

ZAMBOANGA TRANSPORTATION COMPANY, INC., PLAINTIFF AND APPELLEE, VS. THE BACHRACH MOTOR CO., INC., DEFENDANT AND APPELLANT.

G.R. No. 27694. October 24, 1928

Ponente: VILLA-REAL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-27694/>

VILLA-REAL, J.:

We are here concerned with two appeals, one taken by the defendant the Bachrach Motor Co., Inc., from the judgment of the Court of First Instance of Zamboanga in civil case No. 1286 of said court (G. R. No. 27694), holding that the chattel mortgage executed by the president and general manager of the plaintiff corporation, the Zamboanga Transportation Co., Inc., is null and void, and ordering the register of deeds of said province to cancel the registration of said mortgage at the instance of said defendant, the Bachrach Motor Co., Inc., with costs; and the other by the defendant Zamboanga Transportation Co., Inc., from the judgment of the Court of First Instance of Manila in civil case No. 28123 (G. R. No. 27997) ordering said defendant Zamboanga Transportation Co., Inc., to pay the plaintiff corporation, the Bachrach Motor Co., Inc., the sum of P18,298.58, with 10 per cent interest on the sum of P6,254.81, from May 19, 1925, and legal interest on the balance of said sum from May 23, 1925, when the complaint was filed, plus the costs, and dismissing all the counterclaims and cross complaints set up by the defendant corporation.

In support of its appeal, the Bachrach Motor Co., Inc., assigns the following alleged errors as committed by the Court of First Instance of Zamboanga in its judgment to wit:

"1. The trial court erred in not finding that Mr. Jose Erquiaga, president, general manager, director, stockholder, auditor, attorney and legal adviser, and principal witness of the Zamboanga Transportation Co., Inc., personified and practically constituted that corporation at the time he signed the chattel mortgage in question in its behalf;

"2. The trial court erred in not finding that the so-called board of directors of the Zamboanga Transportation Co., Inc., was composed of 'dummy' directors, who were mere puppets in the hands of the said Jose Erquiaga;

"3. The trial court erred in not finding that the pretended resolution of the said so-called board of directors dated May 20, 1925 (Exhibit FF), purporting to disapprove the chattel mortgage in question was a mere contrivance of the said Jose Erquiaga, framed up for the purpose of attempting to avoid the obligation of said mortgage;

"4. The trial court erred in holding that the chattel mortgage in question was void and of no effect because it had not been previously approved by the Public Utility Commission;

"5. The trial court erred in not dismissing plaintiff's complaint."

In support of its appeal the Zamboanga Transportation Co., Inc., in turn assigns the following alleged errors as committed by the Court of First Instance of Manila, to wit:

"1. The Manila trial court erred in holding that chattel mortgage in question was valid and binding upon the corporation notwithstanding the fact that it was disapproved by a resolution of its board of directors and that it had not been previously approved by the Public Utility Commission as required by law;

"2. In not finding that Jose Erquiaga, president and general manager of the corporation, executed and signed said mortgage upon the express condition that it would not be valid unless it was ratified by a resolution of the board of directors, as required by the by-laws of the corporation and that it was agreed that in case said mortgage was not approved by said board of directors, Bachrach would be at liberty to foreclose the other two previous mortgages which were the real basis of the debt represented by the mortgage in question;

"3. In not finding as a fact that all previous contracts of any kind signed by Jose Erquiaga, as president or general manager or by his predecessors in office, affecting the company, had to be submitted for approval or ratification by the board of directors, as shown by the minutes kept by the secretary of the corporation, and that Bachrach was in possession of and knew the by-laws of the company at least since 1923;

"4. In not finding that it was verbally agreed between the said Jose Erquiaga and E. M. Bachrach that the chattel mortgage in question would not be registered in the offices of the registers of deeds concerned until it was approved by the board of directors of the mortgagor and by the Public Utility Commission;

"5. In not finding that it was also agreed between said Jose Erquiaga, E. M. Bachrach, and Mons. Jose Clos, Bishop of Zamboanga, in connection with the execution of the agreement of February 14, 1925, that the mortgagee would not foreclose said mortgage before the return of the Bishop of Zamboanga from his trip to Rome calculated to last six months, and without first giving the bishop opportunity to pay the whole amount of the mortgage with a ten per cent rebate;

"6. In utterly disregarding the testimony, in support of mortgagor's contention, of the Right Rev. Jose Clos, Bishop of Zamboanga, and in not admitting his deposition, as corrected by deponent, notwithstanding the fact that said deposition was obtained at mortgagee's request, and the questions made to the bishop were made by mortgagee's attorney in the absence of the mortgagor or his attorney;

"7. In not finding as a fact that at least two of the directors, Jose Camins and Ciriaco Bernal, were big stockholders owning nearly twenty thousand pesos of stock each and were not dummy directors who were mere puppets in the hands of said Jose Erquiaga, president and general manager of the corporation;

"8. In finding that the mortgagor took advantage of the alleged benefits of the mortgage in question with the full knowledge of said board of directors and that the validity of the mortgage was not disputed until after the mortgagee began proceedings for the foreclosure of said mortgage, when as a matter of fact the mortgagor filed the action in the Zamboanga court asking that the mortgage, be declared null and void as soon as he discovered that the mortgage had been registered with the register of deeds of Zamboanga, contrary to what had been stipulated, and before the mortgagor had any notice that the mortgagee was going to foreclose said mortgage;

"9. In finding that the execution of the chattel mortgage in question was merely a novation of the two previous mortgages in favor of the mortgagee and of the mortgage in favor of the Bishop of Zamboanga;

"10. In not rendering judgment in favor of the mortgagor declaring said mortgage null and void, as was done by the Zamboanga court upon the same issues and identical evidence, and in not rendering judgment against the mortgagee for the full value of mortgagor's property and business which was seized at mortgagee's instance, upon filing a two hundred thousand pesos bond and for the damages sustained by the mortgagor as stated in mortgagor's counterclaim in the Manila case."

The complaint filed by the Zamboanga Transportation Co., Inc., against the Bachrach Motor Co., Inc., in the Court of First Instance of Zamboanga seeks the annulment of a chattel mortgage executed on February 14, 1925 (Exhibits B and C), by the plaintiff's president and general manager in favor of the Bachrach Motor Co., Inc.

The complaint filed by the Bachrach Motor Co., Inc., against the Zamboanga Transportation Co., Inc., in the Court of First Instance of Manila seeks the foreclosure of said chattel mortgage.

By their respective assignments of error both appellants raise questions of fact as well as of law, rendering it necessary to make our findings of facts.

The preponderance of the evidence establishes the following pertinent and essential facts:

Both appellants are corporations created and organized under the laws of the Philippine Islands. The Zamboanga Transportation Co., Inc., is managed by a board of directors composed of five stockholders elected at a general annual meeting of the stockholders. The directors for the year 1925 were elected at the general meeting of the stockholders on January 26th of that year, as appears from the following copy of the minutes:

"MINUTES OF THE GENERAL MEETING OF STOCKHOLDERS OF THE ZAMBOANGA TRANSPORTATION CO., INC., HELD ON JANUARY 26, 1925, IN THE OFFICES OF THE COMPANY AT NO. 20 CORCUERA STREET, ZAMBOANGA, P. I.

'The meeting was called to order with the Vice-President, Mr. Jose Erquiaga, in the absence of the President, Mr. Jose Longa, as chairman at 5 o'clock in the afternoon of this 26th day of January 1925, the following stockholders being present either personally or by proxy:

Shares

Carlos Camins, in his own behalf

1

Jose Erquiaga, in his own behalf

466

Valera C. de Erquiaga, for Jose Erquiaga

1,800

Eduardo Montenegro, for Jose Erquiaga

1,000

Mons. Jose Clos, Bishop of Zamboanga, for Jose Erquiaga

2,410

Mission of the society of Jesus, for Jose Erquiaga

115

Melecio Ramos, for Jose Erquiaga

40

Jose Arguirre, for Jose Erquiaga

200

Ciriaco Bernal, in his own behalf

1,854

Superior of the Jesuit Fathers, for Jose Erquiaga

200

Dolores C. de Longa, for G. J. Cristobal

1,950

G. J. Cristobal, in his own behalf

1

Total

10,017

"There being a total of 10,017 shares represented, which constitute a majority or quorum according to the by-laws, the following business was considered:

"Upon motion of Mr. G. J. Cristobal, seconded by Mr. Ciriaco Bernal, the minutes of the previous general meeting were read and approved. The Manager's Annual Report of the condition of the business and the accounts corresponding thereto for 1924 were submitted for consideration. After the reading and examination of said report and accounts, on motion of Mr. C. Gamins, seconded by Mr. G. J., Cristobal, said report was approved.

"Immediately afterwards they proceeded to the election of the directors for the year 1925, the following being

elected:

Votes

Mr. Jose Erquiaga

10,505

Mr. C. Camins

10,500

Mr. Jose Camins

10,055

Mr. G. J. Cristobal

9,755

Mr. Ciriaco Bernal

9,270

"There being no further business the meeting adjourned at 6.30 p. m.

"I certify that the foregoing minutes are correct, and that the same were approved at the abovementioned general meeting.

(Sgd.) "Jose Erquiaga

"President ad interim

(Sgd.) "C. CAMINS

"Secretary"

For nearly ten years the two associations have had business relations with each other, the Zamboanga Transportation Co., Inc., purchasing trucks, automobiles, repair and accessory parts for use in the business of transportation in which it is engaged, from the Bachrach Motor Co., Inc. Payments were made by installments, and for the security of the vendor, the Bachrach Motor Co., Inc., the purchaser, the Zamboanga Transportation Co., Inc., executed in its favor several chattel mortgages.

From the year 1920 Jose Erquiaga, one of the stockholders and directors of the Zamboanga Transportation Co., Inc., has been also its attorney and legal adviser. In March 1924, he was appointed general manager, and in January 1925 was elected president. Lastly, he also acted as auditor.

In February 1925, the Zamboanga Transportation Co., Inc., owed the Bachrach Motor Co., Inc., the sum of P44,095.78, which was the balance due on the purchase price of several White trucks and accessory parts, bought on the installment plan from the latter. This balance was secured by two chattel mortgages, executed on February 17, 1923 (Exhibit 2) and December 4, 1923 (Exhibit 1), respectively.

During the last five years the Zamboanga Transportation Co., Inc., found itself in financial straits and on several occasions appealed to Mons. Jose Clos, Bishop of Zamboanga for loans of money. As the latter, who was the principal stockholder of the Zamboanga Transportation Co., Inc., was leaving for Rome in February 1925 and could not continue to loan money to said corporation to pay the installments stipulated in the chattel mortgages Exhibits 1 and 2, and in view of the fact that the hypothecated trucks were in a bad state or repair, and that the mortgagee required more security, additional agreements were entered between Mons. Clos and the Bachrach Motor Co., Inc. These agreements, in which the Zamboanga Transportation Co., Inc., intervened and took part, are evidenced in the letter quoted below:

"February 14, 1925

"THE RIGHT REVEREND JOSE CLOS

"Bishop of Zamboanga

"Manila, P. I.

"MOST REVEREND SIR: The purpose of this letter is to set forth in writing certain conditions and stipulations connected with the transfer to us of certain securities now held by you consisting of a mortgage made and executed in favor by the Zamboanga Transportation Co., Inc., covering certain equipment, business credits, privileges, etc., as set forth therein.

"1. You agree to release, and hereby do release and cancel said mortgage made and executed in your favor by the Zamboanga Transportation Co. under date of January 10th, 1925.

"2. The Zamboanga Transportation Co. is to be permitted to execute in our favor a new mortgage covering all property, business credits and privileges mentioned and set forth therein, excepting the second mortgage on property mortgaged by the Zamboanga Transportation Company to the Standard Oil Company. This is in addition to and to be included with property already mortgaged to us by the Zamboanga Transportation Company for which purpose an entirely new document, bearing a new schedule of payments inclusive of interest thereon to dates of maturity, will be made and executed in our favor by the said Zamboanga Transportation Company.

"3. For and in. consideration of the release and cancellation of the mortgage now held by you and your permission to remortgage to us the property mentioned therein by the Zamboanga Transportation Company, we agree to accept a reduced schedule of payments for a period of six months from date, after which period the former schedule of payments will be taken up and resumed as set forth in our memorandum of January 10th. It is further agreed that such payments instead of falling due on the 15th of each month shall become due and payable on the 1st day of the succeeding month as set forth and made of record in the new notes and mortgages to be made and executed in our favor by the Zamboanga Transportation Company. We also agree to permit the transfer of trucks and equipment now mortgaged to us by the Zamboanga Transportation Company or such portion thereof as may be necessary for their purpose to Dansalan, Lanao.

"4. As a further consideration, we also agree of permit you to liquidate the entire indebtedness of the Zamboanga Transportation Company by paying to us at any time that may be convenient for you to do so the entire amount due less a discount of 10 per cent as outlined in our letter of December 26, 1924; such discount, however, is to be based on the amount actually due by the Zamboanga Transportation Company at that time inclusive of balance due by them on their current account.

"5. It is further stipulated and agreed that the President and General Manager of the Zamboanga Transportation Company will furnish us a copy of the Resolution of the board of directors authorizing him to execute this new mortgage in our favor.

"Kindly confirm and ratify this agreement by signing with us at the bottom of this letter.

"Very truly yours,

"THE BACHRACH MOTOR CO., INC.

By (Sgd.) "E. M. BACHRACH

"Conforme:

"THE ZAMBOANGA TRANSPORTATION CO., INC.

By (Sgd.) "JOSE ERQUIAGA

"I agree to and accept conditions outlined.

(Sgd.) "JOSE CLOS"

In pursuance of said agreement the new chattel mortgage (Exhibits B and C) was executed on February 14, 1925 by the Zamboanga Transportation Co., Inc., represented by its president, general manager, and attorney, Jose Erquiaga. In this 'last mortgage the same goods were pledged that had been hypothecated by the Zamboanga Transportation Co., Inc., to the Bachrach Motor Co., by virtue of instruments Exhibits 1 and 2, and to Mons. Jose Clos Bishop of Zamboanga, by virtue of the deed Exhibit 3.

In a letter written on February 28, 1925, Jose Erquiaga submitted said mortgage deed to the board of directors through its secretary, and upon his return to Zamboanga from Manila, discussed said mortgage with directors Carlos Camins and Ciriaco Bernal, who expressed their satisfaction with the advantages obtained by their president and general manager.

The Zamboanga Transportation Co., Inc., partially complied with the conditions of said mortgage deed, paying the Bachrach Motor Co., Inc., on March 1 and April 1, 1925.

During the latter half of the month of April 1925, the mortgagor received a letter dated April 13, 1925, through its president and general manager, Jose Erquiaga, from the mortgagee, enclosing the cancellation of the two former chattel mortgages Exhibits 1 and 2, in order to be recorded in the registries of deeds of Cebu and Zamboanga, respectively, where said mortgages were registered. On April 27, 1925, said president and general manager, Jose Erquiaga, sent the mortgagee a letter (Exhibits HH and 14) in which; replying to the latter's communication dated April 13, 1925, he informed it that said cancellations could not be registered, because the new chattel mortgage had not been approved by the mortgagor's board of directors, according to the express stipulation of the parties, and that as soon as it was approved it would be submitted to the Public Utility Commission for approval in conformity with the law.

On May 3, 1925, the Zamboanga Transportation Co., Inc., through its general manager, Jose Erquiaga, addressed the letter marked Exhibit C to the Bachrach Motor Co., Inc., which, among other things, said the following:

"This is to inform you that on account of our Dansalan's Branch failure to send us any money so far, we are utterly unable, for the present, to make our remittances to you in accordance with our last contract.

"In view of all this and having in mind the fact that you hold now a mortgage practically on all our business and your credit is perfectly secured we would request that during this period of business depression we be

allowed to make smaller payments and furthermore that we be authorized by you to sell our equipments in Cebu and Dansalan, or part of it, upon the condition that any amount obtained from such sales, will be paid to you to apply to our monthly payments as per contract. Should you not be satisfied with this letter, I request that you send a man of your confidence down here to examine our business and report to you.

"I will try to be in Manila by the twelve of this month, passing thru Cebu and will take this matter with you personally. In this connection, I may tell you that I have already advanced some of my personal funds to help the company. Inasmuch as Bishop Clos who holds a second mortgage on our properties, is not here at present and he is not expected to be back until August, it is requested that no action be taken by you until he returns.

"Expecting to see you personally within a few days and hoping a favorable consideration, I am,

"Yours very truly,

"ZAMBOANGA TRANSPORTATION CO., INC.

"By (Sgd.) JOSE ERQUIAGA

"President and General Manager"

When, as announced in the foregoing letter, Jose Erquiaga interviewed E. M. Bachraeh, president of the Bachraeh Motor Co., Inc., in the latter's office in Manila on May 6 and 12, 1925, in order to secure his consent to the sale of some trucks in Cebu and Dansalan, the same being included in those mortgaged, in order to apply the proceeds to the payment of the unpaid debt, said E. M. Bachraeh asked Jose Erquiaga why the board of directors of the Zamboanga Transportation had not approved the mortgage yet, and without waiting for an answer, denied his request saying that the mortgagor was "at their mercy" and that they did not care whether the board of directors approved the mortgage or not, adding, "You cannot impose conditions now." After this interview Jose Erquiaga returned to Zamboanga and immediately made special efforts to have the mortgagor's board of directors meet and take definite action on said mortgage, which was done, said mortgage being rejected by the resolution of May 20, 1925. At that time the mortgagor discovered that the mortgagee had registered the chattel mortgage in question in the registry of deeds of Zamboanga, by a letter dated February 17, 1924, addressed to the register of deeds of Zamboanga, without the knowledge or consent of said mortgagor, and without having first registered the cancellations of the two previous mortgages which included part of the goods affected by the mortgage in question, as required by the law, which cancellations, as stated, were sent to the mortgagor only two months afterwards with the communication of April 13, 1925. This discovery was the cause of the resolution adopted by the board of directors of the Zamboanga Transportation Co., Inc., dated May 21, 1925, directing its attorney to institute an action for the annulment of said mortgage, which was done on May 21, 1925, the complaint being registered in the Court of First Instance of Zamboanga as No. 2186.

The Bachrach Motor Co., Inc., acting through its president, filed a complaint against the Zamboanga Transportation Co., Inc., in the Court of First Instance of Manila on May 23, 1925, and by means of a bond fixed by the court, obtained through the sheriff of Zamboanga, possession of all the chattels described in the chattel mortgages (Exhibits B and C) and their sale at public auction in conformity with the provision of section 14 of the Chattel Mortgage Law, and having been the highest bidder they were awarded to it for the sum of P35,000, which amount was reduced to P34,642.63, after deducting the expenses of the auction and the sheriff's fees, which amounted to P357.37. The aforesaid sum of P34,642.63 having been applied to the defendant's account, there remained a balance of P18,298.58 which is the amount owed by the Zamboanga Transportation Co., Inc., to the Bachrach Motor Co., Inc., including the stipulated penalty.

The Zamboanga Transportation Co., Inc., tried to prove that at the time the chattel mortgage was executed, there existed an oral agreement between the parties, which contained the following stipulations: (1) That the mortgage

would not be valid until it was approved by resolution of the board of directors of the mortgagor; (2) that it would not be recorded in the proper registry of deeds until such approval was obtained; (3) that after the mortgagor's board of directors had approved it, the approval of the Public Utility Commission as required by Act No. 3108 would also be requested; (4) that should the mortgagor's board of directors disapprove said mortgage, the mortgagee would have a right to foreclose the two previous mortgages at any time; (5) that even if the mortgage be approved by the mortgagor's board of directors, the mortgagee would not foreclose said mortgage in case of violation of the condition until after the return of the Bishop of Zamboanga from his trip to Rome, which, it was calculated would take about six months and without first giving said Bishop the option to pay the whole debt to the mortgagee with a 10 per cent discount; (6) that notwithstanding the fact that said mortgage is not valid without the approval of the board of directors of the Zamboanga Transportation Co., Inc., its conditions would go into effect immediately after being signed by Jose Erquiaga, as president of the mortgagor, the sum and the amount of the monthly payments being suspended from the date; (7) that in view of this stipulation Jose Erquiaga, as president and general manager of the mortgagor, made two payments in accordance with the terms of said mortgage, but without the knowledge of the board of directors and before the formal disapproval of the said mortgage by resolution dated May 20, 1925.

In view of the facts recited above as proven at the trial, partly by a preponderance of the evidence and partly by the admission of the parties, the following questions of law are raised:

(1) Whether the chattel mortgage evidenced by Exhibits B and C, dated February 14, 1925, and executed by Jose Erquiaga, president, general manager, attorney, and auditor of the Zamboanga Transportation Co., Inc., in behalf thereof, is valid and binding upon said corporation, after payments have been made to the Bachrach Motor Co., Inc., by virtue thereof, notwithstanding the fact that it was disapproved by the mortgagor's board of directors four months after its execution.

(2) If so, whether said mortgage was effective notwithstanding the fact that the authorization and approval of the Public Utility Commission were not obtained until after an action for annulment had been instituted by the Zamboanga Transportation Co., Inc., on May 21, 1925, and almost a year after said mortgage had been executed.

With regard to the first question, we have seen that Jose Erquiaga is one of the largest stockholders of the Zamboanga Transportation Co., Inc., and represented the greatest majority of the stock at the general meeting of stockholders held on January 26, 1925 at which he was elected president. In addition to this office, he acted as general manager, auditor, and attorney or legal adviser of said corporation. In this manifold capacity Jose Erquiaga entered into the chattel mortgage contract here in question with the Bachrach Motor Co., Inc., by virtue of which the Zamboanga Transportation Co., Inc., obtained greater advantages; and upon his return to Zamboanga after having entered into said contract, he discussed the new chattel mortgage with the directors of said corporation, Carlos Camins and Ciriaco Bernal, who expressed their satisfaction with the advantages obtained by their president and general manager, and the Zamboanga Transportation Co., Inc., availed itself of these advantages, making two payments under the new contract to the Bachrach Motor Co., Inc.: The first on March 1, 1925, and the second on the first of April of the same year.

While it is true that said last chattel mortgage contract was not approved by the board of directors of the Zamboanga Transportation Co., Inc., whose approval was necessary in order to validate it according to the by-laws of said corporation, the broad powers vested in Jose Erquiaga as president, general manager, auditor, attorney or legal adviser, and one of the largest shareholders; the approval of his acts in connection with said chattel mortgage contract in question, with which two other directors expressed satisfaction, one of which is also one of the largest shareholders, who together with the president constitute a majority: The payments made under said contract with the knowledge of said three directors are equivalent to a tacit approval by the board of directors

of said chattel mortgage contract and binds the Zamboanga Transportation Co., Inc. In truth and in fact Jose Erquiaga, in his multiple capacity, was and is the factotum of the corporation and may be said to be the corporation itself.

In the case of Halley First National Bank vs. G. V. B. Min. Co. (89 Fed., 439), the following rule was laid down:

"Where the chief officers of a corporation are in reality its owners, holding nearly all of its stock, and are permitted to manage the business by the directors, who are only interested nominally or to a small extent, and are controlled entirely by the officers, the acts of such officers are binding on the corporation, which cannot escape liability as to third persons dealing with it in good faith on the pretense that such acts were ultra vires."

We therefore conclude that when the president of a corporation, who is one of the principal stockholders and at the same time its general manager, auditor, attorney or legal adviser, is empowered by its by-laws to enter into chattel mortgage contracts, subject to the approval of the board of directors, and enters into such contracts with the tacit approval of two other members of the board of directors, one of whom is also a principal shareholder, both of whom, together with the president, form a majority, and said corporation takes advantage of the benefits afforded by said contract, such acts are equivalent to an implied ratification of said contract by the board of directors and binds the corporation even if not formally approved by said board of directors as required by the by-laws of the aforesaid corporation.

With respect to the second question, having arrived at the conclusion that the chattel mortgage deed, which is the subject matter of this litigation, is valid and effective, the lack of previous authorization and approval of the Public Utility Commission, while it, indeed, rendered said contract ineffective, was cured by the nunc pro tunc authorization and approval granted by said Commission, and the contract was made effective from its execution, for, as this court held in the case of Zamboanga Transportation Co., vs. Public Utility Commission (50 Phil., 237), although the authorization and approval of said Commission were needed to render said chattel mortgage contract effective, they were not necessary for the intrinsic validity of said contract so long as the legal elements necessary to give it juridical life are present.

In consideration of the premises, we are of the opinion and so hold, that while a chattel mortgage contract entered into by a public service corporation is ineffective without the authorization and approval of the Public Utility Commission, it may be valid if it contains all the material and formal requisites demanded by the law for its validity, and said Public Utility Commission may make it retroactive by nunc pro tunc authorization and approval.

Wherefore, the judgment appealed from in the case of Zamboanga Transportation Co., Inc., vs. Bachrach Motor Co., Inc., of the Court of First Instance of Zamboanga, G. R. No. 27694, is reversed with costs against the appellee, and the judgment in the case of Bachrach Motor Co., Inc., vs. Zamboanga Transportation Co., Inc., rendered by the Court of First Instance of Manila, is affirmed, with the costs against the appellant. So ordered.

Avanceña, C. J., Street, Malcolm, Villamor, Ostrand, and Romualdez, JJ., concur.

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.