

THE CITY OF MANILA, PLAINTIFF AND APPELLANT, VS. MIGUEL GAWTEE ET AL., DEFENDANT AND APPELLEES.*G.R. No. 47306. December 21, 1940*

Ponente: LAUREL, J.

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This is an appeal from a judgment of the Court of First Instance of Manila, the dispositive part of which reads as follows:

"Por las consideraciones expuestas, hallando el Juzgado el informe final de los comisionados correcto y ajustado a los hechos y a la ley, lo aprueba y acepta, por lo que se dicta decision en el sentido de que la Ciudad de Manila pague a los demandados, por razon de esta expropiacion forzosa, la cantidad de quince mil trescientos treinta y ocho pesos con diez centavos (P15,338.10) como el justo y razonable valor de la parcela expropiada, y a pagar las costas de estos procedimientos, incluyendo los honorarios de los comisionados."

On March 10, 1914, Pablo Co Quinco entered into a contract with the City of Manila, identified in the record as Exhibit H, whereby the said Pablo Co Quinco bound himself to sell and transfer at the proper time (en su dila) to the City of Manila, at its then assessed value, a portion of a parcel of land belonging to the said Pablo Co Quinco, located in the District of San Miguel, Manila, and more particularly described in Certificate of Title No. 2017. Said land was to be expropriated by the City of Manila for the widening of Pascual Casal Street. In said contract Pablo Co Quinco bound himself not to collect or claim from the City of Manila any compensation for damages which might result by virtue of the projected expropriation. He also obligated himself not to encumber or otherwise dispose of said land, except upon the condition that any such encumbrance or disposal would be subject to the aforesaid contract. The consideration of the contract, so far as Pablo Co Quinco is concerned, is, as admitted by the trial court, the permit granted by the City of Manila in favor of Pablo Co Quinco to construct on the land in question a provisional warehouse. As provided therein, the contract was duly registered in the office of the register of deeds of Manila and noted on the back of Certificate of Title No. 2017. In 1931 the land passed to the hands of the herein defendants in the name of whom a new certificate of title, No. 38982, was issued. On the back of this new certificate the contract between Pablo Co Quinco and the City of Manila was also noted. In 1937 the City of Manila decided to proceed with the widening of Pascual Casal Street, and the Municipal Board of said city accordingly passed Resolution No. 23 on February 19, 1937, which was duly approved by the Mayor on February 23, 1937. Negotiations for the acquisition of the land in question were at once had with the herein defendants. In view of the failure of the parties to arrive at an agreement, the present expropriation proceedings were brought on January 26, 1938, against the herein defendants. The city officials in charge of the matter were not then aware of the existence of the contract between Pablo Co Quinco and the City of Manila, and this is the reason why the latter does not invoke the same in its complaint, although it is therein alleged that the just compensation for the property in question is its assessed valuation, or P12,694. It was only after the plaintiff had rested its case that said contract came to its knowledge, for which reason, before the defendants could commence presenting their evidence, the plaintiff's attorney, with the permission of the commissioners on appraisal, introduced the same in evidence. On March 31, 1939, the commissioner submitted a report finding the amount of

P12,694 to be the just compensation for the expropriated land. Upon opposition by the defendants to said report, the trial court entered an order dated August 4, 1939, providing as follows:

"Habiendo pues los comisionados fundado su informe exclusivamente sobre el Exhíbuto H y no habiéndose considerado por los comisionados las otras pruebas que se han presentado por ambas partes durante la vista celebrada ante los misraos, procede devolver esta causa a dichos comisionados con la advertencia de que con completo olvido del Exhíbuto H, procedan a fijar la indemnización forzosa en concordancia con las pruebas aducidas.

"Teniendo en cuenta que están presentadas ya las pruebas por ambas partes, se ordena a los comisionados para que en el término de treinta (30) días a partir de la notificación de esta orden, sometan el informe necesario para la determinación final de esta causa por este Juzgado." Pursuant to this order, the commissioners, on November 8, 1939, submitted a second report fixing the amount of P15,338.10 as the just and reasonable compensation for the land in question. The appealed judgment has adopted this valuation.

The trial court held that the right granted to the plaintiff-appellant by the contract, Exhibit H, had already prescribed, and this is assigned as the principal error. The trial court based its conclusion upon the fact that, assuming that the right granted to the City of Manila was demandable within ten years from March 10, 1914, or until March 10, 1924, the period of ten years provided in paragraph 1 of section 43 of the Code of Civil Procedure within which an action may be brought by the City of Manila to enforce such right prescribed on March 10, 1934. We are of the opinion that, under Exhibit H, Pablo Co Quinco intended to grant a term within which the expropriation could be effected by the appellant, although the date of the expiration of said term was not fixed. Inasmuch as in the present case Pablo Co Quinco, or his successors, in interest, the herein defendants-appellees, had not asked the competent court to fix the term contemplated by the contract, Exhibit H (*Seoane vs. Franco*, 24 Phil., 309), it cannot be contended that the plaintiff has lost its right to acquire the property in appropriate expropriation proceedings. The stipulation as to price could be considered for the purpose of fixing the compensation to which the owner is entitled in law, in this case the assessed valuation or P12,694.

The trial court also argues that if the plaintiff-appellant desires to rely on its contract with Pablo Co Quinco, it should have instituted an ordinary civil action, and not the present expropriation proceedings. In support of this argument, the appellees have cited the case of *Noble vs. City of Manila*, 38 Off. Gaz., 2770. Upon this point, it is enough to state that courts of the present day are not concerned so much with the form of actions as with their substance (*Palanca Tanguinlay vs. Quiros*, 10 Phil., 360; *Fernandez vs. Sebido*, G. R. No. 47049, June 25, 1940). The case cited by the appellees is not applicable for the reason that, while in said case the City of Manila wanted to resort to expropriation proceedings as a means of getting away from a contract to purchase the property therein controverted at the stipulated price, in the case at bar the plaintiff-appellant is invoking its contract with the predecessor in interest of the herein defendants.

It results that the judgment appealed from will be, as the same is hereby, reversed, and a new one entered, sentencing the plaintiff-appellant to pay the sum of P12,694 to the defendants-appellees as their just and reasonable compensation for the land herein expropriated. The cost of this appeal shall be taxed against the defendants-appellees, but the costs in the first instance, including the fees of the commissioners, shall be paid by the plaintiff-appellant. So ordered.

Avanceña, C.J., Imperial, Diaz, and Horrilleno, JJ., concur.

Judgment reversed.

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