

RUPERTO MONTINOLA, PLAINTIFF AND APPELLEE, VS. VICTORIAS MILLING CO., INC., AND FRANCIS J. COOPER, DEFENDANTS AND APPELLANTS.*G.R. No. 31973. July 02, 1930*

Ponente: OSTRAND, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-31973/>**OSTRAND, J.:**

The Victorias Milling Co., Inc., operating a Sugar Central within the jurisdiction of the municipality of Victorias, Province of Occidental Negros, organized a premium contest for the most efficient production of sugar among those of its affiliated planters who desired to take part therein for the milling season of 1926-1927, and strict rules for conducting the contest were formulated. These rules were reduced to writing and agreed to by the competitors.

Article No. 8 of said rules established an absolute prohibition against the delivery of sugar cane from one hacienda in the name of another, even if both plantations belonged to the same owner, and provided that a single violation of the said article No. 8 would be sufficient to disqualify the competitor in the present and future contests of the same kind which the central might organize in the district.

Article No. 13 of the rules provided that the management or administration of the central should act as referee, among the contestants, with the power to declare the winners in the three groups of plantations, described in article 10 of the rules, upon computation of the various points established in accordance with the conditions stated in articles 9 and 10 of said rules. The latter article divided the competing plantations in three groups: Plantations of from 15 to 50 hectares were classified as group (a); plantations of from 51 to 99 hectares were placed in group (b); and plantations with a planted area of 100 hectares or more formed group (c). Article 11 of the rules fixed the premium for group (a) at P1,000, the premium for group (b) at P5,000, and the premium for group (c) at P10,000.

The herein plaintiff, Ruperto Montinola, was the owner of four plantations, "Nasipunan," "Fe," "Maria Luisa," and "Toreno," and he entered the "Nasipunan" in group (c) and the "Fe" in group (b).

Previously to the award of the premiums, the manager of the Sugar Central, upon discovering certain unexplained irregularities in the train reports covering cane deliveries from the plantations "Nasipunan," "Fey" and "Maria Luisa," directed the chemist, Carlos L. Locsin, to make an investigation of the matter. The chemist carried out the investigation and reported the results to the Manila office of the company, where the acting president, Jesus J. Ossorio, had his headquarters. Ossorio came to Negros and made an additional investigation, and after returning to Manila, he addressed a communication to the Victorias office of the central ordering the manager to disqualify the plaintiff's plantations and stating that the central was bound to strictly apply the rules of the contest notwithstanding the suggestion of Locsin that to avoid the disqualification, the plantations "Nasipunan," "Fe," and "Maria Luisa" might be considered as one in view of the fact that they were contiguous to each other. After having so disqualified said plantations, the prize for group (c) was adjudicated to Francis J. Cooper, and the prize for group (b) to Irineo V. Lapres. Being dissatisfied with the results, the plaintiff brought two actions, one against the Victorias Milling Co., Inc., and Francis J. Cooper and the other against the Victorias Milling Co. and Irineo V.

Lapres.

The sum and substance of the complaints in the two cases is that the plaintiff had the largest production of sugar in plantation groups Nos. (b) and (c) and was entitled to the prizes or premiums offered by the Victorias Milling Co., but that he was deprived of his right to said premiums through the fraud of the manager of the central, C. J. H. Penning, and that the disqualification of the plaintiff was unjust and illegal. He therefore prayed that he be declared entitled to the premiums and that the Victorias Milling Co. and the defendant Francis J. Cooper be ordered to jointly and severally pay the sum of P10,000 with legal interest and that the Victorias Milling Co. and Irineo V. Lapres be ordered to jointly and severally pay the sum of P5,000 with interest. The defendants, the Victorias Milling Co. and Irineo Lapres, demurred on the ground that the complaint did not set forth facts sufficient to constitute a cause of action and that the court had no jurisdiction over the case. The demurrers were overruled and all of the defendants filed their answers to the complaint.

The two cases were tried together, and in a lengthy decision, the court below rendered judgment in favor of the plaintiff in accordance with the prayers in the complaints. From that judgment the defendants appealed to this court in their respective cases.

The cases in question are of first impression in this jurisdiction, and we have been unable to find any other cases exactly in point. But by applying the principles governing the adjudication of rewards in general, the rights of the parties are readily determine.

The basis of the right to a reward is in the nature of a contract and rests on one side upon a valid offer and on the other side upon an acceptance of such offer, including its terms and conditions. (34 Cyc., 1731.) In competitive contests for reward, the acceptance must be in strict conformity with the offer, and a qualified acceptance does not create a contract. The offerer of the reward may make his offer subject to any legal condition he may see fit, and all conditions so imposed will be material elements of the offer and contract. (Shuey vs. U. S., 92 U. S., 697; Amis vs. Conner, 43 Ark., 337; Williams vs. West Chicago Street Railway Co., 191 111., 610; Jones vs. Phoenix Bank, 8 N. Y., 228.)

The Victorias Milling Co. laid down clear and comprehensive terras and conditions for the competitive reward, and the plaintiff was furnished a copy of the rules embracing said terms and conditions. Article No. 13 of said rules reads as follows:

"13. Those who get the highest average in groups (a), (b), and (c), article 10, as computed on the foregoing basis, shall be adjudged the winners of this contest by the management of this Central."

The article quoted is perhaps somewhat awkwardly worded, and the plaintiff maintains that it did not give the management of the defendant company the power to disqualify any of the contestants, but taking into consideration the context, it is, in our opinion, evident that the management of the central was in effect the referee of the contest and, if so, it had the power to enforce the provisions of article 8 as well as the other clauses of the rules. In the absence of fraud or bad faith on the part of a referee, his findings of facts will not be disturbed by the courts unless he has misinterpreted the terms and conditions of the contest. In the instant cases there was no such misinterpretation.

But the plaintiff maintains that the award made by the referee was made fraudulently and in bad faith. With the exception of a few insinuations, we can find nothing in the record supporting that contention; on the contrary, it appears that the fraud, if any, was committed by the other side. Penning, the manager of the Victorias office of the central, testified that the laboratory of the central submitted to him periodical milling reports which, among other things, showed the areas milled and the yield per hectare; that in the last six weeks, certain changes in the yield per hectare of the plantations "Nasipunan," "Fe," and "Maria Luisa" were discovered in the reports and his

attention was called to the fact that although the "Maria Luisa" plantation ordinarily was the best of the three and the one which always obtained the highest averages, it then showed large reductions in its production and that, on the other hand, the plantations "Fe" and "Nasipunan" had greatly increased their normal yield; that while on July 2d the "Nasipunan" plantation had an average production of 80.9 piculs per hectare, which was more or less the average of the harvest up to that time, the 16.42 hectares harvested between July 2d and September 3d produced an average of 150.9 piculs per hectare. On the other hand, the average on July 2d from the "Maria Luisa" plantation was 72 piculs per hectare, considerably less than the usual average on that plantation, but of the 5.31 hectares harvested between July 2d and September 3d, the plantation produced only 3.7 piculs per hectare.

Such abnormal changes in the production of the two plantations indicated that cane had been taken from the non-contesting plantation, "Maria Luisa," and credited to the contesting plantation, "Nasipunan," and upon investigation it was found that such was the case.

That the plaintiff did not personally bring about these irregularities may well be conceded; in all probability, the hired administrator of the plantations, Cecilio Jereza, was responsible therefor. But that does not alter the case; the fact remains that cane from two or more plantations was in part commingled, and such plantations were consequently barred from entry into the final contest and from participation by the owner in the distribution of the rewards. The object of the rule prohibiting the delivery of cane from one plantation in the name of a contesting plantation is obvious; if such a thing had been permitted, it would have been practically impossible to accurately determine the relative production of each separate plantation.

No fraud, bad faith, or misinterpretation on the part of the defendants-appellants having been established by the evidence, the appealed judgments are, hereby reversed, and the cases are dismissed upon the merits. Without costs. So ordered.

Malcolm, Villamor, Johns, Romualdez and Villa-Real, 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.