

ISIDORO YBOLEON, PETITIONER, VS. PEDRO MA. SISON, JUDGE OF FIRST INSTANCE OF MANILA, GRACIANA ACUÑA DE YBOLEON AND TAISHO MARINE & FIRE INSURANCE CO., INC., RESPONDENTS.*G.R. No. 40889, December 22, 1933*

Ponente: VILLA-REAL, J.

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This is an original petition for a writ of certiorari filed by Isidoro Yboleon against the Honorable Pedro Ma. Sison, Judge of the Court of First Instance of Manila, Graciana Acuña de Yboleon and Taisho Marine & Fire Insurance Co., Inc., wherein he prays that, for the reasons alleged therein and after proper proceedings, the order of November 23, 1933, be declared null and void, on the ground that it had been issued by the court in excess of its jurisdiction, and that the original judgment rendered therein in accordance with the stipulation and compromise entered into and submitted by the parties in civil case No. 44219 of the Court of First Instance of Manila, wherein Graciana Acuña de Yboleon was plaintiff and Isidoro Yboleon and the Taisho Marine & Fire Insurance Co., Inc., were defendants, be declared final and executory, with costs against the respondents.

The following pertinent facts are necessary for the solution of the question raised in these proceedings:

On April 19, 1933, Graciana Acuña de Yboleon, through her attorneys Messrs. Amador Constantino and Juan M. Geraldo, filed a complaint under oath against the herein petitioner Isidoro Yboleon and the respondent Taisho Marine & Fire Insurance Co., Inc., in the Court of First Instance of Manila, praying that she be declared the rightful owner of one-half of the proceeds of a certain fire insurance policy issued by the then defendant Taisho Marine & Fire Insurance Co., Inc., in the name of the therein defendant Isidoro Yboleon, on the ground that the property covered by the insurance policy and destroyed by fire belonged to the conjugal partnership formed by her and her aforesaid husband Isidoro Yboleon (Annex A).

On May 17, 1933, the aforesaid plaintiff therein and respondent in this case, through her new attorneys Messrs. Sotto and Astilla, filed a reamended complaint also under oath, wherein alleged that the property covered by the insurance policy in question was her paraphernal property and prayed that the total amount of the policy issued by Taisho Marine & Fire Insurance Co., Inc., be adjudicated to her as such absolute owner of said property (Annex B).

Isidoro Yboleon the then defendant and petitioner herein, filed an answer to the reamended complaint alleging, by way of special defense, that the house covered by the insurance was conjugal partnership property, and by way of cross-complaint or counterclaim, he alleged that the land on which the house in question was built belonged to the conjugal partnership, and that the corresponding Torrens title having been issued in the name of the plaintiff therein and respondent in the present case Graciana Acuña de Yboleon, with the consent of her husband, the defendant therein and petitioner in this case Isidoro Yboleon, he asked for the cancellation of the said title and the issuance of another in the name of the conjugal partnership formed by and between him and his aforesaid wife Graciana Acuña de Yboleon (Annex C).

After said civil case No. 44219 of the Court of First Instance of Manila had been set for hearing, the parties thereto with the assistance of their respective counsel, entered into the following compromise:

"The plaintiff Graciana Acuña de Yboleon and the defendant Isidoro Yboleon, with the intervention of their respective counsel respectfully submit to the Honorable Court the following stipulation:

"1. The plaintiff admits the fact that the house destroyed by fire belonged to the conjugal partnership and that the policy covering the same was legally issued by the insurance company in the name of the defendant Isidoro Yboleon.

"2. The plaintiff further admits that the land covered by certificate of title No. 9998 belongs to the conjugal partnership and consents to the issuance of another certificate in the name of the conjugal partnership formed by and between the plaintiff Graciana Acuña and the defendant Isidoro Yboleon.

"3. The plaintiff and the defendant covenant and agree that the check for the amount of the policy be issued by the defendant Taisho Marine & Fire Insurance Co., Inc., in the name of their attorneys Messrs. Cardenas and Sotto, who, upon receipt thereof, are authorized to retain, respectively, one-half of the amount thereof to be delivered to their respective clients.

"4. The plaintiff considers her complaint for support—civil case No. 44865 of this court—definitely withdrawn, and definitely waives her right to demand support from the defendant, as well as the costs.

"5. The plaintiff binds herself to deliver to the defendant, through her attorney Mr. Sotto, within three days from the date of the judgment a letter prepared by the said attorney and signed by her children Sofia and Rafael Yboleon, whereby said children shall withdraw their slanderous charges against the honor and dignity of the defendant in connection with the burning of the house.

"6. The litigants waive the reglementary periods and ask that the judgment to be rendered in this case be immediately made final and executory.

"Wherefore, the litigants pray this Honorable Court to render judgment in accordance with this stipulation, without costs.

(Sgd.)

"I. YBOLEON

"ISIDORO YBOLEON

"Defendant

(Sgd.)

"GRACIANA ACUÑA

"GRACIANA ACUÑA DE YBOLEON

"Plaintiff

"Witnesses:

(Sgd.)

"M. L.

"MANUEL LIM

"Attorney for Taisho Marine

& Fire Insurance Co., Ltd.

(Sgd.)

"J. PEREZ CARDENAS

"J. P. CARDENAS

"Attorney for the defendant

Isidoro Yboleon

(Sgd.)

"VICENTE SOTTO

"VICENTE SOTTO

"Attorney for the plaintiff"

After the said compromise had been submitted to the court, the corresponding judgment was rendered on September 19, 1933, the dispositive part of which reads as follows:

"Wherefore, the court approves this stipulation and declares that the house destroyed by fire formed part of the conjugal partnership property of the plaintiff and the defendant; that the insurance policy covering the house in question was validly issued in the name of the defendant; that the land covered by certificate of title No. 9998 likewise belongs to the conjugal partnership of the spouses; that the proceeds of the policy should be apportioned share and share alike between the plaintiff and the defendant, the corresponding check to be issued by the defendant Taisho Marine & Fire Insurance Co., Ltd., in the name of Attorney Vicente Sotto, counsel for the plaintiff and of Attorney Jose Cardenas, counsel for the defendant. The register of deeds for the Province of Rizal is hereby ordered to cancel certificate of title No. 9998 in the name of the plaintiff, and to issue another in lieu thereof in the name of the plaintiff and the defendant, as partnership property of both; and the parties are further ordered to comply with the other conditions set forth in the said stipulation, without costs. So ordered."

Forty-eight hours later, that is, on September 21, 1933, the plaintiff filed an urgent ex parte petition praying that "for reasons of justice and equity the court, motu proprio, ordered the immediate modification or amendment of

the aforesaid stipulation and judgment, in the sense that the parcel of land in question be divided equally between her and her defendant spouse, and the corresponding certificate of title issued to each of them." (Annex D.)

The therein defendant and petitioner herein Isidoro Yboleon filed his opposition to this petition of the plaintiff Graciana Acuña de Yboleon, alleging (a) that the court did not have jurisdiction to amend a judgment which was final, executory and unappealable, by express will of the parties; (b) that the stipulation submitted to, and approved by the court had the nature of a contract executed in the most solemn manner under the law, the enforcement of which could not be made to depend upon the will and discretion of only one of the contracting parties, and (c) that the proposed amendment would deprive the defendant, as administrator of the conjugal partnership, of one of his essential rights recognized by law, which said defendant is not disposed to waive. (Annex E.)

On September 22, 1933, the respondent judge issued the following order, to wit:

"ORDER

"In connection with the urgent petition filed yesterday and set for hearing tomorrow, the effects of the judgment rendered in this case on the 19th instant, are hereby suspended until the petition in question is decided. So ordered.

"Manila, P. I., September 22, 1933.

(Sgd.)

"PEDRO MA. SISON

"Judge"

Before the aforesaid urgent motion and the opposition thereto could be acted upon, the plaintiff on September 25, 1933 filed an amended motion under oath praying "that in view of the opposition of the defendant Yboleon to the amendment or modification of that paragraph of the stipulation and decision, in accordance with her petition of the 2nd instant—which paragraph, drafted without her intervention, does not convey the true intent of the plaintiff who affixed her signature thereto through an excusable mistake—the judgment rendered in the above entitled case be set aside as well as the stipulation submitted by the plaintiff, which served as a basis for said judgment; that the attorney for the defendant Isidoro Yboleon be ordered to return immediately the duplicate of certificate of title No. 9998 to the attorney for the plaintiff, and that this case be set for hearing" (Annex F).

The petitioner likewise filed his opposition to this amended motion on the same grounds stated in his former opposition (Annex E), copy of which is filed with the record and designated as Annex G.

On October 5, 1933, the litigants in the afore-cited case filed a petition which reads as follows:

"Come now the parties litigant through their undersigned attorneys and to this Honorable Court respectfully pray that in view of the conformity of the plaintiff and the defendant to the compromise submitted, and explained by the public instrument presented by the defendant, the defendant Taisho Marine & Fire Insurance Co. be ordered to pay immediately the amount of the policy in question, in accordance with paragraph 3 of the stipulation of September 19, 1933.

"Manila, P. I., October 5, 1933.

(Sgd.)

"VICENTE SOTTO

"Attorney for the plaintiff

(Sgd.)

"J.PEREZ CARDENAS

"Attorney for the defendant Yboleon"

On the same date, October 5, 1933, the respondent judge issued an order which reads as follows:

"Upon consideration of the petition of even date filed by the attorneys for the plaintiff Graciana Acuña and for the defendant Isidoro Yboleon, and taking into consideration that the order suspending the effects of the judgment rendered on September 22, 1933, referred only to that part of the stipulation involving the land in question, and it appearing that said petition is just,

"Therefore, the defendant Taisho Marine & Fire Insurance Co., Ltd., is hereby ordered to pay immediately the amount of policy No. 668 to Attorneys Jose P. Cardenas and Vicente Sotto, in accordance with the stipulation of the parties and the decision of this court of September 19, 1933. So ordered."

On October 11, 1933, the therein plaintiff and respondent herein substituted her attorney Vicente Sotto with attorney Manuel Escudero. The latter, in a supplementary petition, asked the respondent judge who took cognizance of the case, to set aside the judgment rendered therein as well as the order of payment of the insurance policy and other incidental petitions (Annex H).

On the same date, October 11, 1933, the former attorney for the plaintiff filed a petition entitled "Rights of Retention of the Attorney for the plaintiff", in accordance with the provisions of section 37 of Act No. 190.

On October 13, 1933, the therein defendant and petitioner herein Isidoro Yboleon filed his opposition to the said supplementary petition of the plaintiff alleging that there existed no fraud, error, deceit nor any other defect which would annul the stipulation of September 19, 1933.

On November 23, 1933, the respondent judge, passing upon the above-mentioned petitions, issued an order the dispositive part of which reads as follows:

"Wherefore, the court hereby sets aside the judgment rendered on September 19th last, only with respect to the ownership of the land described in certificate of title No. 11168. However, it maintains the said judgment with respect to the sum of P6,000 representing the proceeds of the insurance policy and orders that, out of the said P6,000, the Taisho Marine & Fire Insurance Co., Inc. deliver the sum of P3,000 to the defendant Isidoro Yboleon or his attorney Mr. Jose Perez Cardenas, and deposit the remaining P3,000 corresponding to the plaintiff with the clerk of this court, subject to Attorney Sotto's lien. The clerk is hereby instructed to set this case for hearing immediately in connection with the alleged grounds for the reopening thereof. So ordered."

On November 29, 1933, the attorney for the defendant Isidoro Yboleon filed a motion for reconsideration on the ground that "the court absolutely lacks jurisdiction to declare null and void, that part of the stipulation and its

judgment relative to the land in question, and in so doing in its order of November 23, 1933, it exceeded its jurisdiction inasmuch as it annulled part of its decision which, to all intents and purposes, is legal, executory and final by will of the parties and by the lapse of the period for ordinary appeal therefrom" (Annex J).

The question to decide in these proceedings is whether or not the respondent judge exceeded his jurisdiction in setting aside his decision rendered by consent of the parties and based on a compromise entered into by them with a waiver of all reglementary periods and a petition to the effect that the judgment rendered therein be made final and executory, by virtue of a motion which is not based on any of the grounds specified in article 1817 of the Civil Code, that is, error, deceit, violence, or forgery of documents, and without first determining whether or not such grounds existed.

Article 1809 of the Civil Code defines the nature and juridical effects of compromise as follows:

"Art. 1809. Compromise is a contract by which each of the parties in interest, by giving, promising, or retaining something avoids the provocation of a suit or terminates one which has already been instituted."

According to the legal provision cited above, a compromise may either be judicial or extrajudicial, depending upon whether its purpose be to terminate a suit already instituted or to avoid the provocation thereof. In the former case, the compromise is deemed judicial while in the latter extra judicial.

Whether it be judicial or extrajudicial, a compromise has, with respect to the parties, the same authority as res judicata with the sole difference that only a compromise made in court may be enforced by execution, in accordance with the provisions of article 1816 of the Civil Code. Although a judicial compromise has the authority of res judicata as if a final judgment had been rendered therein, and may be executed in the manner provided for by the Code of Civil Procedure, if the parties submit it for the consideration and approval of the court praying that the suit be considered terminated and the thing agreed upon be made effective (*Manila Railroad Co. vs. Arzadon*, 20 Phil, 452; *Hernandez vs. Barcelon*, 23 Phil., 599, 610; Decision of the Supreme Court of Spain of April 22, 1911), the judgment rendered to that effect shall be subject to the provisions of said Code of Civil Procedure, except that, as a judgment by consent, it may not be amended, modified, nor corrected in any of its essential parts without the consent of all the parties to the compromise, on the ground that if the court changes it wholly or in part without such consent, it ceases to be a judgment agreed upon by them. Such exercise of judicial power would be tantamount to depriving the aggrieved party of his right to be heard in the manner provided for by law (3 Freeman on Judgments, p. 2776, sec. 1352; 34 Corpus Juris, p. 418, sec. 668). Neither can such judgment be reopened or set aside without the consent of the parties who applied for it to sanction and approve their compromise, converting said compromise into a judgment to terminate the suit, or without sufficient evidence that the compromise was obtained through error, deceit, violence, or forgery of documents, which are the only grounds authorized by article 1817 of the Civil Code on which to base on an action for the nullity of a judicial or extrajudicial compromise already perfected. (See Freeman on Judgments, vol. 3, p. 2776, sec. 1352; 34 Corpus Juris, p. 419, sec. 670.)

The compromise under consideration is judicial inasmuch as it is for the purpose of terminating two suits between the respondent Graciana Acuña de Yboleon and her husband the herein petitioner Isidoro Yboleon, designated as civil cases Nos. 44219 and 44865 of the Court of First Instance of Manila and was submitted to the respondent judge for his approval and final determination of said suits.

Under the legal provisions and cases afore-cited, the respondent judge really acted in excess of his jurisdiction in setting aside his judgment upon a motion in writing filed by the respondent Graciana Acuña de Yboleon, without the consent of the petitioner Isidoro Yboleon and without first hearing both parties and receiving evidence for the purpose of determining the existence of any of the grounds for the annulment of a compromise, enumerated in the

aforesaid article 1817 of the Civil Code. Inasmuch as the compromise in question has been converted into a judgment, the annulment of the latter implies that of the former which, as we have already said, cannot be done without the consent of the parties or without evidence showing that the compromise has been vitiated by error, deceit, violence, or forgery of documents. The mere filing of a motion for a rehearing based on any of the aforesaid grounds, without hearing the parties nor receiving evidence to determine the existence of the alleged ground, is not sufficient justification for the court to reopen or annul a judgment by consent.

Furthermore, the motion for the annulment of the judgment and the compromise on which the order in question was based, is predicated on the alleged failure of the movant to understand the meaning and scope of the words "conjugal partnership property" by which the land in dispute was designated. This ground is not included among those enumerated in the law as grounds for annulment. Therefore, the respondent judge also acted in excess of his jurisdiction in setting aside his judgment on the aforesaid ground.

In the case of *Manila Railroad Co. vs. Arzadon* (20 Phil., 452), cited above, this court said:

"A party after having, in writing, requested and consented to the entry of a judgment, lays no foundation for reopening such judgment and a rehearing of the case by an allegation of his attorney that he had not read the instrument in which his consent and request were embodied, and that he gave such consent and made such request by mistake."

In view of the foregoing considerations, we are of the opinion and so hold that a judge or court, which sets aside a judgment rendered upon consent of the parties and based on a compromise entered into by them, which is converted into such judgment, cannot amend or set it aside without the consent of the said parties, or without first having declared in an incidental preliminary hearing that such compromise is vitiated by any of the grounds for nullity enumerated in article 1817 of the Civil Code.

Wherefore, the writ of certiorari applied for is hereby granted and the order setting aside part of the judgment of September 19, 1933, issued by the respondent judge on November 23, 1933, is hereby declared null and void, with costs against the respondent Graciana Acuña de Yboleon.

The petition in question is hereby dismissed in so far as it affects the respondent Taisho Marine & Fire Insurance Co., Inc., without special pronouncement as to costs. So ordered.

Malcolm, Abad Santos, Hull, and Imperial, JJ., concur.

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