

**J. M. TUASON &#038; CO., INC., PETITIONER VS. LIBERATO JARAMILLO, ET AL., RESPONDENTS. J. M. TUASON &#038; CO., INC., PETITIONER VS. JUANITA VERSOZA, ET AL., RESPONDENTS. J. M. TUASON &#038; C...**

*G.R. Nos. 18932-34, 19024-44. September 30, 1963*

Ponente: REYES, J.B.L., J.

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**REYES, J.B.L., J.:**

These are twenty-four of 89 cases decided by the Court of Appeals in a single consolidated decision, promulgated on July 27, 1961, the dispositive part of which provides as follows:

"Upon the foregoing considerations, the writs of certiorari and prohibition are granted in the cases of the petitioners who are buyers of lots within the Tatalon Estate, whose names are included in the list of buyers in annex B of the compromise agreement, and who made known their intention to buy the lots occupied by them, and have filed the appropriate actions in court, for, as already stated hereinabove, said petitioners, as defendants in the ejectment suits, can not be ejected from the premises occupied by them, notwithstanding the final decisions in the ejectment suits filed against them, until after their rights to the land have been finally determined in the pending actions. As to the petitioners who do not come within the scope of the foregoing ruling, their petitions are dismissed. On equitable considerations no pronouncement as to costs is hereby made."

and against which petitioner J. M. Tuason & Co., Inc., interposed a petition for certiorari on the ground of grave errors of law.

The cases were initiated by petition for certiorari and prohibition, filed by the occupants of lots in the Tatalon Estate in the Court of Appeals, seeking to prohibit Judge Hermogenes Caluag of the Court of First Instance of Quezon City from enforcing execution of his final and executory decisions and orders of execution previously rendered against them in the numerous litigations involving possession of lots in the Tatalon Estate in Quezon City. The Court of Appeals in its decisions, declared that these individual respondents (petitioners below)—

"were defendants in separate complaints filed by J. M. Tuason & Co., Inc., in the Court of First Instance of Rizal, Quezon City branch. The nature of the actions was to recover possession of portions of a parcel of land included in a bigger tract of SO "quiñones", covered by transfer certificate of title No. 1267 (37686-Rizal), in the name of J. M. Tuazon & Co., Inc., and occupied by the defendants. Service of summons and complaint upon each defendant was fully made by the process server. The regularity and validity of the service of process upon each defendant has not been assailed. The court, therefore, acquired jurisdiction over the person of the defendants.

In respect of the proceedings had in connection with the trial of the above-entitled cases in the lower court, it appears that there were defendants who have filed answers to the complaint, and were present at the trial during which the parties adduced evidence. There were defendants who have also filed answers to the complaint, but failed to appear at the trial, and the plaintiff adduced evidence in their absence. And other

defendants were declared in default, upon petition of the plaintiff, for failure to file answers to the complaint. In those cases, too, the plaintiff presented evidence. The petitioners come within either of the three categories of defendant. Separate decisions were rendered in each case, wherein the defendant was ordered to vacate the premises occupied by him, to remove his house erected on the land, and to pay to the plaintiff damages in concept of rental for the use and occupation of the property. Some of the defendants who were declared in default, or who failed to appear at the trial, presented motions to be relieved from the effect of the judgment or order. After due hearing the motions were denied. No appeal from the aforesaid orders was ever taken by the defendants concerned. The decisions rendered in the cases have become final and executory as no appeal has been interposed by the defendants from said decisions." (Italics supplied)

The grounds relied upon by the petitioners below (now respondents) are common to all petitions, and are thus described in the decisions under review:

"All the above-named petitioners are represented in this Court by Attorney Cornelio S. Ruperto. The petitions have shown a set and unvarying pattern in the narration of the facts which, as already stated, are fundamentally identical in all the petitions. Typical of the allegations in the petitions are the following: (a) That Aniana Deudor was and is one of the original owners and contracting parties collectively designated as DEUDORS, as well as of the co-owners of the undivided parcel of land known as the TATALON' ESTATE, ; (b) That the defendants in the lower court, petitioners herein, are purchasers for value and in good faith of the portions of land occupied by them which they have already paid almost the full price of the land, and that they are in possession thereto; (c) That Tuason & Co., has absolutely no right whatsoever to take any positive action nor to file and bring ejectment suits for recovery of possession against the herein petitioners, until and unless the said respondent has completely paid the sum of P1,201,063.00 to the contracting parties collectively designated as DEUDORS as provided for under the COMPROMISE AGREEMENT dated March 16, 1953, \* \*';(d) That the actions for recovery of possession 'were filed and brought by J. M. Tuason & Co., Inc., upon the strength of the order of the respondent Judge, dated March 31, 1938 \* \* granting said respondent corporation authority to file ejectment suits and forcible entry and detainer cases not only against the DEUDORS, but likewise against the lot holders and purchasers in good faith and for value from the DEUDORS', and that 'the said authority to file ejectment suits is in direct violation of the provisions of the COMPROMISE AGREEMENT, \* \* obtained by the said respondent J. M. Tuason & Co., Inc., through collusive schemes and processes and grave influence peddling with the trial court. \* \*. Petitioners' contention is founded on the decision, marked Annex E, and the orders respectively marked as Annexes E-1 and E-2 of the trial court.:(e) That on October 31, 1960, an action was filed in the Court of First Instance of Rizal, Quezon City Branch, docketed as civil case No. Q-5492, in the name of the Republic of the Philippines, by the BARRIO TATALON GOVERNMENT; and (f) That on February 24, 1961, a complaint for the expropriation of the TATALON ESTATE in the name of the Republic of the Philippines, represented by the Land Tenure Administration, was filed in the Court of First Instance of Rizal, Quezon City branch."

Petitioners J. M. Tuason & Co., Inc., (respondent below in all the cases) resisted the petition for prerogative writs, mainly because, as admitted by the Court of Appeals in its decision,

"The petitions under consideration are bereft of any allegation that the petitioners are included in the list of buyers in Annex B of the compromise agreement"

between Tuason & Co., Inc., and the Deudors, in case Nos. Q-135, 139, 174, 177, and 186. However, the Court of Appeals held that—

"the lack of such allegation in the petitions is not a fatal defect nor substantial enough as to defeat a right which has been preserved or safeguarded for them."

As a result, the Court of Appeals decreed, as stated in the beginning of this opinion, the suspension of the execution as to those petitioners whose names, as buyers of lots in the Tatalon Estate, appears in the lists (Annex

B), attached to the compromise agreement between Tuason & Co. and the Deudors, and who have filed appropriate action in courts to purchase the lots they occupy.

Considering that it has been repeatedly ruled by this Court that the Court of Appeals has jurisdiction to issue writs of mandamus, certiorari, injunction, and prohibition, in aid of its appellate jurisdiction, only in those cases where the parties have a right to appeal to that Court,[1] it is clear that said court could not validly entertain the petitions filed in these cases unless the judgments and orders of execution complained of could have been appealed to the Court of Appeals. But this is not the case, because the judgments in ejectment against the individual respondents (petitioners below) were already final and executory, as expressly recognized in the consolidated judgment under review; and as to the orders and writs of execution of said final judgments, the same are, likewise, not appealable (*Molina vs. De la Riva* (8 Phil. 571), there being no allegation that the writs of execution have varied the tenor of the respective judgments (*Castro vs. Surtida*, 87 Phil., 166; 47 Off. (Supp.) 351, 354). Having no jurisdiction over the cases, the Court of Appeals' consolidated decision now before Us is without authority in law; hence, it is null and void.

The lack of jurisdiction of the Court of Appeals is also apparent from the fact that the petitioners below (now respondents) contended in their petition that the Court of First Instance "had no power right or jurisdiction to enforce his controversial order dated February 28, 1957" (Petition in CA-G. R. No. 28632, par. XVI), and that the execution of the final judgments rendered by the Court of First Instance in the various ejectment cases should be suspended in view of the terms of the compromise between Tuason & Co. and the Deudors, the pendency of actions to fix the price that should be paid by the persons whose rights as purchasers had been recognized by Tuasons & Co and the Land Tenure Administration's endeavors to expropriate the land. Whether the Court of First Instance had jurisdiction to order that its ejectment decisions be executed, and whether the facts alleged were sufficient causes for suspending the execution of the judgments of ejectment, even if already final, and whether the Court of First Instance abused its discretion in refusing to suspend execution, are pure questions of law that lay within the exclusive jurisdiction of the Supreme Court, and outside the jurisdiction of the Court of Appeals (Judiciary Act, sec. 17, Nos. 3 and 6).

It is well to note, in this connection, that this Supreme Court has previously ruled (at least twice) against interference by the Court of Appeals with the execution of final judgments under similar circumstances (*Tuason & Co. vs. Sanvictores*, L-16836, January 30, 1962, *Tuason vs. Court of Appeals & Rosete*, L-18128, December 26, 1961).

Turning now to the grounds urged for the suspension of writs of execution, we find that the respondent occupants of lots in the Tatalon Estate rely first on the compromise entered into in 1953 between the registered owner, Tuason & Co., Inc., and the original claimants to the property, the Florencio Deudors, et al., in Case No. Q-135 of Quezon City, and approved by that court, wherein it was stipulated as follows:

"SEVENTH.—That the sales of the possessory rights claimed by the DEUDORS, are described in the lists submitted by them to the OWNERS which are attached hereto marked Annexes 'B' and 'C' and made part hereof. Whatever amounts may have been collected by the DEUDORS on account thereof, shall be deducted from the total sum of P1,201,063.00 to be paid to them. It shall be the joint and solidary obligation of the DEUDORS to make the buyer of the lots purportedly sold by them to recognize the title of the OWNERS over the property purportedly bought by them, and to make them sign, whenever possible, new contracts of purchase for said property as the current prices and terms specified by the OWNERS in their sales of lots in their subdivision known as "Sta. Mesa Heights Subdivision." The DEUDORS HEREBY advise of the OWNERS that the buyer listed in Annex 'B' herein with the annotation 'continue' shall buy the lots respectively occupied by them and shall sign contracts, but the sums already paid by them to the DEUDORS amounting to P134,922.84 (subject to verification by the Court) shall be credited to the buyers and shall be deducted from

the sums to be paid to the DEUDORS by the OWNERS. The DEUDORS also advise the OWNERS that 'the buyers listed in Annex "C" herein with the annotation 'Refund' Dave decided not to continue with their former contracts or purchases with the DEUDORS and the sums already paid by them cto the DEUDORS TOTALLING P101,182.42 (subject to verification by the Court) shall be refunded to them by the OWNERS and deducted from the sums that may be due to the DEUDORS from the OWNERS;"

They also invoke the case of *Lucina Evangelista vs. Deudor et al.*, 106 Phil., 170; decided by this Court on September 10, 1959, wherein this Court stated the following:

"It is clear that there now exists a sort of contractual relation between the plaintiff and Tuason & Co. as regards the sale of Lot No. 126; and that as regards said lot, plaintiff is the purchaser and has made payments on account of the purchase price, and Tuason & Co. acknowledges the partial payments already made, the same to be deducted from the sum payable to Deudor. That Deudor has an obligation and responsibility to the plaintiff there is no question; and the case is still pending against him, thereby giving the trial court an opportunity to determine the nature and extent of, said obligation and responsibility."

However, there is a substantial difference between the situation of *Lucina Evangelista*, in the case cited, and the individual respondents herein, in that (as found by this Court in its decision in 106 Phil., 170!) *Lucina Evangelista* was an immediate vendee of *Pedro Deudor*, had made payments on account of her purchase of lot 126, and, as a matter of fact, her name was included in the list of purchasers Annex B, appended to the compromise agreement between Tuason & Co., and the Deudors, heretofore mentioned. Moreover, *Evangelista* had filed action to have her rights recognized by the parties to the compromise.

On the other hand, it nowhere appears in the present case that respondent occupants had their names included in the Annex B to the compromise, or that they had made payments, or that they had filed suits to compel recognition of their alleged rights as buyers before the eviction judgments against them became final. The Court of Appeals expressly found as a fact that—

"the petitions under consideration are bereft of any allegation that the petitioners are included in the list of buyers in Annex B of the compromise agreement",

and that—

"While copies of the aforesaid compromise agreement have been attached to the petition under consideration, the Annexes B and C of the compromise agreement are not included."

As the case now stands, therefore, there is nothing on record to establish that the respondent occupants (who are the ones that sought suspension of their eviction by petition for certiorari and prohibition in the Court of Appeals against the Court of First Instance, the Sheriff, and the petitioners Tuason & Co., Inc.,) were recognized by Tuason & Co., Inc., to be purchasers from the Deudora, or that they filed in due time actions to enforce their supposed rights. Neither is there evidence, beyond mere allegations, that they were purchasers in good faith and for value, or had made payments on account of their purchases. It was no doubt due to absence of any such proof that the Court of Appeals was unable to pinpoint the individual parties whose eviction should be halted, and had to content itself with a hypothetical pronouncement in its decision ordering the suspension of the eviction of those—

"whose names are included in the list annex B of the compromise, and who have made known their intention to buy the lots occupied by them, and have filed appropriate actions in court."

The failure of respondents lot occupants to even allege, much less prove, that they are covered by the list Annex B of the Tuason-Deudor compromise is strongly indicative that they were not included therein; therefore, they are not entitled to have the ruling in *Lucina Evangelista vs. Deudor*, ante, applied in their favor. Otherwise, they

would not only have averred the fact in their petitions for certiorari, but they would have also invoked their pretended preferential claims to purchase the lots they occupy in the various evictions proceedings instituted against them., before the judgments therein had (as they admit tedly have) become final and executory.

In *Tuason & Co. vs. Sanvictores*, L-16836, January 30, 1962, this Court said:

"Assuming, without deciding, that the Tuasons had really hound themselves to recognize the alleged preferential rights of the vendees of Deudors, it is more than remarkable that appellee Sanvictores, one of the vendees, did not take steps to enforce his supposed preference until after the adverse decision of the Court of First Instanc<sup>3</sup> in the possession action had become final and executory in 1959. six years after the Deudor-Tuason compromise was made. This inaction of Sanvictores is all the more strange when We consider that he could have set up such preferential rights as a defense against the suit filed by appellant Tuason & Company against him. If he really was entitled to purchase the contested lot, the claim was in the nature of a compulsory counterclaim under Section 6 of Rule 10, since it was necessarily connected with the right of possession asserted by the Tuasons, and did not require the presence of third parties for its adjudication. Both under Section 6 of Rule 10, as well as Section 10 of Rule 9, the failure to set up such rights resulted in a waiver thereof, and they become barred after the judgment in the possessory action became final. It was, therefore, error on the part of the Court of Appeals to consider that the determination of appellee's alleged preferential right constituted a prejudicial question to the execution of the final judgment of ouster against appellee.

The argument that Tuason & Co., Inc., had no right to eject respondents lot occupants until and unless it had completely paid to the Deudors the amounts stipulated in the compromise agreement, has no merit. These respondents were not parties to the compromise itself, nor were they entitled to receive such payments. Besides, this Court has already ruled in *Deudor vs. Tuason & Co.*, L-13768, May 30, 1961, that the obligation of Tuason & Co., Inc., to complete such payments became unenforceable by the Deudors' failure to comply with their own obligations under the compromise.

As to the supposed expropriation of the Tatalon Estate, it is enough to remark that the Court of Appeals has found that no such expropriation proceedings have been filed; and this Court has ruled that until proceedings for condemnation are fully instituted, and possession of the property is taken over by the condemnor, the enforcement of final decrees of eviction may not be constitutionally suspended (*Teresa Realty, Inc. vs. Sison*, L-14716, April 23, 1962; *J. M. Tuason & Co., Inc., vs. Cabildo*, L-17163, Oct. 31, 1962; *Cuatico vs. Court of Appeals*, L-20141, Oct. 31, 1962; *Tuason & Co. vs. Court of Appeals and Land Tenure Administration*, L-18128, December 16, 1961).

"Hence, the mere filing of the condemnation proceedings for the benefit of tenants can not, by itself alone, lawfully suspend the condemnee's dominical rights, whether of possession, enjoyment or disposition. And this is especially the case where final and executory judgments of ejectment have been obtained against the occupants of the property." (*Tuason & Co. vs. Court of Appeals and Land Tenure Administration*, L-18128, December 16, 1961).

We conclude that the actions brought by respondents lot occupants in the Court of Appeals for the suspension of the executions against them is untenable for lack of jurisdiction in the Appeals Court and lack of merit in their individual petitions.

Wherefore, the writs of certiorari prayed for by Tuason & Co., Inc., are hereby granted, and the consolidated decision of the Court of Appeals in the cases above-entitled is hereby annulled and set aside, without prejudice to the appropriate action on the part of the lot occupants to enforce whatever other rights they might have, if any, against J. M. Tuason & Co., Inc. No costs.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Barrera, Paredez and Dizon, JJ., concur.

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[1] Judiciary Act, Sec. 30; Roldan vs. Villaroman, 69 Phil. 12; Ereslin vs. Luzon Stevedoring Co., 84 Phil., 618; 47 Off. Gaz. 3 1170; Tuason vs. Sanvictores, L-16836, 30 Jan. 1962; Tuason vs. Court of Appeals, L-18128, December 26, 1961.

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