

THE REPUBLIC OF THE PHILIPPINES, PETITIONER VS. BONIFACIO YSIP, JUDGE OF THE COURT OF FIRST INSTANCE OF BULACAN AND BALDOMERO SILVERIO, AS ADMINISTRATOR OF THE INTESTATE OF GREG...

G. R. No. L-3928. July 27, 1951

Ponente: MONTEMAYOR, J.

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MONTEMAYOR, J.:

For purposes of determining the present case, the following facts may be stated as undisputed. During the last Pacific war, and after the invading forces of Japan had occupied these Islands, a certain Japanese corporation affiliated to them and acting for their benefit, constructed two storehouses or bodegas on a parcel of land belonging to the estate of one Gregorio Silverio situated in the barrio of Bintog, municipality of Plaridel, Bulacan. After Liberation, the Philippine Alien Property Administrator, pursuant to the authority conferred upon him by the Trading with the Enemy Act as amended, Executive Order No. 9818 of January 7, 1947, and the Philippine Property Act of 1946, after determining that these two bodegas had been constructed by the Taiwan Tekkosho, a corporation organized in Japan and considered a national of a designated enemy country (Japan), by Vesting Order No. P-159, vested these two storehouses, thereby divesting said enemy corporation and national of all title and right to said properties and transferring them to the United States Government, of course, subject to any valid claims by citizens and nationals' of the United States and the Philippines and friendly countries.

On December 23, 1949, Baldomero Silverio as administrator of the intestate estate of Gregorio Silverio, owner of the land, filed Civil Case No. 415 of the Court of First Instance of Bulacan against the Philippine Alien Property Administration of the United States and the Municipality of Plaridel, asking for the return of the land on which the two bodegas stand, a declaration that said two storehouses are the properties of his administration because they had been given to it by the Japanese before they left the place upon the approach of the American Liberation forces, and for the payment of damages caused by the withholding by the defendants of said two bodegas and the land on which they are located. Upon learning of the filing of said case, the Chief Special Attorney of the Department of Justice of the Philippines filed a motion for intervention, asking the Bulacan Court to allow him to intervene on behalf of the Republic of the Philippines, claiming that under the Philippine Property Act of 1946, providing for the eventual transfer to the Republic of the Philippines of all vested properties located in the Philippines by the United States Government, said Republic was given legal interest in the subject of the litigation sufficient to authorize intervention. Acting upon the motion for intervention as well as the opposition thereto filed by the Administrator of the estate of Gregorio Silverio, the trial court denied the motion on the ground that the right or interest of the Republic of the Philippines was merely contingent and expectant. A motion for reconsideration filed on behalf of the Republic of the Philippines was equally denied. Said Republic thru its Chief Special Attorney has now come to this Court with a petition for certiorari and mandamus, alleging that the lower court acted in gross abuse of its discretion in denying the motion for intervention, and asking that the order denying said motion as well as the order denying the motion for reconsideration be declared null and void, and

that the trial court be ordered to allow the intervention of the Republic of the Philippines.

In these certiorari and mandamus proceedings the Philippine Alien Property Administrator thru his attorneys petitioned this Court to be allowed to intervene as amicus curiae with permission to file pleadings, adduce evidence, if required, and to argue orally or by memorandum. Said petition was granted and the Philippine Alien Property Administrator as amicus curiae has filed a printed memorandum, exhaustive and enlightening, relating the origin and history of the office of Alien Property Custodian established in the Philippines after Liberation, which later was converted into the Office of the Philippine Enemy Property Administrator after the granting of our independence on July 4, 1946, as well as the different pieces of legislation and executive orders from which said Custodian or Administrator derives his authority.

To determine the right of the Republic of the Philippines to intervene in the suit filed in the Court of First Instance of Bulacan, we have to inquire into the right or interest which said Republic has or might have in the property in litigation. There is no question that by virtue of Vesting Order No. P-159 issued by authority of the Trading with the Enemy Act, all right and title that the enemy national presumably the Taiwan Tekkosho had over the two bodegas in litigation, were transferred to the United States Government which now holds the legal title to them, of course, subject to valid claims. The petitioner Republic of the Philippines bases its claim on section 3 of the Philippine Property Act of 1946, the pertinent portion of which, we quote below for purposes of reference:

"SEC. 3. The Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading with the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate; Provided, That all properties vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading with the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading with the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: Provided further, That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration. * * *."

Petitioner claims that inasmuch as all these vested properties located in the Philippines will eventually be transferred to the Republic of the Philippines, the latter becomes or has become the real owner thereof; that the United States of America holds merely the bare legal title to them, and that the Philippine Enemy Alien Administrator acts only as a trustee or Custodian for the Republic. On behalf of the respondents, it is equally contended that the interest of the Republic here is merely contingent or expectant because if as a result of the litigation the property in question is declared property of the plaintiff in the suit in Bulacan, then there would be nothing left to the United States Government to transfer to the Republic of the Philippines, and the interest or title now claimed by the Republic would be nil.

The law applicable to intervention is Rule 13, section 1 of the Rules of Court which reads as follows:

"Section 1. When proper.—A person may, at any period of a trial, be permitted by the court, in its discretion, to intervene in an action, if he has legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or when he is so situated as to be adversely affected by a distribution or other

disposition of property in the custody of the court or of an office thereof." (*Italics ours*).

From a reading of section 3 of the Property Act of 1946 as reproduced above, it is obvious that vested properties located in the Philippines, after the determination of all claims thereto and payment of the expenses of administration and costs, will have to be transferred to the Republic of the Philippines. That makes the Republic as contended by petitioner eventually or ultimately the owner of the property in litigation, unless of course, the trial court finally determines that the two bodegas belong to the plaintiff, or the damages if granted, eat up all the property or its value, assuming that it be found to belong to the United States Government. But despite all these contingencies, if, at the end, anything remains of the property, that will ultimately be transferred to and belong to the Republic. This establishes in the Republic an interest, substantial and real that would warrant its intervention. Moreover, it is evident that in the words of section 1, Rule 13 of the Rules of Court above quoted, the Republic has a legal interest in the success of either of the original parties. A decision on the title to the two bodegas in favor of the Philippine Enemy Alien Administrator will result in the eventual vesting of title thereto in the Republic.

It will also be noted that only the plaintiff in Civil Case No. 415 objects to the intervention. The Philippine Enemy Alien Administrator far from objecting, welcomes the intervention because the intervenor could assist in resisting the claim of the plaintiff, and in preserving the rights and interests of the United States Government and ultimately those of the Republic of the Philippines. We quote what said Philippine Enemy Alien Administrator states in its brief:

"At this juncture, we wish to state that the Philippine Alien Property Administrator welcomes the cooperation and assistance of the Department of Justice in resisting claims against vested property to any legal extent necessary without involving the Republic of the Philippines in a suit without its consent. In fact, the Administrator, recognizing the very real and substantial interest of the Republic of the Philippines in the outcome of administrative claims and litigations affecting vested enemy property in the Philippines, himself suggested the establishment of the office which counsel for the petitioner now holds, and made provision for reimbursement to the Republic, out of the proceeds of vested property, for the salaries paid to him and his two assistants, and to furnish them office space and secretarial service. Thus intervention by the Republic in claims and litigation involving vested property in the Philippines has been not only approved and encouraged, but invited and requested. The arrangement has been a highly satisfactory one, and has been profitable both to the Republic and to the United States in the protection of the very real and substantial interests of both. And the Administrator desires to see it continue to operate and to succeed in this litigation and in others now pending and anticipated.

"It has never been anticipated, however, that in time the Chief Special Attorney of the Department of Justice would, in order to justify the intervention of the Republic in section 9 (a) litigations, relegate the United States with respect to vested property to the position of a mere nominal title holder, the Philippine Alien Property Administrator to the category of a mere ministerial officer, and the remedial provisions of the Trading with the Enemy Act, as amended, as mere matters of inconsequences in the scheme of the Philippine Property Act of 1946." (pp. 21-22, brief of Amicus Curiae).

It seems that the only point of difference between said Philippine Alien Property Administrator and the Republic's Chief Special Attorney is the claim of the latter that the Republic is the real owner of the properties, and that the United States Government is a mere nominal title holder and the Philippine Alien Property Administrator a mere ministerial officer or custodian. We can understand and appreciate the stand of the Philippine Alien Property Administrator. Much depends upon one's point of view,— one viewing the present and actual status, the other looking at the future, perhaps with a little too much optimism. But there is no difficulty in reconciling the two views and claims.

Considering the different contentions made by both parties, petitioner and respondents, including the amicus curiae, and with an eye to other cases of vested properties in the Philippines to which private claims may in the future be presented, we are inclined to find and to hold that the Republic should be allowed to intervene, not only because as already stated, it will eventually become the owner and title holder of all vested properties within the Philippines or what may remain of them after determination of claims or the payment of expenses of administration and costs, but also because said Republic thru its agencies or instrumentalities has a distinct advantage and the facilities in inquiring into the nature, origin and history of all said vested properties, could assist the Philippine Enemy Property Administrator in resisting improper claims, and otherwise helping the courts to arrive at the facts and legal status of said properties. In part we are also influenced in arriving at this conclusion by the consideration that the Philippine Enemy Property Administrator himself not only does not object to this intervention but is agreeable to it.

The proposed intervention of the Republic would not necessarily delay or prejudice the adjudication of the rights of the original parties, as provided for in section 3, Rule 13 of the Rules of Court. On the contrary, it will greatly aid the trial court in getting all the evidence and data necessary and help in a correct determination of the case. Furthermore, as aptly observed by the petitioner, it would be rather strange and unnatural for the Republic, the ultimate owner of the properties in question or what will remain of them after the determination of the suit, to stand idly by, fold its arms and be indifferent to and rendered helpless in the conduct of the litigation whose result will vitally affect its ultimate proprietary interests.

In view of the foregoing, we hold that His Honor Bonifacio Ysip erred and abused his discretion in not allowing the petitioner herein to intervene in Civil Case No. 415 of the Court of First Instance of Bulacan. Consequently, the order rejecting the motion to intervene as well as the motion for reconsideration are hereby set aside. No pronouncement as to costs.

Paras, C. J., Feria, Pablo, Bengzon, Padilla, Tuason. Reyes, Jugo and Bautista Angelo, JJ., concur.

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