ADMINISTRATIVE LAW

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The field of administrative law covers mainly three divisions: jurisdiction, administrative procedure and judicial review. In this survey, 1964 decisions of the Supreme Court on administrative law have been surveyed and classified in accordance with said divisions.

Although a relatively new separate branch of political law in Philippine jurisdiction, rulings and doctrines in administrative law are settled except as to some conflicting decisions on the jurisdiction of the Court of Industrial Relations. This is shown in the 1964 rulings which were mostly reiterations of previous decisions.

JURISDICTION

A. COURT OF AGRARIAN RELATIONS

Unilateral conversion of agricultural land to industrial purpose does not terminate tenancy relationship; controversy cognizable by CAR

The Court of Agrarian Relations is vested by law with the original and exclusive jurisdiction to consider, investigate, decide and settle all questions, matters, controversies or disputes involving tenancy relationships.[1] A controversy arising from the unilateral conversion of an agricultural land under tenancy to industrial purpose is such controversy over which the Court of Agrarian Relations has jurisdiction. This was decided by the Supreme Court in *Davao Steel Corporation v. Cabatuando*.[2] In this case petitioner corporation contended that the CAR had no jurisdiction because at the time of the filing of the complaint no tenancy relation existed between it and respondent Cuyson. In holding that the contention of the petitioner was untenable, the Supreme Court, speaking through Justice J.B.L. Reyes, said that when the petitioner purchased the land in question, the same was still agricultural and it did not become industrial just because the corporation intended to make it so. The corporation caused the termination of the relationship by devoting the land to industrial purpose without the consent of the tenant or of the court, and it cannot take cover in the wrongful conversion which it has itself caused. The decision in Meliton Estate v. De

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* Recent Documents Editor, *Philippine Law Journal*, 1964-1965.

[1] Sec. 7, Republic Act No. 1267, as amended by Republic Act No. 1409.

[2] G.R. No. L-19866, April 29, 1964.

Guzman [3] is not applicable to the case because in the former there was prior consent of the tenant to the industrialization of the land.

Existence of landlord-tenant relationship essential to confer jurisdiction

As held in previous rulings [4] the assumption of jurisdiction by the Agrarian Court presupposes the existence of a valid tenancy relationship between the parties. Thus, in *Davao Steel Corporation v. Cabatuando, supra,* it was ruled that the third party complaint which the petitioner sought to file against the vendor and former landlord Mendoza is not within the jurisdiction of the Tenancy Court because the would-be plaintiff and the prospective defendant did not have any tenancy relation *inter se,* and the cause of action, based on the alleged misrepresentation of the vendor before the perfection of the sale that the vendee corporation would have no troubles properly belonged to the jurisdiction of the ordinary court.

CAR has the jurisdiction to award exemplary damages

The Supreme Court also held in the Davao Steel Corporation case that although the awarding of exemplary damages is civil, RA 1199 provides in section 55 the applicability of the general law to the acts and omissions by either the landlord or tenant against each other during the existence of the tenancy relationship. Pursuant to said provision, the Supreme Court said that the CAR has the power to award exemplary damages.

Conversion of fishpond to saltbeds does not alter the agricultural character of the land; CAR jurisdiction subsists.

The case of *Manuel Camus v. Court of Agrarian Relations*[4a] also dealt with the jurisdiction of the Tenancy Court. The land involved here was originally a fishpond, converted into saltbeds. As fishpond it was agricultural in character, devoted to agricultural purposes. Has its conversion into saltbeds changed that character? In other words, has the change in the use of the land worked a transformation in its basic classification, from agricultural to mineral considering that salt is by scientific definition a mineral substance?

It was held that insofar as the process of salt production is concerned the kind of land used as evaporating basin is a matter of indifference. The basin indeed could just as well be a cement or metal receptacle, or any flat surface where brime or sea water can be let in and allowed to evaporate, leaving the solid salt-content.

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[3] G.R. No. L-11912, April 30, 1959.

[4] Dumlao v. De Guzman, G.R. No. L-12816, January 28, 1961; Lastimosa v. Blanco, G.R. No. L-14697, January 28, 1961.

[4a] G.R. No. L-18225, June 30, 1964.

Petitioners point out, however, that although the land itself is agricultural, salt production is not an agricultural process, that it is not "cultivation" as contemplated by law. Such contention is devoid of merit because the law in defining the jurisdiction of the Court of Agrarian Relations, speaks not only of "cultivation" but also of "use" of the agricultural land. The land involved in the present case is agricultural land, the use of which—if not the cultivation—was the tenancy tie that bound the parties.

But whatever doubt there might be from the standpoint of semantics is resolved by the law itself, specially the Agricultural Tenancy Act (RA No. 1199). Section 46, which prescribes the consideration for the use of the land under the leasehold tenancy system, classifies lands according to the produced thereon and provides in its subsection (c) that "the consideration for the use of sugar lands, fishponds, *saltbeds* and of land devoted to livestock shall be governed by stipulations between the parties." Saltbeds are again mentioned, together with fishponds and lands principally planted to permanent fruit trees, in section 35 of the new Agricultural Reform Code and expressly shows the clear intention of Congress to include saltbeds within the purview of the tenancy laws, disputes concerning which come under the jurisdiction of the Court of Agrarian Relations.

B. COURT OF INDUSTRIAL RELATIONS

Basis of determining the jurisdiction of the CIR

Fundamentally, the jurisdiction of a court is determined by the allegations in the complaint or petition.[5] In a 1963 ruling[6] the Supreme Court held, pursuant to the foregoing doctrine, that in determining jurisdiction by means of the allegations in the complaint or petition, the truth thereof are to be theoretically admitted. The ruling went further by stating that since one of the allegations was that the complaining employees were illegally dismissed, consequently it is also to be theoretically admitted that there existed an employee-employer relationship inasmuch as the relationship is not terminated by an illegal dismissal.

However, in the case of *Manila Electric Company v. Ortañez et al,*[7] the Supreme Court, speaking through Justice Labrador, decided that notwithstanding the fact that the petition contains allegations conferring jurisdiction to the Industrial Court, the question

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[5] Administrator of Luisita Estate v. Alberto, G.R. No. L-12133, October 31, 1958; Suanes v. Almeda-Lopez, 73 Phil. 573.

[6] Insular Sugar Refining Corporation v. Court of Industrial Relations et al., G.R. No. L-19247, May 31, 1963.

[7] G.R. No. L-19557, March 31, 1964.

of "whether or not the Court of Industrial Relations has jurisdiction would depend upon the facts of the case as proved at the trial and not merely upon the allegations in the complaint." This decision, while adhering to the doctrine that allegations of jurisdiction in the complaint or petition are theoretically admitted, makes it clear that in the final analysis what actually determine jurisdiction are the facts proved at the trial. So that in the *Manila Electric Company* case, despite the demand for overtime and night work pay and a question involving the violation of the Eight-Hour Labor Law, the Supreme Court desisted from deciding conclusively on the jurisdiction of the Court of Industrial Relations until such time as facts appear more clearly at the hearing of the case that would justify a rendition of a conclusive ruling. Meanwhile, the Court of Industrial Relations was granted the authority to hear the case only on a theoretically admitted jurisdiction.

Two months later, however, the Supreme Court held conclusively in *Serrano v. Serrano*[8] that the Industrial Court's jurisdiction over the subject matter of a litigation is determined by the allegations in the complaint and it observed that the allegations made in respondent's petition in the Court of Industrial Relations were concededly sufficient to confer thereto such jurisdiction. In this case the issue was whether the Industrial Court had jurisdiction over the claim for the payment of unpaid wages and overtime compensation which was coupled with a prayer for reinstatement where it was shown that such reinstatement was not anymore feasible because the house which the complaining workers had been hired to construct had already been completed. As already stated, the Supreme Court upheld the Industrial Court's jurisdiction on the theory that the court's jurisdiction is determined by the allegations in the complaint.

Cases within the jurisdiction of the Court of Industrial Relations

In affirming the decision of the Court of First Instance declaring itself without jurisdiction to take cognizance of the case falling squarely under the jurisdiction of the Court of Industrial Relations, the Supreme Court in *Mercado v. Elizalde and Company, Inc.*,[9] restated the doctrine established in *Campos et al. v. Manila Railroad Company*[10] making it clear that "in order that the Court of Industrial Relations may acquire jurisdiction over a controversy in the light of the Industrial Peace Act (R.A. No. 875), the following cir-

[8] G.R. No. L-19562, May 23, 1964.
[9] G.R. No. L-18962, December 23, 1964.
[10] G.R. No. L-17905, May 25, 1962.

cumstances must be present: (a) there must exist between the parties an employer-employee relationship, or the claimant must seek reinstatement; and (b) the controversy must relate to a case certified by the President to the Court of Industrial Relations as one involving national interest or must have a bearing on an unfair labor practice charge, or must arise either from the Eight-Hour Labor Law or the Minimum Wage Law. In default of any of these circumstances, the claim becomes a mere money claim that come under the jurisdiction of the regular courts."

Considering that the case filed by Mercado was one for reinstatement with back salaries which called for the operation of the Minimum Wage Law, aside from his claim that he had not been paid the overtime pay to which he is entitled under the Eight-Hour Labor Law, verily, the present case came under the jurisdiction of the Industrial Court.

Conversely, in the case of *Tamayo v. San Miguel Brewery, Inc.*, where the complaining employee sought for his reinstatement, but he did not hint at any unfair labor practice having been committed by the defendant company against him, neither was the case certified by the President to the Court of Industrial Relations as involving national interest (Sec. 10, R.A. No. 875) nor a case arising under the Minimum Wage Law (CA No. 602) for the Eight-Hour Labor Law (C.A. No. 444, as amended), his case was consequently not cognizable by the Industrial Court. A similar ruling was made in *National Mines and Allied Workers Union v. Philippines Iron Mines.*[12]

Urgent motion for reopening of factory and readmission of laborers is tantamount to a prayer for reinstatement

In the case of *Moncada Bijon Factory v. Court of Industrial Relations*,[13] it was decided that the Industrial Court had jurisdiction although the laborers did not ask for reinstatement because the urgent motion filed by them to order their employer to reopen the factory and readmit the laborers to work in the same was tantamount to a petition for reinstatement as they were in fact reinstated. It is to be noted that complainants in this case asked for payment of wages for overtime work and wage differentials, among others.

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[11] Vicente Tamayo v. San Miguel Brewery, Inc., G.R. No. L-17749, January 31, 1964. See also Barranta v. International Harvester of the Philippines, G.R. No. L-18198, April 22, 1963; Araullo v. Monte de Piedad et al., G.R. No. L-17840, April 23, 1963; Perez v. The Court of Industrial Relations, et al., G.R. No. L-18182, February 27, 1963.

[12] G.R. No. L-19372, October 31, 1964.

[13] G.R. No. L-16037, April 29, 1964.

Feasibility of reinstatement is immaterial as long as prayer for reinstatement is alleged in the complaint

As already stated in the case of *Serrano v. Serrano, supra,* the question cropped up as to whether the Court of Industrial Relations had jurisdiction over a case for the payment of unpaid wages and overtime compensation coupled with a prayer for reinstatement where it was shown that such reinstatement was not anymore feasible because the house which the complaining workers had been hired to construct had already been completed? The Supreme Court ruled that the court's jurisdiction over the subject matter of a litigation is determined by the allegations of the complaint and those made in respondent's petition in the Court of Industrial Relations were concededly sufficient to confer thereto such jurisdiction. In the same case, the Supreme Court had occasion to reiterate its decision in *Gomez v. North Camarines Lumber Co., Inc.*[14] when it said that since the Industrial Court has jurisdiction over claims for overtime compensation when coupled with a prayer for reinstatement, it is clear that the satisfaction of unpaid wages may likewise be ordered incidentally to said jurisdiction.

Demand for overtime pay without prayer for reinstatement is a mere money claim

However, when a former employee demands compensation for overtime work without requesting for reinstatement, the claim is merely monetary which should be ventilated in the regular courts.[15] It was also held that a mere claim for reinstatement does not suffice to bring a case within the jurisdiction of the Industrial Court. It is necessary that the case within the jurisdiction of the Industrial Court. It is necessary that the case be one of the four cases already enumerated.

Labor disputes arising in government-owned or controlled corporations exercising proprietary functions are cognizable by the CIR

It is a settled doctrine in labor law that the Court of Industrial Relations has jurisdiction over disputes arising in government-owned or controlled corporations exercising proprietary functions. Therefore, in consonance with its pronouncement in GSIS v. Castillo,[16]

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[14] G.R. No. L-11945, August 18, 1958.

[15] G.R. No. L-16803. See also National Shipyards and Steel Corporation v. CIR et al., L-14254, L-14255, May 27, 1960; "New Angat Manila Transportation" et al., v. CIR et al., L-16282, December 27, 1960; Pan American World Airways System (Phil.) v. Pan American Employees Association, G.R. L-16275, February 23, 1961; Gracella v. El Colegio del Hospicio de San Jose, Inc., L-15152, January 31, 1963.

[16] G.R. No. L-7175, April 27, 1956.

the Supreme Court held in *GSIS v. GSIS Employees Association,*[17] that the Industrial Court has jurisdiction over labor cases or disputes affecting government-owned or controlled corporations and that C.A. No. 103 which created the Court of Industrial Relations does not exclude civil service employees from the court's jurisdiction. Even under section 11 of R.A. 875 [18] the jurisdiction of the Industrial Court over employees in government-owned or controlled corporations performing proprietary function is provided, admitted and recognized.

Claims for extra compensation for night work falls within the Industrial Court's jurisdiction

Despite a long line of decisions starting with *PAFLU, et al. v. Tan, et al.,*[19] limiting the jurisdiction of the Court of Industrial Relations to only four categories as already enumerated above, the Supreme Court has brought, in a number of instances, cognate cases within the domain of the Industrial Court. For example, the Supreme Court reiterating a previous ruling,[20] held in *Philippine Engineers' Syndicate v. Bautista* [21] that there is no cogent reason for concluding that a suit for extra compensation for night work falls outside the domain of the Court of Industrial Relations.

After the passage of the Industrial Peace Act, the Supreme Court has not only upheld the Industrial Court's assumption of jurisdiction over cases for salary differentials and overtime pay [22] or for the payment of additional compensation for work rendered on Sundays and holidays [23] but has also supported such court's ruling that work performed at night should be paid more than work done at daytime, and that if such work is performed beyond the workers regular hours of duty, he should also be paid additional compensation.[24]

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[17] Government Service Insurance System v. GSIS Employees Association, G.R. No. L-17185, February 28, 1964.

[18] Section 11 of RA 875 provides: The terms and conditions of employment in the Government, including any political subdivision or instrumentality thereof, are governed by Laws and it is declared to be the policy of this Act that employees therein shall not strike for the purpose of securing changes or modification in their terms and conditions of employment. Such employees may belong to any labor organization which does not impose the obligation to strike or to join in strike. Provided, however, that this section shall apply only to employees employed in governmental functions and not to those employed in proprietary functions of the government including but not limited to governmental function.

[19] 52 OG. No. 13, 5836.

[20] NARIC v. NARIC Workers Union, G.R. No. L-12075, May 29, 1959.

[21] G.R. No. L-16440, February 29, 1964.

[22] Chua Workers Union v. City Automatic Co., et al., G.R. No. L-16440, February 29, 1959; Prisco v. CIR et al., G.R. No. L-13806, May 23, 1960.

[23] NASSCO v. Almin, et al., G.R. No. L-9055, Nov. 28, 1958; Detective and Protective Bureau Inc. v. Felipe Guevara et al., G.R. No. L-8738, May 31, 1957.

[24] NARIC v. NARIC Workers Union et al., *supra,* citing Shell Co. v. National Labor Union, 31 Phil. 315.

Jurisdiction to hear and determine incidents arising from the principal case

Once the court has acquired jurisdiction over a case, this jurisdiction is retained to hear and determine all incidents thereof until all issues should have been finally settled and disposed of.[25] Although the Supreme Court did not expressly invoke this ruling in its decision in two 1964 cases, the same could be use to justify the ruling of the Supreme Court aside from those reasons given by the Supreme Court to buttress its decisions. In the case of *Cebu Portland Cement Company v. Savellano* [26] the Court of Industrial Relations ordered for the reinstatement of the complainant employee who was illegally dismissed. Subsequently, said employee brought an action in the Industrial Court to compel the company to grant him his salary increase in accordance with the whole-scale and general increases authorized by the company during his illegal dismissal. The Supreme Court in upholding the decision of the Court of Industrial Relations ordering for the grant of said salary increase said that the court *a quo* in taking cognizance of the case did not assume jurisdiction to grant salary increase the giving of which is discretionary to the employer but was enforcing the company's own act of authorizing and giving whole-scale salary increases without unjustified discrimination against a particular employee. It appears that this particular decision is a deviation from the doctrine enunciated and clarified in the case of Campos *et al.* v. MRR, *supra*, because in the claim to compel an employer to give a complaining employee his salary increase as per whole-scale salary increases authorized by the employer, it did not appear that the case involved the Eight-Hour Labor Law nor the Minimum Wage Law nor did it arise from a labor dispute nor was the question related to a case certified by the President to the Court of Industrial Relations. Consequently the action is reduced to a money claim which falls within the jurisdiction of the regular courts. The decision in this case can only be justified by reasoning that the claim for the grant of salary increase was incidental or corollary to the original and principal case for reinstatement. It is admitted, however, that even this justification is a strained application of the ruling in the Isaac Peral case, *supra*.

In the case of NWSA v. NWSA Consolidated Unions *et al.*,[27] one of the issues was whether respondent Industrial Court has jurisdiction to adjudicate overtime pay considering that this issue was not among the demands of respondent union in the principal case

[25] Isaac Peral Bowling Alley v. United Employees Welfare Association and CIR, G.R. No. L-16815, August 29, 1961.
[26] G.R. No. L-19317, April 30, 1964.
[27] G.R. No. L-18938, April 31, 1964.

but was merely dragged into the case by intervenors. The Supreme Court held that "since the intervenors are employees of petitioner and their claim involves the Eight-Hour Labor law, the fact that the question of overtime payment was not one of the items of dispute certified by the President is of no moment for its subsequent consideration comes within the sound discretion of the Industrial Court." It could also be stated that the claim here of the intervenors was incidental to the principal case over which the Court of Industrial Relations can hear and determine following the ruling in the Isaac Peral case, *supra*.

C. COURT OF TAX APPEALS

Appeal to CTA is premature when there has been no decision by the Commission of Customs

Since the Court of Tax Appeals exercises appellate jurisdiction it is but necessary that in order to exercise such jurisdiction there is a decision to be reviewed on appeal. This is the ruling in *Ace Publications, Inc. v. Commissioner of Customs* [28] where it was held that the mere inaction of the collector of customs and the commissioner of customs with respect to the claim for refund asked by petitioner, did not give the latter the right to file a petition for review with the Court of Tax Appeals since there was in fact nothing to review.

As prescribed in the case of *Sampaguita Shoe v. Commissioner of Customs*,[29] in order to confer jurisdiction upon the Court of Tax Appeals the aggrieved importer or person must file with said tribunal a petition within 30 days from receipt of the notice of decision or ruling sought to be reviewed.

D. PUBLIC SERVICE COMMISSION

PSC has jurisdiction to conduct simultaneous hearing for cancellation and appropriation

The issue in *Halili v. Heras et al.*, involved the power of the Public Service Commission to merge the hearing of petitions for cancellation appropriation. In upholding the authority of the PSC to conduct such simultaneous hearing, the Supreme Court, speaking through Justice Bautista Angelo, ruled that the commission is given by law ample power and discretion to consider petitions of such nature either singly or jointly depending upon the convenience of the commission or the parties concerned and if a joint trial is held the Commission may not only impose the penalty that the evidence may

[28] G.R. No. L-18808, May 29, 1964.
[29] 56 OG. No. 23 pp. 4032 and 4037.
[30] G.R. Nos. L-18809-90, April 30, 1964.

justify but take whatever other appropriate action warranted by the circumstances.

The determination of the question of duplication of service lies within the jurisdiction of PSC

The fact that the new line might partially affect the lines of the prior operators which concur in some portions with the new lines, is of no moment for while duplication of service is a factor to be taken, the determination of that question is a proposition wholly within the jurisdiction of the Commission. This is in substance the ruling of the Supreme Court in *Clemente v. Bonifacio*,[31] reiterating the decision in Pasay Transportation Company v. MERALCO.[32] In a network of lines of competing operators in a city, it is almost inevitable that the lines should come together at certain points and cover some route for short distances [33] but above all legal niceties, is the paramount public interest, necessity and convenience.[34]

E. WORKMEN'S COMPENSATION COMMISSION

WCC does not have jurisdiction over late claims

The petition for review by certiorari in *Manila Railroad Company v. Workmen's Compensation Commission* [35] posed only one question: whether or not the WCC had jurisdiction over the claim, considering that the same was filed more than three months after the death of the employee concerned.

The Supreme Court has already ruled in several cases [36] that non-compliance with the requirements of Section 24 of Act No. 3428,[37] as amended, bars recovery of compensation.

It was also held in *MRR v. WCC, supra,* that the employer's failure to contradict the notice and claim filed by a complaining employee did not cure its fatal infirmity proceeding from non-compliance with Sec. 24 of the Workmen's Compensation Act.

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[31] G.R. Nos. L-14998; L-15151, September 30, 1964.

[32] G.R. No. L-45234, September 30, 1964.

[33] Meralco v. Pasay Transportation Co., G.R. No. 37887, February 13, 1933.

[34] Cebu Ice Plant et al. v. Velez, 57 Phil. 309; Mirasol v. Negros Transportation, G.R. No. 36648, August 1932.

[35] G.R. No. L-18264, May 26, 1964.

[36] Luzon Stevedoring Co. v. Ceagoreo de Leon, et al., G.R. No. L-9521, November 28, 1959; MRR Co. v. WCC, L-18388, June 28, 1963; and in Pangasinan Transportation Co., Inc. v. WCC. L-16400, June 29, 1963.

[37] Sec. 24, Act No. 3428—"No compensation proceeding under this Act shall prosper unless the employee has been given notice of the injury or sickness as soon as possible after the same was received or contracted, and unless a claim for compensation was made not later than two months after the date of the injury or sickness, or in case of death, not later than three months after death, regardless of whether or not compensation was claimed by the employee himself."

F. BOARD OF CUSTOM COMMISSIONERS

A new Board of Customs Commissioner has no jurisdiction to review the acts of its predecessor.

As per decision of the Board of Special Inquiry, duly affirmed by the majority members of the Board of Commissioners, Teban Caoili was admitted as citizen of the Philippines. Less than a year thereafter, a new board was constituted which reviewed *motu propio* the decision of the Board of Special Inquiry and voted to exclude Teban Caoili. The new board contended that the law [38] gives it the prerogative to review *motu propio* the decisions of said Board of Special Inquiry. In resolving the issue in this case of *Commissioner of Immigration v. Fernandez*,[39] the Supreme Court held that with the affirmance of the decision of said Board of Special Inquiry by the old Board of Commissioners, virtually it was not the decision of the Board of Special Inquiry which the new Board reviewed and revoked, but that of the old Board of Commissioners. The law does not confer jurisdiction upon the new board to review decisions of its predecessor board but only that of the Board of Special Inquiry.

The Supreme Court further observed that the actuation of the new Board of Commissioners in reviewing a decision already passed upon by its predecessor Board, may breed chaos in the Bureau of Immigration. If sanctioned, without any legal and plausible grounds, it may lead to an insecurity of status clearly established by a previous Board.

G. COMMISSIONER OF IMMIGRATION

Cases on immigration and deportation of aliens come within the jurisdiction of the Immigration Commission and not under the Secretary of Foreign Affairs

In the case of *Gaw Lam v. Conchu*,[40] petitioner claimed that the Commissioner of Immigration had no authority to order the deportation of his wife and children in disregard of the indorsements of the Secretary of Foreign Affairs and the Undersecretary of Justice permitting the wife and minor children to stay in the Philippines up to a certain date, which authority cannot be revoked unilaterally by respondent. Justice Regala reiterated, in behalf of the Supreme Court, the decision in Ang Liong v. Commissioner [41] where it was

[38] Sec. 27 (b), C.A. 613, as amended by RA 563, provides, among other things: "x x x The decision of any of the two members of the board (Board of Special Inquiry) shall be final unless reversed by the Board of Commissioners after a review by it *motu propio* of the entire proceeding within one year from the promulgation of said decision x x x".

[39] G.R. No. L-22686, May 29, 1964.

[40] G.R. No. L-20267, October 31, 1964.

[41] 57 OG. 2893.

held that the Secretary of Foreign Affairs is not authorized to extend the temporary stay of aliens in the Philippines. In Ang Liong v. Commissioner, *supra*, the Supreme Court said that C.A. 613 governs the entry of aliens into the Philippines. Under section 3 of said law, the Commissioner is the administrative head of the Bureau of Immigration and in charge of the administration of all laws relating to the immigration of aliens into the Philippines.

In the case of *Go Uan, et al. v. Galong*,[42] it was held that the recommendation of the Board of Special Inquiry that certain persons be granted admission as returning residents was not binding upon the Commissioner of Immigration. The commissioner had jurisdiction to order for the exclusion of petitioners despite said recommendation.

H. DEPARTMENT OF LABOR

The Supreme Court has already held in several cases that Reorganization Plan No. 20-A insofar as it confers judicial power upon regional officers of the Department of Labor to pass labor claims other than those that come under the Workmen's Compensation Commission, is invalid, because it involves undue delegation of legislative power.[43] Added to a long line of decisions supporting this view is the case of *Chung Quiao v. Abaday* [44] declaring unenforceable and ineffective the two decisions of the hearing officer in the regional office of Cagayan de Oro City on the ground that said officer has no jurisdiction to hear and decide claims for recovery of wages and salaries.

I. DEPARTMENT OF PUBLIC WORKS AND COMMUNICATION

Secretary has the power to inquire and decide the character of a navigable river

The authority of the Secretary of Public Works and Communication to inquire into and decide the question of the public or private character of a river or stream is incidental to the power conferred upon him by the statute [45] to conduct the necessary investigation and to order the removal of any works which constitute obstructions therein. This is substantially the ruling of the Supreme

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[42] G.R. No. L-20413, December 23, 1964.

[43] Miller v. Mardo, G.R. No. L-15138, July 31, 1961; Stoll, et al., v. Mardo et al., G.R. No. L-17241, June 29, 1962; Davao Far Eastern Commercial Co. v. Montemayor, et al., L-16581, June 29, 1962.

[44] G.R. No. L-20315, June 30, 1964.

[45] Sec. 1 of RA 2056 authorizes the Secretary of Public Works and Communication to order for the removal as public nuisances dams, dikes or any other works which encroach into any public navigable river.

Court in *Borja v. Moreno* [46] which rejected the contention that the authority of the secretary is confined only to cases where there is no dispute as to the public navigable character of the river or waterways alleged to be illegally obstructed.

Power to condone offenses

The Secretary of Public Works and Communication is empowered to approve or disapprove any application for renewal of station or operator license x x x.[47] In the case of *Bolinao Electronics Corporation v. Valencia*,[48] the only reason relied upon by the respondent Secretary to be the ground for the disapproval of the applications, was the alleged late filing of the petitions for renewal. But petitioners claimed that this violation had ceased to exist when the act of late filing was condoned or pardoned by respondents by the issuance of the circular advising violators to take remedial measures as soon as possible, which the petitioners did. The Supreme Court held that said circular sustained petitioners' contention and that respondents' claim that they have no authority to condone or pardon violations of the radio control regulations cannot be upheld because by specific provision of law [49] the respondent Department Secretary is given the discretion either to "bring criminal action against violators of the radio laws and regulations and confiscate the radio apparatus in case of illegal operation, or simply suspend or revoke the offender's station or operator licenses or refuse to renew such licenses; or just reprimand and warn the offenders." The cited circular specifically approved by the Undersecretary of Public Works and Communication (who has not been shown to have acted beyond his powers as such in representation of the Secretary of the Department) *warning* the offenders, is an act authorized under the law.

J. COLLECTOR OF CUSTOMS

Collector of Customs v. Arca [50] and *Serree Investment Company v. Commissioner of Customs* [51] are added to the long line of cases [52] recognizing the power of the collector of customs and the commis-

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[46] G.R. No. L-16487, July 31, 1964.

[47] Section 3 of Act 3846, as amended by RA 584 on the powers and duties of the Secretary of Public Works and Communications.

[48] G.R. No. L-20740, June 30, 1964.

[49] Section 3 (m), Act 3846, as amended by RA 584.

[50] G.R. No. L-21389, July 17, 1964.

[51] G.R. No. L-19564, November 28, 1964.

[52] Tong Tek, et al., v. Commissioner, G.R. No. L-11947, June 30, 1959; Pascual v. Commissioner, G.R. No. L-9836, November 18, 1959; Po Eng v. Commissioner, G.R. No. L-11126, March 31, 1962, and Commissioner v. Santos, G.R. L-11911, March 20, 1962.

sioner of customs to order the seizure of goods or articles imported or exported in violation of existing laws and regulations, and their forfeiture in favor of the government.

K. DIRECTOR OF LANDS

Jurisdiction limited to public lands

Can a land registration court which has validly acquired jurisdiction over a parcel of land for registration of title thereto be divested of said jurisdiction by a subsequent administrative act consisting in the issuance of the Director of Lands of a homestead patent covering the same parcel of land? In answering this question, the Supreme Court held that it would depend on whether the applicants for registration has a registrable title, for in this event, said lot would no longer be public over which a patent could be issued.[53] This decision is a reiteration of a former ruling holding that to confer jurisdiction in the Director of Lands, the land which is the subject matter of the controversy must be public.[54]

The Director of Lands cannot order for the amendment of a free patent and the issuance of another reducing the area covered by the free patent in case where more than two years had elapsed since the registration of the patent as in the case of *Panimdim v. Director of Lands, et al.*[55] As such, the same has already become indefeasible and incontrovertible. As held in Lucas v. Durian [56] a certificate of title issued pursuant to a homestead patent partakes of the nature of a certificate issued as a consequence of a judicial proceeding, as long as the land disposed of is really a part of the disposable land of the public domain, and becomes indefeasible and incontrovertible upon the expiration of one year from the date of the issuance thereof.

II. ADMINISTRATIVE PROCEDURE

A. RULES OF PROCEDURE

Some enabling statutes may specify the procedure which administrative agencies should follow in the conduct and performance of their functions, in which case the agencies concerned have no choice but to observe the procedure prescribed for them.[57] Generally how-

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[53] Angeles v. Santos, G.R. No. L-19615, December 24, 1964.
[54] De los Reyes v. Pastorfide, G.R. No. L-16512, November 29, 1961.
[55] G.R. No. L-7886, September 23, 1957.
[57] Irene R. Cortes, *Philippine Administrative Law* (Manila: Community Publishers, Inc., 1963) p. 192.

ever, agencies are given the power to adopt their own rules of procedure to effectuate a more efficient and speedy process.[58] It is a settled doctrine in administrative procedure that administrative bodies are not bound by the technical rules of legal evidence observed in the regular courts of justice. As held in *NWSA v. NWSA Consolidated Unions et al., supra,* technicalities of procedure should be much as possible be avoided.

B. DUE PROCESS

1. Court of Industrial Relations

Where petitioner consistently failed to appear during the hearing he is deemed to have waived his right to adduce additional evidence.

The Supreme Court held in *Serrano v. Serrano, supra,* that it is well settled that a court has ample discretion to defer its action upon a motion to dismiss. The lower court held, to which the Supreme Court concurred, that after affording the respondent sufficient time to adduce its evidence and failing to take advantage of said opportunity, respondent has waived its right to adduce said additional evidence. In view of this, the Industrial Court did not deprived the petitioner his day in court when it deemed the case submitted for resolution. The Supreme Court added that petitioner's behavior indicated, either that he had virtually submitted the case for decision or that he had no additional evidence to introduce.

2. Department of Public Works and Communications

Facts showing denial of due process

The Supreme Court held that the investigator of the Department of Public Works and Communications clearly abused his discretion by denying appellee's right to a fair hearing. His acts of (1) ruling that appellee's attempt to reserve his right to cross-examine was a waiver of said right; (2) conducting an occular inspection *motu propio* and interrogating witnesses during the same in the absence of appellee; (3) not allowing Atty. Madorong to cross-examine the complainants' witnesses during the hearing of Oct. 30, 1958; (4) calling to the witness stand a person who was not a witness for either the complainants or the respondents, and asking him questions to which he refused to entertain any objection from counsel; (5) arbitrarily refusing appellee opportunity to present his witness on the ground that his testimony was merely corroborative, although

[58] See Section 4, R.A. 180; Section 1 (d), R.A. 1143; Section 11, C.A. 146.

it later turned out in court that the witness' testimony was important to appellee's defense; and (6) terminating the hearing without giving appellee full opportunity to present his other witnesses—all these are indicative of the capricious and arbitrary manner in which the administrative investigation was conducted.[59]

3. Board of Customs Commissioners

Notice is essential to afford due process

In the case of *Commissioner v. Fernandez, supra*, the Supreme Court observed that while it may be true that the proceedings was purely administrative in nature, such a circumstance did not excuse the serving of notice. There are cardinal rights which must be respected even in proceedings of administrative character, the first of which is the right to a hearing, which includes the right of the party interested or affected to present his own case and submit evidence in support thereof.[60] Except mere bare statements, there was nothing which would indicate that even ordinary effort was employed within two years, to locate petitioner. There was unusual hurry in the disposition of the case. The review took place on June 23, 1962, a decision was rendered and a warrant of exclusion was issued on the same date. Since the proceedings affected Caoili's status and liberty, notice would have been fair.

4. Collector of Customs

Non-appearance of party during the proceedings constitutes waiver of the right to due process

Where petitioner is guilty of abandonment or gross negligence in the protection of his rights, he is alone to blame and he cannot invoke on appeal that he was denied due process of law. In the case of *Collector of Customs v. Arca, supra*, it appeared that Auyong Hian, importer of 600 hogshead of Virginia Leaf Tobacco in violation of law, received notice of the hearing of the seizure proceedings. While it is true that he filed a motion to postpone the hearing, he filed the same for an indefinite period of time and only during the morning of the date of the hearing. He did not bother to find out what action the Collector of Customs would take on his motion. Continuation of the seizure proceedings was made on two separate dates, yet Auyong Hian did not take the trouble to find out about his status. The facts, therefore, showed that Auyong Hian was not deprived of due process of law.

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[59] Borja v. Moreno, *supra*.
[60] Ang Tibay v. CIR, 69 Phil. 655.

5. Public Service Commission

Fixing of rates for a particular or single business concern is an exercise of a quasi-judicial function which demands the observance of due process

In the case of *Vigan Electric Light Co. v. Public Service Commission* [61] the Supreme Court held that although the rule-making power to fix rates—when such rules or/and rates are meant to apply to *all enterprises* of a given kind *throughout the Philippines*—may partake of a legislative character wherein no prior notice and hearing afforded to affected parties mandatory, in the instant case the nature of the order complained of applied exclusively to petitioner herein and what is more, it was predicated on the finding of fact—based upon a report submitted by the General Auditing Office—that petitioner was making excess profits, which was denied by petitioner. Obviously the latter was entitled to cross-examine the maker of the report, and to introduce evidence to disprove the contents thereof and/or explain or complement the same, as well as to refute the conclusion drawn therefrom by the respondent. In other words, in making such findings of fact upon which the new rates were based, respondent performed a function partaking of a quasi-judicial character, the valid exercise of which demands previous notice and hearing which was denied to petitioner.

In American jurisprudence, cited by the Supreme Court, "whether notice and hearing in proceedings before a public service commission are necessary *depends chiefly upon statutory or constitutional provisions applicable to proceedings,* which make notice and hearing prerequisite to action by the commission, and *upon the nature and object of such proceedings,* that is, whether the proceedings, are on the one hand, legislative and rule-making in character, or are, on the other hand, determinative and judicial or quasi-judicial, affecting the rights and property of private or specific person. As a general rule, a public utility must be afforded some opportunity to be heard as to the propriety and reasonableness of rates fixed for its services by a public service commission." [62]

A similar ruling on the necessity of a notice was made in *Manila Electric Company v. Public Service Commission* [63] wherein the Supreme Court held that even if the Commission is not bound by the rules of judicial proceedings, it must bow its head to the constitutional mandate that no person shall be deprived of right without

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[61] G.R. No. L-19850, January 30, 1964.
[62] 43 *American Jurisprudence,* p. 716.
[63] G.R. Nos. L-13638-40, June 30, 1964.

due process of law, which binds not only the government of the Republic, but also each and everyone of its branches, agencies, etc. Quoting the decision in *Halili v. Public Service Commission*,[64] the Supreme Court reiterated the established doctrine that "due process of law guaranties *notice* and opportunities to be heard to persons who would be affected by the order or act contemplated."

C. PROCEDURE ON APPEAL

1. Court of Industrial Relations

In denying the contention of respondent that defense of *res adjudicata* was pleaded under the fourth averment ("under the facts and the law, petitioners are not entitled to the relief prayed for"), the Supreme Court held in *Philippine Coal Miner's Union v. Cebu Portland Cement* [65] that all such grounds of defense, as would revise issues of fact, must be specifically pleaded. Not having interposed the defense of *res adjudicata*, either in a motion to dismiss or in its answer, respondent is denied to have waived it.

2. Workmen's Compensation Commission

While the proceedings in administrative bodies must not be hindered by procedural matters, this does not mean that express statutory provisions on the mode of procedure to be followed by an administrative agency should be overlooked. In *A. L. Amen Transportation Co., Inc. v. Workmen's Compensation Commission* [66] while petitioner filed its petition for review with the Supreme Court within the reglamentary period, it did not however file any notice of appeal with the respondent Commission as required by section 1, Rule 43, of the New Rules of Court.[67] It was held, in conformity to a previous ruling [68] that such failure was fatal or it had the effect of defeating the right of appeal of petitioner.

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[64] Halili v. Public Service Commission, et al., 49 O.G. 825, citing 16 C.J.S., 1141, 1149.

[65] G.R. No. L-19007, April 30, 1964.

[66] G.R. No. L-20219.

[67] Section 1, Rule 43 of the New Rules of Court.—How appeal taken.—Any party may appeal from a final order, ruling or decision of the Securities and Exchange Commission, the Land Registration Commission, the Court of Agrarian Relations, the Social Security Commission, the Secretary of Labor under Section 7 of the Minimum Wage Law, the Court of Industrial Relations, the Civil Aeronautics Board, the Workmen's Compensation Commission, and the Commission on Elections by filing with said bodies a notice of appeal and with the Supreme Court twelve (12) printed or mimeographed copies of a petition for certiorari or review of such order, ruling or decision, as the corresponding statute may provide. A copy of the petition shall be served upon the court, commission, board or officer concerned and upon the adverse party, and proof of service thereof attached to the original of the petition.

[68] Martha Lumber Mill, Inc. v. Romana Lagrante, et al., L-7599, June 27, 1956.

3. Social Security Commission

Even assuming that a claim does not lie within the jurisdiction of the Social Security Commission, and that it would be proper to issue a writ of certiorari, or injunction to restrain it from hearing and deciding the same, a Court of First Instance has no jurisdiction to issue either of said writs against the Commission. This was the ruling in *Poblete Construction Co. v. Social Security Commission*[69] where it was also held that the Commission, in exercising its quasi-judicial powers, ranks with the Public Service Commission and the Court of First Instance. As to the writs of injunction, certiorari and prohibition may be issued only by a superior court against an inferior court, board or officer exercising judicial functions, it necessarily follows that the CFI had no jurisdiction to entertain the petition. It must be observed that the decisions of said Commission are reviewable both upon law and facts by the Court of Appeals, and that if the appeal from its decision is only on question of law, the review shall be made by the Supreme Court.[70]

4. Commissioner of Customs

Affirming the decision of the Court of Tax Appeals dismissing the petition for review filed by petitioner in *CMS Estate, Inc. v. Commissioner of Customs*,[71] the Supreme Court ruled that the petition for review was premature, inasmuch as there was no written protest or appeal from the action or decision of the Acting Collector of Customs of Davao City. It is provided that the person aggrieved by the decision of the Collector of Customs in any matter presented upon protest or by his action in any case of seizure may, within 15 days after the notification in writing by the Collector of his action or decision give written notice to the Collector signifying his desire to have the matter reviewed by the Commissioner of Customs.[72] In the instant case, petitioner erroneously appealed the decision of the collector directly to the Court of Tax Appeals.

When petitioner fails to appeal the decision of the Collector to the Commissioner of Customs within 15 days from the notification of the decision or action of the former, the decision or action of the Collector becomes final and executory and the negligent party loses his standing to institute review proceedings as held in *Philippine International Surety Company, Inc. v. Commissioner of Customs*.[73]

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[69] G.R. No. L-17605, January 22, 1964.
[70] Section 5 (a) and (c) of R.A. 1161, as amended.
[71] G.R. No. L-18773, January 31, 1964.
[72] Section 1380 of the Revised Administrative Code.
[73] G.R. No. L-18291, January 31, 1964.

Under section 1198 of the Revised Administrative Code, one of the powers of the Commissioner is to reprimand licensed marine officer or to suspend or to revoke marine certificate on account of professional misconduct intemperate habits, negligence or incapacity. His decision in this respect is final, unless within 30 days after its promulgation, an appeal is perfected and filed in the office of the Secretary of Finance, who may confirm, revoke, or modify said decision. The procedure on appeal, therefore, enumerates two steps for the perfection of the appeal: (1) the appeal must be perfected and filed in the Office of the Secretary of Finance, and (2) this must be done within 30 days after promulgation of the decision appealed from. Where notice of appeal was never filed with the Office of the Secretary of Finance, such failure is fatal and renders the decision of the commission final as held in the case of *Verdera and Barrientos v. Hernandez.*[74]

The contention that the filing of the notice of appeal with the Board of Marine Inquiry should be considered as a filing with the Office of the Secretary of Finance, inasmuch as the Bureau of Customs is under the supervision of the Department of Finance is untenable for the Bureau of Marine Inquiry is obviously, distinct and separate from the Office of the Secretary of Finance. The very power of executive supervision of the Secretary of Finance over, *inter alia,* the Bureau of Customs, upon which petitioners relied proves precisely that the two officers are distinct from each other. Otherwise, it would have been unnecessary to provide for an appeal from the decisions of the Commissioner of Customs to the Secretary of Finance.

5. Department of Labor

The Court of First Instance has no jurisdiction to review the orders of the Regional Hearing Officer of the Department of Labor complained of. The proper reviewing body as held in the case of *Layag, et al. v. Gerardo,*[75] is the Workmen's Compensation and finally the Supreme Court.

The Supreme Court added that granting that respondent hearing officer committed an error is ordering the extension, this did not constitute grave abuse of discretion for it might only be a mistake of law or error of fact, not correctible by certiorari. If the Court, board, or person had jurisdiction over the subject-matter and of the persons, the orders or decisions upon all questions pertaining

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[74] G.R. No. L-18511, January 22, 1964.
[75] G.R. No. L-19896, April 30, 1964.

to the cause are orders or decisions within its/his jurisdiction and, however, irregular or erroneous this may be, they cannot be corrected by certiorari, but by appeal.[76]

JUDICIAL REVIEW

A. EXHAUSTION OF ADMINISTRATIVE REMEDIES

It is a well settled doctrine in administrative law that until all administrative remedies have been exhausted, a judicial recourse for the settlement of the controversy has generally been held to be premature.[77] The rationale of this rule lies in the fact that it provides an orderly and independent administrative action in the adjudication of controversies and serves to prevent the swamping of the regular courts with numerous cases which could have been settled had the administrative remedies provided for been availed of in time.[78] This doctrine is also projected to prevent unnecessary litigations for if a remedy is still available with the administrative machinery, this should be resorted to before going to the courts.[79] There are, however, a number of exceptions. The Supreme Court has ruled that the doctrine is inapplicable where no administrative remedy is provided; the rule will be relaxed where (1) there is grave doubt as to the availability of the administrative remedy; (2) where the question involved is a purely legal one; (3) where the steps to be taken are merely matters of form and the administrative process is really over; (4) where the administrative remedy is merely cumulative or concurrent to a judicial remedy; and (5) where to exhaust the Administrative remedies will amount to a nullification of the claim.[80]

Thus in the case of *Talisay-Silay Milling Co. v. Bunuan*,[81] it was held that the rule of exhaustion of administrative remedies does not require in all cases an appeal to the President before recourse to the courts may be had. The right to appeal from the decision of an officer or court to which a particular matter is specifically referred is purely statutory[82] and there is no statute which provides for such appeal from the action taken in the instant case by the Secretary of Commerce and Industry. If an appeal may be taken to the President at all it is by virtue of his general supervisory authority as

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[76] Villa-Rey Transit Inc. v. Bella, et al., G.R. No. L-18957, April 23, 1963.
[77] Pineda v. CFI of Davao, et al., G.R. No. L-12602, April 25, 1961.
[78] Sampaguita Shoe and Slipper Factory v. Commissioner of Customs, *supra*.
[79] Montes v. Civil Service Board, G.R. No. L-10759, May 20, 1957.
[80] Pascual v. Provincial Board of Nueva Ecija, G.R. No. L-11959, October 31, 1959 quoting from 73 C.J.S. 354 and Alzate v. Aldana, G.R. No. L-14407, February 29, 1960.
[81] G.R. No. L-16932, December 21, 1964.
[82] Lamb v. Phipps, 22 Phil. 456.

Chief Executive, and the same is not such "adequate remedy in the ordinary course of Law" as would bar the special action of mandamus resorted to by petitioner.

In two recent cases[83] the Supreme Court restated that in cases where a person is virtually denied of due process, exhaustion of administrative remedies is no longer mandatory.

B. FINDINGS OF FACT

The Supreme Court does not disturb findings of fact of administrative agencies, as long as the same are reasonably supported by substantial evidence. In the case of *Ilustre and Ilustre v. Court of Agrarian Relations*,[84] the Supreme Court had occasion to reiterate that substantial evidence in support of the findings of the Agrarian Court (and all other administrative agencies for that matter) does not necessarily import preponderant evidence, as is required in ordinary civil cases. Substantial evidence has been defined to be "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion"[85] and its absence is not shown by stressing that there is contrary evidence on record, direct or circumstantial, for the appellate court can not substitute its own judgment of criterion for that of the trial court in determining wherein lies the weight of evidence, or what evidence is entitled to belief.[86]

In *Borja v. Moreno, supra,* the Supreme Court observed that if there is substantial evidence to support the findings of an administrative official in matters within his competence, the courts are bound to look no further, not even to consider contrary evidence of a preponderant nature. However, the findings of fact is not conclusive upon the Court, if there was a manifest disregard of due process.

Similar rulings were handed down by the Supreme Court in affirming the decisions of the Workmen's Compensation Commission,[87] and the Director of Lands.[90]

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[83] Vigan Electric v. PSC, *supra*, and Borja v. Moreno, *supra*.

[84] G.R. No. L-19654, March 31, 1964.

[85] Ang Tibay v. Court of Industrial Relations, *supra*.

[86] This has been the uniform doctrine of the Supreme Court from Saingco v. CAR, G.R. No. L-13120, November 20, 1957 down to Eugenio Chavez v. CAR, No. L-13120, November 20, 1957 down to Eugenio Chavez v. CAR, G.R. No. G.R. No. L-17814, October 31, 1963.

[87] Central Azucarera Don Pedro v. Agno, G.R. No. L-20424, October 22, 1964.

[88] Villainza, et al., v. Panganiban, G.R. No. L-19760, April 30, 1964.

[89] Robles v. Blaylock, G.R. No. L-17629, March 31, 1964; Manila Yellow Taxicab Company, Inc. v. Francisca, G.R. No. L-10243, March 31, 1964; Batangas Transportation Company, Inc. v. Salazar, G.R. No. L-15418, September 30, 1964.

[90] Director of Lands v. Manuel et al., G.R. No. L-19799, March 31, 1964.

C. FINALITY OF ADMINISTRATIVE DECISIONS

Some enabling statutes expressly provide for judicial review of administrative decisions,[91] others make no mention of such review,[92] and there are administrative decisions which may be made final.[93] However, the mere silence of the law regarding judicial review does not necessarily mean that it is not available.[94] Despite provisions for judicial review, however, the decisions of administrative bodies become final and conclusive when the aggrieved party fails, by negligence or otherwise, to interpose or perfect an appeal as in the case of *Philippine International Surety Company, Inc. v. Commissioner of Customs, supra.*

In the enforcement of an award granted by the Workmen's Compensation Commission all that the law requires is the filing in the proper court of a certified copy of the decision or award with a certification that no appeal has been taken therefrom and is therefore final and executory.[95] Despite the finality of the decision of the Workmen's Compensation Commission, however, said body cannot execute its own decisions for to do so will be to diminish the jurisdiction and judicial powers of courts of record.[96]

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[91] See statutes creating the Court of Industrial Relations, the Public Service Commission, Patent Office, and other agencies.

[92] Law creating the Board of Censors for Motion Pictures, RA 3060.

[93] Action of the President on decision of Auditor General not involving private parties is final. In various statutes decisions of administrative bodies involving questions of fact when supported by substantial evidence are made conclusive.

[94] Irene R. Cortes, *op. cit.*, p. 255.

[95] Cerbo v. Montejo, G.R. No. L-19881, January 31, 1964.

[96] Famorca v. Workmen's Compensation Commission et al., G.R. No. L-16921, September 27, 1961; La Mallorca-Pambusco v. Isip et al., G.R. No. L-16945, October 19, 1961; Everlasting Pictures Inc. et al., v. Fuentes et al.. G.R. No. L-16512, November 29, 1961.