of palay that they owed her.

A few months after the filing of the complaint, the parties arrived at an amicable settlement, which was re-duced to writing and submitted to the court for approval. Under the terms of the settlement, such matters relative to the sharing basis in the produce; the system of trans-planting to be adopted, and the parties' respective con-tributions in the expenses, were agreed upon. The last paragraph of the agreement reads:

"8. That by virtue of this amicable settlement, we hereby renounce and waive all our claims and counterclaims against the other in connection with this case, having reference to our existing tenancy relationship."

On November 24, 1966, the court rendered judgment ap-proving the compromise agreement and adopting the same as its decision.

Subsequently, the same plaintiff in the CAR case (Mrs. Donato) filed with the Municipal Court of Valladolid, Neg-ros Occidental, two actions against two of the defendants in the case, to wit: on February 2, 1967, Civil Case No.102 against Concepcion Moscoso for the collection of an indebt-edness of 94 cavans and 20-1/2 gantas of palay, or their al-legged equivalent worth in cash of P1,517.00; and on December 14, 1967, Civil Case No. 107 against Gaudioso Cabrillos for the collection of an indebtedness of 97 cavans and 14-1/2 gantas of palay, or their alleged equivalent worth in cash of P2,146.76. In each case the plaintiff prayed for a writ of preliminary attachment, which writ was issued in Civil Case No. 102 on November 2, 1967, upon the plaintiff's post-ing of a bond. In the meantime, or on February 25, 1967, the CAR issued a resolution in Case No. 3238, in connection with certain motions filed by the plaintiff therein, stating that paragraph 8 of the compromise agreement quoted above was understood by the parties to mean that "[t]he waiver of the claims and counterclaims of the parties, do

not refer to any indebtedness that anyone may have contracted with the other;" consequently, the claims in relation to the alleged indebtedness should be prosecuted in separate actions for collection in the proper court, and not in the CAR, which has no jurisdiction thereof.

The defendants in Civil Cases Nos. 102 and 107 then filed motions to dismiss on the grounds that in each case (a) the cause of action is barred by the judgment in CAR Case No. 3238, and/or the claim has been waived, abandoned or otherwise extinguished; and (b) the court has no jurisdiction over the subject because the alleged loans or advances arose from agrarian relations, hence, jurisdiction is vested in the CAR. The motions to dismiss were denied on September 13, 1967 and January 9, 1968, respectively; so were the defendants' motions for reconsideration in an order dated January 12, 1968. On January 29, 1968, the defendants filed separate answers with counter-claims; defendant Moscoso (in Civil Case No. 102) denied being indebted to the plaintiff, and defendant Cabrillos (in Civil Case No. 107) likewise denied that he was indebted to the plaintiff, and stating that even on the assumption that he was indebted, only the CAR has jurisdiction to try the case in view of the tenancy relationship between him and the plaintiff.

Defendants Moscoso and Cabrillos then filed, on January 31, 1968, a petition for certiorari and prohibition, with prayer for preliminary injunction (Civil Case No. 8450) with the Court of First Instance of Negros Occidental, asking that court to declare that the Municipal Court of Valladolid, presided over by respondent Judge Lorenzo M. Quitco, is without jurisdiction to try and decide Civil Cases Nos. 102 and 107, and/or that the causes of action are barred by a prior judgment, or that the claims or demands set forth in the complaints have been waived, abandoned or otherwise extinguished. On February 14, 1968, Presiding Judge Jose F. Fernandez of the Court of First Instance of Negros Occidental issued an order restraining the municipal judge from acting on the cases. On February 26, 1968, on motion filed by the private respondent in the special civil action, Judge Fernandez issued an order directing the petitioners Moscoso and Cabrillos to deposit in a bonded warehouse their palsy shares of the produce from private respondent's land not otherwise exempt from execution. The petitioners moved for a reconsideration of that order, but on March 3, 1968, the motion was denied, the court explaining that it had to issue the order in the interest of justice and in order to preserve the ownership of the land-lord's share, considering that the Municipal Court of Valladolid could not legally take action on the case in view of the restraining order previously issued against it.

For the first time in relation to Civil Cases Nos. 102 and 107, Moscoso and Cabrillos came to this Court on March 21, 1968, on a petition for certiorari with a prayer for preliminary injunction (G.R. Nos. L-28851-52), asking this Court to restrain the respondents therein, Judge Fernandez and Maria Luisa I. Vda. de Donato, from proceeding with the enforcement of the February 28, 1968 order directing the petitioners to deposit their palay shares, and to nullify the said Order for want of jurisdiction on the part of the suing court. On March 28, 1968, this Court denied the petition for lack of merit. The petitioners moved to reconsider, but their motion was denied on May 7, 1968.

On July 31, 1968, the Court of First Instance of Negros Occidental rendered judgment in its Civil Case No. 8450 dismissing the petition for certiorari and prohibition on the ground that an order denying a motion to dismiss is interlocutory in nature, hence, appeal in due time, not certiorari and prohibition, is the proper remedy. A motion for the reconsideration of the decision was filed by the petitioners, but the same was denied in the court's order of August 15, 1968.

For the second time, Moscoso and Cabrillos came to this Court. On September 6, 1968, they filed the present special civil action of certiorari and prohibition (G.R. No. L-29486) alleging that Judge Fernandez exceeded his jurisdiction when in his July 31, 1968 decision he allowed respondent Municipal Judge Quitco to proceed with the trial and determination of Civil Cases Nos. 102 and 107. According to the petitioners, this will only result in waste of judicial time and prejudice to them, considering that the causes of action are barred by a prior judgment, etc.,

and that the Municipal Court of Valla-dolid has no jurisdiction over the subject of the actions. The petitioners prayed this Court for a writ of preliminary injunction, and, on the merits, to set aside the decision of respondent Judge Fernandez and declare the inferior court without jurisdiction to try the cases. On October 11, 1968, this Court required the respondents to file an answer, and, upon the posting of a bond by the petitioners, issued a writ of preliminary injunction. In due time respondent Donato filed her answer claiming that respondent Judge Fernandez was correct in holding that certiorari is not the proper remedy to nullify an order denying a motion to dismiss, be-cause such an order being interlocutory in character, an appeal from the decision on the merits at the proper time is the correct remedy. Both parties filed their respective memoranda.

Subsequently, the record of Civil Case No. 8450 of the Court of First Instance of Negros Occidental was forwarded to this Court due to the notice of appeal filed by petitioners Moscoso and Cabrillos on September 3, 1968. For this reason, this Court, in a resolution dated February 17, 1969, directed that the same be given a separate folder and number and re-quired the petitioners-appellants, who are litigating as paupers, to file their briefs within the shortened period of twenty days and respondents-appellees to file theirs within a like period, counted from their receipt of copies of appellants' briefs. This case was docketed in this Court as G.R. No. L-30248. The parties have submitted their respective briefs. Actually, therefore, while G.R. Nos. L-29486 and L-30248 have been brought to this Court, on different modes, both of them refer to the same subject matter.

The principal issues before this Court are whether the Municipal Court of Valladolid has jurisdiction to try and decide Civil Cases Nos. 102 and 107, and, assuming that it has, whether the actions are barred by the prior judgment in CAR Case No. 3238.

Petitioners Moscoso and Cabrillos naturally take the negative view on the first issue, and the affirmative view on the second. They claim that (a) under paragraph 8 of the compromise agreement which was approved by the CAR and incorporated in its decision, the parties agreed to re-nounce and waive their respective claims and counterclaims against each other, which necessarily include respondent Donato's claims for collection; and (b) assuming that the petitioners are indebted to the said respondent, the causes of action in Civil Cases Nos. 102 and 107 arose out of the special relationship of landlord and tenant.

To resolve the issues, it is necessary to quote again the ultimate paragraph of the compromise agreement, to wit:

"8. That by virtue of this amicable settlement, we hereby renounce and waive all our claims and counterclaims against the other in connection with this case, having reference to our existing tenancy relationship."

Note the qualifying phrase "having reference to our exist-ing tenancy relationship." The parties having used the phrase in the paragraph in question, they must be under-stood to have attached thereto a specific meaning and pur-pose. Article 2036 of the Civil Code provides that a com-promise "comprises only those objects which are definitely stated therein, or which by necessary implication from its terms should be deemed to have been included in the same."

Our first duty, therefore, is, insofar as it is pos-sible, to ascertain the objects comprised in the compro-mise agreement submitted to, and subsequently approved by, the CAR. The complaint in the CAR case is for both the ejectment of the defendants and the collection of certain palay advances allegedly made by the plaintiff to some of them, particularly' to petitioners Moscoso and Cabrillos. There is no allegation therein that the alleged advances were made in connection with the cultivation of the land-holdings. On the other hand, the defendants' counterclaims are for a change in the sharing basis, for a re-liquidation of the harvests for the six immediately preceding agricultu-ral years, and, with specific reference to petitioner Cab-rillos, for the accounting of harvests for two agricultural years. The plaintiff's demand for ejectment and the defendants' aforesaid counterclaims unquestionably stem from the agrarian relations between the parties. As we have previously said, it does not

appear from the complaint - neither does it appear from the answer - whether the plaintiff's claims for indebtedness have any relation to the cultivation of the land-holdings. Consequently, the phrase "having reference to our existing tenancy relationship" clearly applies to the plaintiff's demand for ejectment and to the defendants' counter-claims. The same, however, cannot be said of the plaintiff's claims for collection of loan advances, because, we repeat, the pleadings, particularly the complaint, furnish no sufficient and helpful clue on the matter. It could be that the claims for collection arose from agrarian relations, for which reason they were included by the plaintiff in her complaint with the CAR, in which case the Municipal Court of Valladolid would have no jurisdiction over Civil Cases Nos. 102 and 107. The opposite, however, could be true, and this precisely may have been the object of the parties in including the above-quoted phrase in paragraph 8 of the compromise agreement. In such event the inferior court would have jurisdiction over the cases.

It thus becomes imperative to determine whether the plaintiff in Civil Cases Nos. 102 and 107 really made loan advances to the defendants, as alleged by the plaintiff in her complaints, and, if she did, whether the extension thereof was made in connection with the agrarian relations between the parties. These matters can only become known after the presentation of the evidence during the trial on the merits. If the Municipal Court of Valladolid becomes satisfied, after evaluating the evidence that will be adduced before it, that loan advances were made by the plaintiff to the defendants in connection with their agrarian relations, then it should decide the cases by dismissing them for lack of jurisdiction. Whatever action that court makes on the cases on their merits will, after all, be appealable. It would be advisable, therefore, should the municipal court take pains to make of record in its judgment the pertinent facts on the basis of which it has assumed jurisdiction, so that if the matter is elevated to the court of first instance on appeal, the latter court, on the basis thereof, can conduct the necessary preliminary hearing on the question of jurisdiction, which will thereby be considerably expedited. That, in effect, was our ruling in *Derecho vs. Abiera, et al.*, L-26697, July 31, 1970, where we said that when the factual question of existence of a leasehold tenancy relation between the parties is raised, which if true, would vest original and exclusive jurisdiction over the case in the court of agrarian relations and not in the municipal court, it is essential for the court of first instance to hold a preliminary hearing and receive evidence solely on the facts that would show or disprove the existence of the alleged leasehold tenancy, so that said court could determine whether or not it has jurisdiction.

Incidentally, the Municipal Court of Valladolid denied the motions to dismiss merely on the basis of the opinion expressed in the February 25, 1967 resolution of the CAR to the effect that the waiver of the claims and counterclaims did not refer to any indebtedness that the parties might have contracted with each other. The November 24, 1966 decision of the CAR was based on a compromise agreement, hence, it immediately became final and executory. The February 25, 1967 resolution could not, consequently, operate as a modification or as an amendment of the judgment, and, for that reason, could not be controlling on the issues raised before the municipal court. The latter court should have deferred action on the motions to dismiss, considering that on the basis of the complaint alone it could not reasonably determine the question of jurisdiction.

On the other hand, the petitioners appear to have taken certain erroneous procedural steps. In the first place, when the municipal court denied their motions to dismiss, they filed a petition for certiorari and prohibition with the Court of First Instance of Negros Occidental. As correctly held by respondent Judge Fernandez, the order of denial is interlocutory in character. An order denying a motion to dismiss may only be the subject of certiorari and prohibition where it clearly appears that the trial court is proceeding in excess or outside of its jurisdiction (*University of Santo Tomas vs. Villanueva, et al.*, 106 Phil., 439), which is not so in the present case. In the second place, when respondent Judge Fernandez dismissed the petition, the petitioners came to this Court on certiorari and prohibition (G.R. No. L-29486). The proper remedy is appeal, because, if at all, error in judgment, not abuse of discretion amounting to lack or excess of jurisdiction, was committed by Judge Fernandez. In the

circumstances the petition must fail. As it turned out, however, petitioners Moscoso and Cabrillos seasonably appealed from the judgment of the Court of First Instance of Negros Occidental, which is the reason why the record of the case was forwarded to this Court (G.R. No. L-302481 For the reason that the decision appealed from is correct, the appeal must likewise fail.

Pending before this Court is a motion filed on April 7, 1970, by the petitioners. It will be recalled that during the pendency of the certiorari and prohibition case in the Court of First Instance of Negros Occidental, respondent Judge Fernandez, acting on a motion filed by respondent Donato, issued an order on February 26, 1968, directing the petitioners to deposit their palay shares in a bonded warehouse. The petitioners moved to re-consider, but their motion was denied; so the palay shares were deposited as ordered. In their present motion the petitioners question the legality of the order, and allege that "this is now the second year that the said palay has been deposited and the possibility cannot be escaped that the palay has rotted or in the process of rotting x x x." They pray this Court to declare the said order illegal and void, and to order the release of 70% of the net produce as their shares for the crop year 1967-68 now depo-sited with the Guadalupe Rice Mill - 71 cavans and 20 gantas for petitioner Moscoso, and 102 cavans for petitioner Cab-rillos. Required to comment, the respondents allege that the matter alluded to in the present motion was the subject of the petition for certiorari filed with this Court on March 21, 1968 (G.R. Nos. L-28851-52) which was dismissed for lack of merit. This allegation of respondents is true. We are, however, prone to grant the motion for the release of the petitioners' shares on account of the time element which now deserves primary consideration. We feel that the risk of destruction of the palay in question will become much greater because it will take some, more time - the duration of which is wholly uncertain and indeterminable -before the cases in the Municipal Court of Valladolid are finally decided and the decision therein becomes final and executory, what with the appeals which the losing party may reasonably be expected to interpose. Anyhow, assuming that the petition-ers eventually lose in the cases, the corresponding writs of execution will be issued against them.

WHEREFORE, the petition for certiorari and prohibition in G.R. No. L-29486 is denied, and the writ of preliminary injunction issued by this Court is ordered dissolved. The judgment appealed from in G.R. No. L-30248 is affirmed, with the modification - insofar as the February 26, 1968 Order is concerned - that the palay shares of the petitioners-appellants now deposited with the Guadalupe Rice Mill are hereby ordered released to them upon filing of a bond in the amount of P100.00 for petitioner Moscoso and P150.00 for petitioner Cabrillos. No costs.

Concepcion, C.J., on leave, did not take part.

Reyes, J.B.L., Makalintal, Castro, and Barredo, JJ., concur.

Dizon and Makasiar, JJ., on official leave.

Zaldivar and Teehankee, JJ., in the result.

Fernando, J., did not take part.

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