

BASILIO ASIROT, ET AL., PETITIONERS-APPELLEES, VS. DOLORES LIM VDA. DE RODRIGUEZ, ET AL., RESPONDENTS-APPELLANTS.

G.R. No. L-26454. May 21, 1969

Ponente: REYES, J.B.L., Acting, C.J.

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REYES, J.B.L., Acting, C.J.:

Direct appeal on a question of law from an order of the Court of Agrarian Relations (CAR for short) in Guimba, Nueva Ecija, in its Case No. 1106, denying a writ of execution.

In the aforesaid CAR Case, the parties had come to a compromise settlement providing for the dismissal of some of the tenants' claims and of the counterclaims of the landowner, and further stipulating as follows (Record on Appeal, pages 14 - 15):

"3. That to establish harmonious relationship between petitioners and respondents pending final determination of the constitutionality of the leasehold system under Section 19 of Repub-lic Act No. 1199, as amended, and Section 4 of Republic Act No. 3844, the sharing basis between the petitioners and respondents shall be on the 60-40 basis in favor of the petitioners, with the petitioners contributing the labor, work animals, farm implements, and final harrowing, and the respondents, the land and the transplanting expenses, after deducting the seeds , threshing fees, fertilizer, insecticide; the reaping expenses are for the account of petitioners inasmuch as the same is more than sufficiently covered by the excess share to be received by them;

"4. That should the petitioners work for free in the maintenance of the main irrigation canal of the irrigation system of the respondents, inasmuch as the same is practically equivalent to the maintenance as the cost of the system ex-cluding that for the work in the distributory system which is the obligation of the petitioners, these petitioners shall not be charged irrigation fees; otherwise, they shall be so charged;

"5. That as practiced before, the respond-ents shall extend to petitioners loans and advances at the legal rate of interest;

"6. That other matters not covered by this settlement shall be covered by any existing laws governing tenancy."

The compromise was submitted to the CAR and the latter, by order of 10 March 1964, resolved that "the same is hereby approved and the parties, signatories thereto, are enjoined to comply strictly therewith" (Record on Appeal, pages 17 - 19).

On 31 January 1965, respondents landowners moved that a "writ of exe-cution be issued for the enforcement of paragraph 3 of the Decision", charging that the petitioners had refused to comply with the compromise agreement. Petitioners opposed the motion, on the ground that in the production of the harvest it was the respondents who had breached the contract by not supplying the transplanting expenses.

The CAR denied execution (Record on Appeal, pages 27-29), ruling that "the failure or refusal of the parties to comply with their respective legal obligations constitute an independent cause of action for which either of them should file a separate action", citing this Court's decision in *Co vs. Lucero*, 100 Phil. 160, and adding -

". . . For these reasons said paragraph of the parties' agreement may not be the subject of execution. For everytime that either of the parties refuse or fail to comply with their respective obligations, either will pray for the issuance of a writ of execution and the Court will always have to conduct a hearing to determine whether such breach had really taken place. There will, therefore, be endless hearings on that matter and this case would never be terminated."

Unable to secure reconsideration, respondents-movants resorted directly to this Court, claiming that the CAR order was not warranted by law.

We agree with respondents-appellants that the order of the CAR now under appeal should be set aside for being contrary to law.

Article 2037 of the Civil Code of the Philippines specifically prescribes that "a compromise had upon the parties the effect and authority of res judicata but there shall be no execution except in compliance with a judicial compromise".

Consistently with this ruling, this Court has held that a judgment upon agreement of the parties is more than a mere contract binding upon them; having the sanction of the court, and entered as its determination of the controversy, it has the force and effect of any other judgment (*Marquez vs. Marquez*, 73 Phil. 74).[1] It is the logical consequence of its being a judgment that it can be enforced by execution.[2] Should there be, as appears in this case, a dispute as to whether or not the terms of the judgment has been violated, the duty of the court is to hear the parties thereon, and then resolve whether or not execution should issue. This is the true doctrine of the case of *Co vs. Lucero*, 100 Phil. 160, erroneously cited by the CAR in support of its refusal to issue the writ of execution, for there we said (*cas. cit.*, page. 164):

"A stipulation which is not really a stipulation of facts upon which a judgment may be rendered, its (sic) but a new contract between the parties. The full and faithful performance thereof by both parties settles the controversy between them. But from a breach thereof by any one of the contracting parties there arises a cause of action, which must be passed upon by the Court requiring a hearing to determine whether such breach had really taken place. There is nothing definitely settled or determined in a case which ends by a stipulation such as the one submitted for approval of the trial court in the action brought by the respondent contractor against the petitioners. The breach of the stipulation must be pleaded and proved and the adverse party must be notified to afford him an opportunity to admit or deny the breach and to present evidence in support of his defense. The pleadings submitted by both parties in the case filed in the respondent court are replete with assertions by one and denials by the other which cannot be accepted or rejected without holding a hearing at which the parties are afforded an opportunity to present their evidence in support of their respective contentions for the determination of the court." (Emphasis supplied)

That the parties may conceivably refuse or fail to comply with their obligations under the judgment at every harvest is no ground to refuse enforcement of the compromise decision. The court has inherent powers to prevent its decision from becoming a dead letter, including the holding of the party for contempt if it finds the refusal to be malicious and systematic, and may even place the property under receivership (Rule 39, section 43) or take other appropriate measures to enforce compliance. The order under appeal, by requiring the parties to institute a separate action every time a controversy arises on whether the compromise judgment has been breached or not, would lead to an obnoxious multiplicity of suits that the compromise precisely aimed to prevent.

WHEREFORE, the order under appeal is reversed and set aside, and the case is ordered remanded to the court of origin for further proceedings in accordance with this decision. Costs against petitioners-appellees.

Dizon, Makalintal, Zaldivar, Sanchez, Fernando, and Capistrano, JJ., concur.
Teehankee and Barredo, JJ., did not take part.

Concepcion, C.J., and Ruiz Castro, J., on official leave.

[1] Also: Piano vs. Cayanong, L-18603, 28 Feb. 1963, 7 SCRA 397, 401; Araneta vs. Perez, L-16187, 13 April 1963, 7 SCRA 923; Sotto vs. Reyes, L-18429, 21 August 1963, 8 SCRA 691.

[2] Tria vs. Lirag, L-13994, 29 Apr. 1961, 1 SCRA 1207, 1210; Serrano vs. Niave, L-14678, 31 March 1965; Osmeña vs. CAR, 21156, 30 July 1966, 17 SCRA 828, 832.

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