

**ROSARIO S. VDA. DE LACSON ET AL., PLAINTIFFS AND APPELLEES,
VS. ABELARDO G. DIAZ, DEFENDANT AND APPELLANT.***G.R. No. L-2837. August 04, 1950*

Ponente: TUASON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/eef69316cfe2/>**TUASON, J.:**

This case, here on appeal from the Court of First Instance of Negros Occidental, involves an interpretation of a pre-war contract of lease of sugar-cane lands and the liability of the lessee, defendant and appellant, to pay rent for the period during and immediately following the Japanese occupation. The defendant resisted payment of that rent on the theory of force majeure, and claims, besides, right to an extension of the lease to make up for the time when no cane was planted.

The material facts are set forth in the appealed decision as follows:

"It appears that on June 2, 1939, the plaintiff, Rosario S. Vda. de Lacson, as attorney-in-fact of the other plaintiffs leased to the defendant, Abelardo G. Diaz, Lots Nos. 429 and 1179 of the Talisay Cadastre, together with its sugar quota of about 5,728.50 piculs. The term of the lease was for five crop years beginning with the crop year 1940-41; with an option in favor of the defendant for another two years, after the expiration of the original period. The contract provided that the defendant was to pay to the plaintiffs an annual rental of 1,000 piculs of export sugar, of which 500 piculs were to be paid in the month of January of every year and the rest at the end of every milling season. The defendant also obligated himself to pay to the plaintiff 20% of whatever alcohol he may receive from the Talisay-Silay Milling Co. Inc. corresponding to the haciendas above-mentioned.

"To guarantee the payment of the said annual rentals, the defendant Abelardo Diaz, loaned to the plaintiffs the sum of P10,000 without interest, which was to be paid by the plaintiffs with the proceeds of the annual rentals in sugar provided, however, that the sum of P7,000 was to be maintained as the permanent balance until the termination of the lease period, as security for the payment by the defendant of said rentals.

"On October 23, 1940, a supplementary agreement (was) entered into between the parties so as to include in the lease contract the rights and interests also of the plaintiff, Rosario S. Vda. de Lacson in the haciendas in question. It was further agreed that out of the annual rental of 1,000 piculs of expert sugar, 500 piculs was to be assigned yearly to the Agricultural and Industrial Bank to amortize the obligations of the plaintiffs in favor of the said Bank, and 400 piculs to be sold by the defendant, Abelardo Diaz in such price as may be agreeable to the plaintiff, Rosario S. Vda. de Lacson, from the proceeds of which the sum of P2,000 was to be applied to the loan of P10,000 extended by the defendant to the plaintiffs. The balance of 100 piculs of said yearly rental was to be placed at the complete disposition of the plaintiff, Rosario S. Vda. de Lacson.

"The defendant took possession of the haciendas in question beginning with the crop year 1940-41 in that year he paid to the plaintiffs the corresponding rental of 1,000 piculs of sugar and their share in alcohol. As provided for in the supplementary agreement the defendant, Abelardo G. Diaz, with the approval of the plaintiff, Rosario Vda. de Lacson, sold 400 piculs of said rentals for the sum of P1,984.76, and this amount was applied on the loan of the plaintiffs thereby leaving a balance of P8,015.24 against them and in favor of

the defendant at the beginning of the crop year 1941-42

"On December 8, 1941, the war broke out. The defendant claims that due to the unsettled conditions which follows, he was unable to mill all his sugar canes so that during the crop year 1941-42 he produced only the total amount of 966.42 piculs of sugar from the two haciendas, of which 579.86 piculs went to him as his planter's share. It appears that the defendant failed to pay the plaintiffs the rentals of 1,000 piculs of export sugar and the alcohol for said crop year. The defendant tried to prove, however, that he assigned 225.65 piculs in 1941-42 to the Agricultural and Industrial Bank for the account of the plaintiffs, but it was not duly established to the satisfaction of this court that the said Bank actually received the assignment.

"The defendant also failed to pay the plaintiff s the stipulated rentals for the remaining crop years up to the present time, although the plaintiffs had made several demands for their payment, so that on September 17, 1946, this action was commenced by the plaintiffs for the rescission of the lease contract.

"From the evidence adduced during the trial it was established that during the years 1943 and 1944, the haciendas in question were worked and cultivated by the tenants of the defendant who planted cereal crops thereon like corn and rice but there was no evidence as to how much was really produced on the land. The defendant himself admitted that he planted rice on the haciendas during the years 1945 and 1946, which brought him a net participation of 200 cavanos for each of these years. The defendant also admitted that he did not give the plaintiffs any participation in the rice or other crops he had produced in the said haciendas, because according to him, his obligation was to pay rentals in sugar only, and not in any other kind of products. It also appears that the defendant has been unable to plant sugar canes on the haciendas In question except in preparation for the 1947-48 crop year which he estimated to be around ten hectares."

The court below absolved the defendant, on the principle of fortuitous circumstance, from any liability for rent for the crop years 1942-43, 1943-44 and 1944-45 although it allowed the plaintiffs "proportionate share of the War Damage Compensation which the defendant may recover from the War Damage Commission for the products of the aforementioned haciendas for the crop year 1941-42, on the basis of P5,000.00, the total value of 1,000 piculs of sugar which is the corresponding rental of said haciendas for the crop year 1941-1942." (The defendant had filed a damage claim for the destruction early in 1942 of standing crops.) But the court gave judgment for the plaintiffs for rent with interest corresponding to the crop years 1945-46 and 1946-47, amounting to P60,000, the value of 2,000 piculs of sugar, from which amount was to be deducted the sum of P8,015.24 due the defendant by the plaintiffs for advances. The court likewise declared the lease terminated after the crop year 1946-47.

On the last point, it is the defendant's contention that he and the plaintiffs stipulated seven sugar "crops" and not seven "crop years" as the duration of the lease and that this period should be computed by the number of times sugar crops were raised and not by the number of years that transpired from the inception of the contract.

We are unable to see any essential difference between crops and crop years sufficient to alter the result. Under one or the other theory, it seems to us that the contract contemplated seven consecutive agricultural years. To the lessors time was of the essence of the lease and they could not conceivably have agreed to have discounted from the period, years which the lessee, who had the exclusive disposition of the lands, right not care to plant sugar cane or not use the lands at all.

Anyhow the contract speaks of "cosechas agricolas," and nowhere is there any insinuation that the defendant-lessee was to have possession of the lands for seven years excluding years on which he could not harvest sugar. On the contrary, the parties not only used the generic expression "cinco (5) cosechas agrfcolas" but followed it with the phrase "periodo de cinco años."

The more important issue, though by no means difficult to decide, concerns the obligation of the lessee to pay the stipulated rent for the crop years 1945-46 and 1946-47. Admitting that those were post-liberation years, the lessee

claims exemption from the obligation to pay rent therefor because, he says, the contract stipulated for delivery of 1,000 piculs of centrifugal sugar as rent for each milling season, and the Talisay-Silay Milling Co.Inc., he adds, had been destroyed and he could not mill any sugar.

The law regulating the effects of force majeure on contracts is to be found in the following articles of the Civil Code:

"Art. 1096. Should the thing to be delivered be a determinate one the creditor, independently of the right granted him by Article 1004, may compel the debtor to make the delivery.

"Should the thing be indeterminate or generic, he may demand that the obligation be performed at the expense of the debtor.

"Should the person obligated be in default, or should he have engaged himself to deliver the same thing to two or more different persons, it shall be at his risk, even in case of inevitable accident, until the delivery is made."

"Art. 1105. No one shall be liable for events..which could not be foreseen or which, even if foreseen, were inevitable, with the exception of the cases in which the law expressly, provides otherwise and those in which the obligation itself imposes such liability."

"Art. 1182. Any obligation which consists in the, delivery of a determinate thing shall be extinguished if such thing should be lost or destroyed without fault on the part of the debtor and before he is in default (mora)."

In binding himself to deliver centrifugal sugar, the defendant promised a generic thing. It could be any centrifugal sugar without regard to origin or how he secured it. Hence, his inability to produce sugar, irrespective of the cause, did not relieve him from his commitment. War, like floods and other catastrophes, was a contingency, a collateral incident, which he could have provided for by proper stipulation. (Reyes vs. Caltex, (Philippines) Inc. 47 Off. Gaz., 1139.[1]

In reality there was no fortuitous event which interfered with the exploitation of the leased property in the form and manner the defendant had intended. We refer to the agricultural years 1945-46 and 1946-47. It should be observed that the defendant was not bound to keep the lands during those years. It was entirely optional on his part to put an end to the lease after crop year. When he decided to exercise the option he was fully aware that there were no sugar mills in operation and he did not expect to produce sugar. He must have had an object other than to plant sugar cane when he chose to retain the lands for two years more. His purpose was, beyond doubt, to plant other crops, which he did. If those crops did not bring good return he can not, under any principle of law or equity, shift the loss to the lessor. Performance is not excused by the fact that the contract turns out to be hard and improvident, unprofitable or impracticable, ill-advised, or even foolish. (Reyes vs. Caltex, supra.)

In the fourth assignment of error the appellant objects that "the trial court * * * awarded the plaintiffs more than what is prayed for in the complaint." He says that the plaintiffs pray "either the rescission of the contract of lease and the immediate delivery * * * of lots 429 and 1179 of Talisay, or in the alternative, to condemn the defendant to pay 5,000 piculs of export sugar; and to pay P500 as liquidated damages and costs."

We do not think the trial court erred in granting both remedies although the prayer was in the alternative. The situation or status of the contract had changed in the interval between the commencement of the suit and the rendition of the judgment. At the time the complaint was filed (September 12, 1946), the lease had not yet expired. Its expiration took place during the pendency of the action, a fact of which the Court was justified in taking cognizance.

For the rest, the prayer is not a material factor of the complaint. It is not the prayer but the proven facts which determine the power of the Court to act.

"Sec. 9. Extent of relief to be awarded.—A judgment entered by default shall not exceed the amount or be different in kind from that prayed for in the demand for judgment. In other cases the judgment shall grant the relief to which the party in whose favor it is rendered is entitled, even if the party has not demanded such relief in his pleadings." (Rule 35, Rules of Court.)

"But when the defendant is not in default, plaintiff, after trial, may be granted any relief that is supported by the evidence, although not specified in his pleadings. As held by the Supreme Court, plaintiff's failure, in such cases, to specify the relief to which he is entitled, is immaterial, and even if the complaint contains no prayer for relief, he is still entitled to such a relief as the facts proven may warrant. It is a rule of pleadings that the prayer for relief, though part of the complaint, is no part of the cause of action, and plaintiff is entitled to as much relief as the facts may warrant." (I Moran, Comments on the Rules of Court 574.)

It is unquestionable that, under the proven facts, the Court had the power to grant the remedies it did.

The defendant's counterclaim was, in our opinion, rightly overruled by the court below. Said the court:

"As to the counterclaim filed by the defendant the court cannot reasonably entertain it for the simple reason that there was no sufficient evidence supporting it and the fact that the seven-year period, stipulated in the contract, including the option of two years in favor of the defendant, had already expired at the end of the crop year 1946-47, which is of judicial notice to be at the end of May, 1947. After that period, the defendant is no longer entitled to the possession of the haciendas in question, nor their corresponding' sugar quota for the crop year 1947-48. If the defendant had already planted sugar canes to the extent he had testified to during the trial in preparation for the 1947-48 milling season, he did so at his own risk and responsibility for which he could not held the plaintiffs herein liable for any loss he may suffer thereby."

The judgment is affirmed with costs.

Ozaeta, Pablo, Bengzon, Montemayor, and Reyes, JJ., concur.

[1] 84 Phil., 654.

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.