

**IN RE WILL OF ALEJANDRO SOMOZA, LEONARDO P. MARTINEZ,
PETITIONER AND APPELLANT, VS. ALICIA S. BANOCHAN, ET AL.,
OPPOSITORS AND APPELLEES.**

G. R. No. L-15698. April 30, 1963

Ponente: PAREDES, J.

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PAREDES, J.:

The above-entitled case was instituted by the former administrator (deceased Emiliano S. Arnaiz) for and in behalf of the heirs of the deceased Alejandro Somoza, on February 1, 1946. Since then, up to the termination of the case, Atty. Leonardo P. Martinez, appeared as counsel, first for the probate of the will of the decedent, and later for the administration of the estate left by him. Sometime on November 19, 1956, Messrs. Alejandro Somoza, Jr. and Francisco Banogan, in representation of all the heirs, entered into a contract with Atty. Martinez, for professional services, whereby it was agreed-

- The Party of the Second Part shall handle all legal matters in connection with this administration case No. 476 and to prepare the necessary papers or documents legitimately belonging to said special case up to its termination.
- All other cases, which may come up during the continuance of this Special Case No. 476 involving the property, rights or interests of the testator or his heirs and requiring appearance of attorney in any courts of justice, are EXCLUDED from this contract. Should the Party of the First Part or their co-heirs desire to utilize the services of the Party of the Second Part in such cases, another contract concerning fees shall be entered into between them.
- That, for and in consideration of the services which the Party of the Second Part may have rendered or may render in connection with this Special Case No. 476, the Party of the First Part agrees to pay him the sum of eight hundred pesos (P800.00), Philippine Currency.
- That it is the intention of the Party, of the First Part and their co-heirs to terminate this Special Case as soon as possible by paying in full, within the shortest period possible, the account of the estate to the Agricultural and Industrial Bank or by subrogating themselves in place of the deceased father.

For one reason or another, the case was not closed and terminated as expected. Up to the filing of his claim for Attorney's fees, Atty. Martinez had already received P1,320.00 as compensation for the services rendered by him as counsel in this case.

On March 5, 1957, in the same proceedings, a petition was filed stating that the reasonable value of all the services rendered by him up to the termination of the case is P6,000.00 that this amount be taken and considered as part of the expenses of administration minus the amount of P1,320.00 already paid, out of the proceeds of the product of the estate and duly approved by the court and that the said amount of P1,320.00 is not a reasonable compensation. In support of his claim, Atty. Martinez made an itemization of the services rendered by him, together with an information as to the real worth and income of the estate, and the length of time it took this case

to be closed and terminated. While admitting the existence of the contract for professional service above-mentioned, Atty. Martinez now contends that the same is not binding for the reason that the heirs were not duly authorized by the former administrator to enter into such contract. On the other hand, the heirs allege that Atty. Martinez had been fully paid for his services in accordance with the contract in question and that he had also been paid an additional sum of P520.00, for other incidental services.

The lower court, in denying the petition of Atty. Martinez for additional payment of attorney's fees, in an order of Sept. 30, 1957, held—

"* * * The general rule is that a written contract for professional services control the amount to be paid therefor unless found by the Court to be unconscionable or unreasonable (Sec. 22, Rule 127). There is no doubt the relationship of attorney and client in this particular case and what is important to determine now is whether the fee as stipulated in the contract and paid is reasonable, considering the importance of the subject matter of controversy, the extent of the services rendered and the professional standing of the attorney. It would be idle to impugn the contract movant entered into with the heirs of the estate and by which he benefited. As a lawyer, he knows its validity and the obligation thereunder was enforced. The act of the heirs were impliedly ratified by the administrator when periodical payments were made to him. To determine the reasonableness of the claim, we should not necessarily lay importance to the delayed period of the proceedings where there was no continuous service rendered or shown. Rather, we should take into account the nature of the work done. (*Arce vs. National Bank*, 62 Phil. 569). The specification of services submitted by movant shows the ordinary preparation of initial papers connected with testate proceedings, the appointment of administrator, non-controversial motions, opposition, reports of accounts, appearance in court for their approval, negotiations for loans and other matters. For these services, he received, according to the contract, P800.00 and for other incidental services, P520.00 or a total of P1,320.00 which, considering all factors in this case, We believe is fair and reasonable compensation for services rendered by movant attorney.

Petitioner Martinez appealed to the Court of Appeals, which certified the case to us, it appearing that only questions of law are involved:

"* * * A written contract for services shall control the amount to be paid therefor unless found by the court to be unconscionable or unreasonable (Sec. 22, Rule 127). Whether the fees as provided in the contract was unconscionable or unreasonable, will have to be determined, in accordance with some guiding principles announced by this Court, in already familiar cases, one of which is the *Delgado vs. De la Rama*, 43 Phil. 419, where We held-

"* * * The circumstances to be considered in determining the compensation of an attorney are: (1) The amount and character of the services rendered; (2) the labor, time, and trouble involved; (3) the nature and importance of the litigation or business in which the services were rendered; (4) the responsibility imposed; (5) the amount of money or the value of the property affected by the controversy or involved in the employment; (6) the skill and experience called for in the performance of the services; (7) the professional character and social standing of the attorney; 8) the results, secured, it being a recognized rule that an attorney may properly charge a much larger fee when it is contingent than when it is not.

We have gone over the records of the case and we find no plausible reason to alter or modify the factual findings and legal conclusions reached by the trial court in the above quoted decision. His Honor had considered all the factors and circumstances of the claim, and gave the opinion, in which we concur, that the guiding principles here-tofore recited, are riot obtaining in this particular case. It may be added, in this connection, that the petitioner being, a lawyer, apparently of long experience and good standing, is presumed to have sized up the entire situation before entering into the contract, portions of which are above quoted. Emphasis is laid on the fact that petitioner-attorney had been rendering services for almost 11 years, before he entered into the said contract. It must be stated, however, that even the time employed is not an appropriate basis for fixing the amount of

compensation (De Guzman vs. Visayan Transit Co., 68 Phil. 643).

The resolution appealed from should be, as it is hereby affirmed, without pronouncement as to costs.

Bengzon, C. J., Bautista Angelo, Labrador, Concepcion, Barrera, Regala and Makalintal JJ., concur.

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