

**TEODORA SANTOS, ASSISTED BY HER HUSBAND DONATO DE CASTRO, JOSEFINA SANTOS, ASSISTED BY HER HUSBAND SANTIAGO RODRIGUEZ AND EMILIANA SANTOS, PLAINTIFFS AND APPELLANTS, VS. LEONCIO...**

*G.R. No. L-4699. November 26, 1952*

Ponente: PADILLA, J.

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**PADILLA, J.:**

Teodora Santos and her nieces Emiliana and Josefina surnamed Santos complain that from 1945 to 1949 Leoncio Santos collected from the Army of the United States of America rentals for the use and occupation of a parcel of land, known as Lot No. 4 of CAA Survey Plan AERO R-1, containing" an area of 21,577 square meters, situated in the municipality of Las Piñas, province of Rizal, more particularly described in the complaint, belonging to them and Leoncio Santos in common fry inheritance from their ancestor, the late Paulino de Ios Santos, father of Teodora Santos and Leoncio Santos and grandfather of Josefina Santos and Emiliana Santos, who died sometime in 1919, in the proportion of 1/7 undivided share for Teodora Santos and 1/4 undivided share each for Josefina Santos and Emiliana Santos and 5/7 undivided share for Leoncio Santos, for the accounting of which and payment of their respective shares therein they made & demand upon Leoncio Santos but the latter failed and refused to do so. They also complain that they made a demand upon Leoncio Santos to have the lot partitioned among them but the latter refused to do so, he having sold the lot to the Administrator of the Civil Aeronautics Administration on or about 13 May 1949, who is now in possession thereof; and that the sale of the lot made by Leoncio Santos to the Administrator of the Civil Aeronautics Administration insofar as their shares in the lot are concerned is null and void. Upon these allegations they pray that Leoncio Santos be ordered to render an accounting of the rentals and such other fruits, products and benefits as he might have received from 1945 on and thereafter and to pay and deliver 1/7 thereof, to Teodora Santos and yu thereof each to Josefina and Emiliana surnamed Santos; that the parcel of land be partitioned among them in the proportion above stated; that the purported sale by Leoncio Santos to the National Airports Corporation, the predecessor of the Civil Aeronautics Administration, insofar as their shares are concerned be declared null and void; that the Administrator of the Civil Aeronautics Administration be directed to vacate the portions of the lot belonging to them, to pay them a reasonable rental until after possession of their shares in the lot shall have been restored to them and to pay damages and costs.

The Administrator of the Civil Aeronautics Administration moved to dismiss the complaint for lack of jurisdiction and insufficiency of the complaint against him, invoking the case of Metropolitan Transportation Service METRAN vs. Paredes, 45 Off. Gaz., 2835, where it has been held that the suit was against the state which could not be brought without its consent. This motion was granted on the ground that the Civil Aeronautics Administration not being a juridical person has no capacity to sue and be sued and for that reason it cannot come under the jurisdiction of the court.

The principle that the state or its government cannot be sued without its consent has its root in the juridical and practical notion that the state can do no wrong. Demandable and enforceable obligations which may be the subject

of judicial action come into being either by law, contract, quasi-contract, acts or omissions punishable by law, acts which do not constitute or amount to a crime or a misdemeanor known at common law as torts and in civil law as culpa aquiliana or extra contractual. An obligation or liability of the state created by statute is enforceable against the officer or agent charged with the duty to execute the law. If there should be anything demandable which had been paid or delivered to or collected by officers or agents of the state without the authority of law, the action would not be against the state but against the responsible officers or agents who received what was not due the state or made the unauthorized collection. Punishable acts or omissions committed by officers or agents of the state are crimes and violations of law perpetrated by such officers or agents and not by the state. The same postulate may be applied to torts committed by officers or agents of the state. Nevertheless, if, where and when the state or its government enters into a contract, through its officers or agents, in furtherance of a legitimate aim and purpose and pursuant to constitutional legislative authority, whereby mutual or reciprocal benefits accrue and rights and obligations arise therefrom, and if the law granting the authority to enter into such contract does not provide for or name the officer against whom action may be brought in the event of a breach thereof, the state itself may be sued even without its consent, because by entering into a contract the sovereign state has descended to the level of the citizen and its consent to be sued is implied from the very act of entering into such contract. If the dignity of the state, the sacredness of the institution, the respect for the government are to be preserved and the dragging of its name in a suit to be prevented, the legislative department should name the officer or agent against whom the action may be brought in the event of breach of the contract entered into under its name and authority. And the omission or failure of the legislative department to do so is no obstacle or impediment for an individual or citizen, who is aggrieved by the breach of the contract, to bring an action against the state itself for the reasons already adverted to, to wit: the descent of the sovereign state to the level of the individual or citizen with whom it entered into a contract and its consent to be sued implied from the act of entering into such contract.

The action brought in this case is for partition and accounting of rentals received by the defendant Leoncio Santos from 1945 to December 1949 for the use and occupation of a parcel of land allegedly owned in common by the plaintiffs and the defendant Leoncio Santos in the proportion stated in the complaint. It is also averred that the National Airports Corporation created by Republic Act No. 224, which had acquired the parcel of land from the defendant Leoncio Santos, was abolished by Executive Order No. 365, series of 1950, and in its place and stead the Civil Aeronautics Administration was created and took over all the assets and assumed all the liabilities of the abolished corporation. The Civil Aeronautics Administration, even if it is not a juridical entity, cannot legally prevent a party or parties from enforcing their proprietary rights under the cloak or shield of lack of juridical personality, because it took over all the powers and assumed all the obligations of the defunct corporation which had entered into the contract in question. In *National Airports Corporation vs. Teodoro[\*]*, G. R. No. L-5122, 30 April 1952, we held that the Civil Aeronautics Administration may be sued and that the principle of state immunity from suit does not apply to it.

If the plaintiffs are not entitled to any share in the parcel of land sold by Leoncio Santos and acquired by the National Airports Corporation, now in possession of its successor, the Civil Aeronautics Administration, the complaint would have to be dismissed. But if the right to such shares as claimed be established, the plaintiffs should not and can not be deprived of their proprietary rights in the parcel of land sold by their co-owner without their knowledge and consent. Leoncio Santos would be responsible for warranty and eviction to the Civil Aeronautics Administration. If the Torrens title does not show such shares of the plaintiffs in the parcel of land sold by Leoncio Santos to the National Airports Corporation, then the action would not lie against the National Airports Corporation or its successor, the Civil Aeronautics Administration, but Leoncio Santos would be responsible to his co-owners for the value of their shares in the parcel of land and of their natural or civil fruits of which they had been deprived by the sale and conveyance of the whole parcel of land to the National Airports

Corporation by Leoncio Santos. The accounting of rentals received would not affect the Civil Aeronautics Administration, because it would be the exclusive liability of Leoncio Santos.

The order appealed from dismissing the complaint as to the Civil Aeronautics Administration is reversed and the case remanded to the lower court for further proceeding's in accordance with law. No costs shall be taxed.

Paras, C. J., Pablo, Bengzon, Tuason, Montemayor, Jugo, Bautista Angelo, and Labrador, JJ., concur.

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\* 91 Phil., 203.

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