

MARTIN MENDOZA AND NATALIO ENRIQUEZ, PLAINTIFFS AND APPELLEES, VS. MANUEL DE GUZMAN, DEFENDANT AND APPELLANT. MAX. B. SOLIS, INTERVENOR AND APPELLANT.

G.R. No. 28721. October 05, 1928

Ponente: MALCOLM, J.

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MALCOLM, J.:

This case calls for the application of. articles 361, 453, and 454 of the Civil Code to the proven facts.

On November 6, 1916, Leandra Solis and her husband Bernardo Solis brought an action in the Court of First Instance of Tayabas against Martin Mendoza for the recovery of a certain piece of land. Judgment was rendered in that case absolving Mendoza from the complaint, and this judgment was subsequently affirmed by the Supreme Court.[1] When the case was remanded to the court of origin, the trial judge issued an order requiring the provincial sheriff immediately to dissolve the preliminary writ of injunction and to put Mendoza in the possession of the land. By virtue of this order, Mendoza was in fact put in possession of the property.

In the cadastral proceedings of the municipality of Sariaya, Tayabas, the piece of land above-mentioned was identified as lot No. 687. In the decision rendered in the cadastral case, this lot was adjudicated in favor of Martin Mendoza and Natalio Enriquez in equal parts pro indiviso subject to the right of retention on the part of Manuel de Guzman until he shall have been indemnified for the improvements existing on the land. By virtue of this judgment, De Guzman presented a motion requesting the issuance of a writ of possession for lot No. 687 in his favor which was granted on June 25, 1924. From the time Leandra Solis and Bernardo Solis, as well as Manuel de Guzman who was working on the land, were ejected therefrom, Martin Mendoza possessed it until June 25, 1924, when De Guzman obtained the writ of possession abovementioned. Since then De Guzman has had dominion over the land.

Being unable to come to an agreement as to the amount which should be allowed for the improvements made on the land, Martin Mendoza and Natalio Enriquez began an action requesting the court to (a) fix the value of the necessary and useful expenses incurred by Manuel de Guzman in introducing the improvements; (b) require the defendant to render an accounting of the fruits received by him and order that the value of the fruits be applied to the payment of the necessary and useful expenses; and (c) decree the restitution of the property to the plaintiffs. To the complaint, the defendant filed an answer in the form of a general denial with special defenses and appended a counterclaim and cross-complaint, in which a total of P6,000 was asked. During the pendency of the case, Bernardo Solis, or Max B. Solis, one of the persons who was ejected from the land, asked leave to intervene, alleging, among other things, that De Guzman, in consideration of the sum of P5,000, had transferred all his rights in the improvements and in the lot to him with the exception of two hundred coconut trees. This petition was granted by the trial court.

When the case was called for trial, the parties entered into the following stipulation:

"1. That the plaintiffs are the owners and proprietors of the land described in the second paragraph of the

complaint.

"2. That a decree of registration has been issued on said land in the terms set forth in paragraph 3 of the complaint.

"3. That the defendant Manuel de Guzman is the one who has been in possession and enjoyment of the land from June 25, 1924, up to the present time by virtue of a writ of possession obtained by him from the Court of Land Registration.

"4. That the defendant has made improvements on said land by planting coconut trees thereon.

"5. That the plaintiff Martin Mendoza is the one who has been in possession and enjoyment of said property and its improvements since December 16, 1916, by virtue of a writ of possession in civil case No. 356 until said possession was transferred to the defendant Manuel de Guzman.

"6. That from March 20, 1920, the plaintiff Natalio Enriquez has been in possession and enjoyment of a portion of the land, the subject matter of the complaint herein, by virtue of a deed of sale executed in his favor by Attorney Agustin Alvarez, who, in turn, acquired it from the other plaintiff Martin Mendoza, until June 25, 1924.

"The parties desire to submit, as they do submit, under this stipulation of facts the following questions:

"(a) The amount of the indemnity to be paid to the defendant for the improvements made by him on said lot and the basis upon which said amount shall be fixed.

"(b) Whether or not the defendant is obliged to render an account of the fruits received by him from June 25, 1924, until the improvements are delivered after same have been paid for.

"(c) Whether the value of said fruits and products received by the defendant shall be applied to the indemnity to which he is entitled, or whether said defendant is obliged to deliver to the plaintiffs the remainder in case of excess.

"(d) Whether or not the defendant has the right to be paid by the plaintiffs in whole or in part for the value of the fruits received by Martin Mendoza and Natalio Enriquez from the respective dates that they were in possession and enjoyment of the land until June 25, 1924.

"The parties at the same time that they submit to the court for decision the questions presented in the above stipulation reserve to themselves, whatever said decision may be, the right to present later their evidence in support of their respective views with respect to the amount of the indemnity.

"After the preliminary questions have been decided, the parties request that commissioners be appointed to receive said evidence with respect to the amount of the indemnity in accordance with the views of both parties."

The trial court resolved the questions presented by holding (1) that in accordance with the provisions of articles 453 and 454 in relation with article 361 of the Civil Code, the value of the "indemnizacion" to be paid to the defendant should be fixed according to the necessary and useful expenses incurred by him in introducing "las plantaciones en cuestion"; (2) that the plaintiffs as the owner of the property have the right to make their own "las plantaciones hechas por el demandado" upon payment in the form indicated in No. 1, the defendant having the right to retain the land until the expenditures have been refunded; (3) that the defendant is obliged to render a detailed and just account of the fruits and other profits received by him from the property for their due application; and (4) that the value of the fruits received by the defendant should first be applied to the payment of the "indemnizacion," and in case that it exceeds the value of the "indemnizacion," the excess shall be returned to the plaintiffs. With respect to the last question as to whether or not the plaintiffs are obliged to return to the

defendant the value of the fruits received by them before the defendant took possession of the land, the trial court abstained from making any pronouncement for the reason that the circumstances under which the plaintiffs acquired possession and the defendant again acquired it were not before him, the parties needing to submit their evidence with respect to this point.

At the trial which followed and at the instance of the parties, two commissioners were appointed with instructions to inspect the land and to count the number of coconut trees planted thereon, determining the number of fruit-bearing trees and those that are not fruit-bearing as well as the condition of the same. After trial, Judge of First Instance Gloria rendered judgment declaring (a) that the defendant Manuel de Guzman and the intervenor Bernardo Solis have the right to collect from the plaintiffs Martin Mendoza and Natalio Enriquez the sum of P2,046 as compensation for the necessary and useful expenditures in the proportion of 20 per cent for Manuel de Guzman and 80 per cent for Bernardo Solis; and (b) that Manuel de Guzman and Bernardo Solis are obliged to pay to the plaintiffs the sum of P666.93 per annum from June 25, 1924, one-fifth of this amount to be paid by Manuel de Guzman and the other four-fifths by Bernardo Solis. As on the date when this judgment was rendered, that is on September 23, 1927, the amount that the plaintiffs were required to pay to the defendant and intervenor exceeded the amount that the latter were to pay the former, the defendant and intervenor were ordered to deliver the land and its improvements as soon as the plaintiffs have paid the difference, without special pronouncement as to costs.

The appeal of the defendant and intervenor is based on fourteen assigned errors relating to both questions of fact and of law. The question of fact mainly concerns the amount to be paid as "indemnizacion" in the form of necessary and useful expenditures incurred by the defendant. The question of law mainly concerns the interpretation of articles 361, 453, and 454 of the Civil Code. Counsel for the appellants has presented a learned brief divided into three chapters. Counsel for the appellees has countered with an equally helpful brief in which the fourteen assigned errors are reduced for purposes of argument to four fundamental questions. It would not be profitable and it is not necessary to follow opposing counsel into all of their refinements of fact and law.

As to the facts, the findings of the trial judge should be given effect. An examination of the evidence shows that these findings are fully substantiated. Our only doubt has been as to the just value for each coconut tree now found on the land. However, everything considered, we have at last determined that we would not be justified in changing the value per tree of 92 as fixed in the trial court. With respect to the fruits received by the defendant while the land was in his possession, the finding in the trial court is correct.

With the facts as above indicated, little time need be taken to discuss the points of law. Article 361 of the Civil Code in the original Spanish text uses the word "indemnizacion." However one may speculate as to the true meaning of the term "indemnizacion" whether correctly translated as "compensation" or "indemnity," the amount of the "indemnizacion" is the amount of the expenditures mentioned in articles 453 and 454 of the Civil Code, which in the present case is the amount of the necessary and useful expenditures incurred by the defendant. Necessary expenses have been variously described by the Spanish commentators as those made for the preservation of the thing (4 Manresa's Comentarios alCodigo Civil, p. 258); as those without which the thing would deteriorate or be lost (Scaevola's Comentarios alCodigo Civil, p. 408); as those that augment the income of the things upon which they are expended (4 Manresa's Comentarios alCodigo Civil, p. 261; 8 Scaevola's Comentarios alCodigo Civil, p. 416). Among the necessary expenditures are those incurred for cultivation, production, upkeep, etc. (4 Manresa's Comentarios alCodigo Civil, p. 257). Here the plaintiffs have chosen to take the improvements introduced on the land and are disposed to pay the amount of the necessary and useful expenses incurred by the defendant. Inasmuch as the retentionist, who is not exactly a possessor in good faith within the meaning of the law, seeks to be reimbursed for the necessary and useful expenditures, it is only just that

he should account to the owners of the estate for any rents, fruits, or crops he has gathered from it.

In brief, therefore, and with special reference to the decision appealed from, the errors assigned on appeal, and the argument of counsel as addressed to the decision in the lower court and the assignment of errors, we may say that we are content to make the findings of fact and law of Judge Gloria in the lower court the findings of fact and law in the appellate court.

Based on the foregoing considerations, the judgment appealed from will be affirmed, with the costs of this instance against the appellants.

Avanceña, C. J., Johnson, Street, Ostrand, Romualdez, and Villa-Real, JJ., concur.

[1] G. R. No. 14033, *Espinosa and Solis vs. Mendoza*, promulgated August 23, 1919, not reported.

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