Supreme Court E-Library

SECOND DIVISION

[G.R. No. L-35260. September 4, 1979]

REPUBLIC OF THE PHILIPPINES, CUSTODY AND DISPOSAL ADMINISTRATION AND THE COMMISSIONER OF CUSTOMS, *petitioners, vs.* **HON. JUAN BOCAR, as Judge of the Court of First Instance of Manila, Branch XVI, the CITY SHERIFF OF MANILA, PREMIER TOBACCO TRADING COMPANY, HEIRS OF SEE SENG, represented by TAN SUI KIN, SEE BON CHIN and minors SEE POTIOK, SEE MAN FUN and SEE BETTY, represented by their Guardian *ad litem* TAN SUI KIN and FERMIN CORREA, HON. MARIANO V. BENEDICTO, as Judge of the Court of First Instance of Manila and CESAR URBINO,** *respondents.*

SYLLABUS

REMEDIAL LAW; ACTIONS; JURISDICTION; SEIZURE AND FORFEITURE CASES ARE WITHIN THE EXCLUSIVE JURISDICTION OF THE CUSTOMS AUTHORITIES.— The Congress of the Philippines was vested with "the power to define, prescribe, and apportion the jurisdiction of the various courts" of the Philippines. Now it is the National Assembly. Where the matter involved is a seizure and forfeiture proceeding, a court of first instance is devoid of power to act. The customs authorities possess such competence with an appeal to the Court of Tax Appeals. In appropriate cases, there may be further judicial review by this Court in the exercise of its *certiorari* jurisdiction. The jurisdictional limits thus defined and apportioned, according to the Constitution, must be respected. Respondent judges clearly did not do so. No deference was paid to a host of cases that left no doubt as to their lack of authority to assume jurisdiction.

Supreme Court E-Library

DECISION

FERNANDO, *C.J.*:

It was the failure of the late respondent Judge Juan Bocar[1] to observe the jurisdictional limits as provided for by the Tariff and Customs Code[2] that led to this *certiorari* and prohibition proceeding filed by petitioner Republic of the Philippines on July 7, 1972. Briefly put, notwithstanding the institution of seizure and forfeiture proceedings resulting in the Commissioner of Customs forfeiting the goods in question for violating a provision of the aforesaid Code[3] in relation to certain Central Bank circulars,[4] the lower court, at the instance of respondent Premier Tobacco Trading Company, assumed jurisdiction in a replevin suit with damages.[5] What is worse, respondent Judge apparently was unmindful of the finality of such forfeiture, the previous appeal to the Court of Tax Appeals by the claimant having been dismissed. Petitioner Custody and Disposal Administration, herein referred to as CADA, sought the dismissal of such action for replevin with damages on the ground that the goods in question having been the subject of forfeiture proceedings and finally declared forfeited, was beyond the jurisdiction of a court of first instance. Notwithstanding the grave jurisdictional defect, the lower court issued orders requiring the delivery thereof to an intervenor, the heirs of See Seng, now included as respondents. Hence this petition for *certiorari* and prohibition. The merit of the petition being apparent on its face, respondents were required to answer and a temporary restraining order as prayed for was issued by this Court by its resolution of July 11, 1972.

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[1] The private respondents are Premier Tobacco Trading Company and the heirs of See Seng. The City Sheriff of Manila was likewise included as public respondent.

[2] Republic Act No. 1937 (1957).

[3] Section 2530.

[4] Nos. 281, 282 and 286.

[5] Civil Case No. 82880.

Supreme Court E-Library

Thereafter, on August 7, 1972, a motion by petitioner Republic of the Philippines to admit an amended and supplemental petition by virtue of what it set forth as antecedent and supervening facts was filed. It sought the inclusion of additional parties and explained why. The then Judge, Mariano V. Benedicto, now deceased and one Cesar Urbino, the party-plaintiff in Civil Case No. 84206 pending before such Judge, were included as respondents.[6] After adopting by reference the facts related in the original petition, it was then alleged: "In connection with Civil Case No. 84206 abovementioned, plaintiff Urbino instituted an action for the collection of the sum of money allegedly due him from defendant Fermin Correa to which defendant Fermin Correa confessed judgment and subsequently a writ of execution was issued by the lower court and a Special Sheriff was appointed to enforce the same, the latter garnished the amount of ₱172,000.00 paid by defendant Fermin Correa as attorney-in-fact of respondent See Seng to herein petitioner Custody and Disposal Administration (CADA) as bid money in consideration of the award in his favor of the goods subject of the forfeiture proceedings which award, however, was subsequently set aside. On May 30, 1972, respondent Judge Mariano V. Benedicto issued an order, the dispositive portion of which reads as follows: '[Wherefore], in view of the foregoing, it is hereby ordered that: 1. The Sheriff be ordered to take possession of the amount of ₱172,000.00 garnished by him, which is in the possession of the CADA, and the said amount of ₱172,000.00 which should be in the name of Fermin Correa and/or Cesar Urbino on condition that the plaintiff Cesar Urbino puts up a bond in the said amount of ₱172,000.00 by a duly accredited Bonding Company approved by the Department of Justice, to answer for any claims or damages that may be filed by any third persons including the CADA as a result of the delivery of the said amount garnished, and that the said bond shall be duly approved by the Court, which bond shall remain existing, once approved until further orders of this Court; or 2. That the CADA officials must deliver said amount of ₱172,000.00 to the Court, and shall be entitled to a receipt

[6] Amended and Supplemental Petition, 2.

Supreme Court E-Library

for the amount of ₱172,000.00 delivered by them in the name of Fermin Correa and/or Cesar Urbino to the Deputy Sheriff, or Deputy Clerk of Court, Branch XXX, who in return, under Receipt shall immediately turn over the amount of ₱172,000.00 to the plaintiff Cesar Urbino. 3. That compliance of this order must be submitted to this Court, with a copy of the receipts signed by the parties. 4. That the previous order of execution in this case stands.' However, petitioner CADA, could not validly comply with the order abovementioned inasmuch as respondent Judge Bocar of Branch XVI of the same lower court had previously restrained the CADA from delivering the garnished amount of ₱172,000.00 to respondent Fermin Correa, aside from the more important reason that the said amount was not the property of respondent Fermin Correa, as he paid said amount as attorney-in-fact of See Seng; On June 13, 1972, respondent Judge Benedicto issued an order requiring CADA Deputy Administrator Lauro Daez to explain why he should not be held in contempt. *** On June 19, 1972, petitioner CADA filed with the lower court a motion for reconsideration and opposition to motion for contempt stating that the garnished amount of ₱172,000.00 which was the bid price, was not owned by respondent Correa; that said amount was turned over to the general fund of the national treasury and that respondent Correa was able to withdraw a portion of the goods valued at approximately ₱152,000.00 so that petitioner CADA filed a case against Fermin Correa docketed as Civil Case No. Q-16121 before the Court of First Instance of Rizal, Quezon City Branch. *** On July 6, 1972, respondent Judge Mariano V. Benedicto verbally denied the motion for reconsideration, granting, however, petitioner CADA fifteen (15) days within which to elevate the question to the Supreme Court. Considering that the amount of ₱172,000.00 appears to have been paid by Fermin Correa as attorney-in-fact of See Seng to the CADA, which amount has been turned over to the general fund and even assuming that the said amount has not been turned over to the general fund but is held in trust for the rightful claimant, as finally determined by the Court, the said amount is not subject to garnishment, as the CADA, being an instrumentality of the government is immune

Supreme Court E-Library

from suit. ***"[7] The amended and supplemental petition was duly filed on the same date. On August 8, 1972, this Court adopted another resolution requiring respondents to file an answer to the amended and supplemental petition for *certiorari* and to amend the temporary restraining order to include the newly-named respondents.

The answers of private respondents did try to sustain the jurisdiction of both respondent Judges. The petition was then set for oral argument, but the parties asked that memoranda be filed instead. In due time, that was done and the case was submitted for decision. It is to be admitted that a sustained and vigorous effort was exerted by counsel for private respondents to sustain the challenged actuation of both respondent Judges. It was in vain. The law and the authorities are quite clear. This petition is impressed with merit.

1. The Congress of the Philippines was vested with "the power to define, prescribe, and apportion the jurisdiction of the various courts" of the Philippines.[8] Now it is the National Assembly.[9] Where the matter involved is a seizure and forfeiture proceeding, a court of first instance is devoid of power to act. The customs authorities possess such competence with an appeal to the Court of Tax Appeals. In appropriate cases, there may be further judicial review by this Court in the exercise of its *certiorari* jurisdiction. The jurisdictional limits thus defined and apportioned, according to the Constitution, must be respected. Respondent judges clearly did not do so. No deference was paid to a host of cases that left no doubt as to their lack of authority to assume jurisdiction.[10]

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[7] *Ibid.*, 3-5.

[8] Article VIII, Section 1 of the 1935 Constitution.

[9] Article X, Section 1 of the present Constitution, insofar as pertinent provides: "The National Assembly shall have the power to define, prescribe, and apportion the jurisdiction of the various courts, but may not deprive the Supreme Court of its jurisdiction over cases enumerated in Section five hereof."

[10] Cf. *Pascual v. Commissioner of Customs*, 105 Phil. 1039 (1959); *Commissioner of Customs v. Serree Investment Company*, 108 Phil. 1 (1960);

Supreme Court E-Library

2. An excerpt from a recent decision, *Commissioner of Customs v. Navarro*,[11] possesses relevance. Thus: "That such jurisdiction of the customs authorities is exclusive was made clear in *Pacis v. Averia*, decided in 1966. This Court, speaking through Justice J.P. Bengzon, realistically observed: 'This original jurisdiction of the Court of First Instance, when exercised in an action for recovery of personal property which is a subject of forfeiture proceeding in the Bureau of Customs, tends to encroach upon, and to render futile, the jurisdiction of the Collector of Customs in seizure and forfeiture proceedings.' The court 'should yield to the jurisdiction of the Collector of Customs.' Such a ruling, as pointed out by Justice Zaldivar in *Auyong Hian v. Court of Tax Appeals*, promulgated less than a year later, could be traced to *Government v. Gale*, a 1913 decision, where there was a recognition in the opinion of Justice Carson that a Collector of Customs when sitting in forfeiture proceedings constitutes a tribunal upon which the law expressly confers jurisdiction to hear and determine all questions touching the forfeiture and further disposition of the subject matter of such proceedings. The controlling principle was set forth anew in *Ponce Enrile v. Vinuya*, decided in 1971. Thus: 'The prevailing doctrine is that the exclusive jurisdiction in seizure and forfeiture cases vested in the Collector of Customs precludes a court of

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Commissioner of Customs v. Eastern Sea Trading Co., 113 Phil. 333 (1961); *Commissioner of Customs v. Santos*, 114 Phil. 589 (1962); *Commissioner of Customs v. Nepomuceno*, 114 Phil. 702 (1962); *Pascual v. Commissioner of Customs*, 114 Phil. 953 (1962); *Serree Investment Co. v. Commissioner of Customs*, L-19564, Nov. 28, 1964, 12 SCRA 493; *Bombay Department Store v. Commissioner of Customs*, L-20489, June 22, 1965, 14 SCRA 331; *Yupangco and Sons v. Collector of Customs*, L-22259, Jan. 19, 1966, 16 SCRA 1; *Chan Kian v. Collector of Customs*, L-20803, Jan. 31, 1966, 16 SCRA 133; *Capulong v. Aseron*, L-22989, May 14, 1966, 17 SCRA 11; *Lazaro v. Commissioner of Customs*, L-22511, May 16, 1966, 17 SCRA 36; *Capulong v. Acting Commissioner of Customs*, L-22990, May 19, 1966, 17 SCRA 61; *Gigare v. Commissioner of Customs*, L-21376, Aug. 29, 1966, 17 SCRA 1001.

[11] L-33146, May 31, 1977, 77 SCRA 264.

Supreme Court E-Library

first instance from assuming cognizance over such a matter.' Reference was then made in the opinion to previous cases."[12]

WHEREFORE, this petition for *certiorari* and prohibition is granted and the orders, the first issued by respondent Judge Juan Bocar on May 19, 1972 in Civil Case No. 82880, and the second issued by respondent Judge Mariano V. Benedicto in Civil Case No. 84206 on May 30, 1972 are nullified, set aside and declared to be without any force and effect. The restraining orders issued by this Court on July 11, 1972, as well as on August 8, 1972 are hereby made permanent. Costs against private respondents.

Barredo, Antonio, Aquino, Concepcion Jr., and *Abad Santos, JJ.*, concur.

Santos, J., is on official leave.

SECOND DIVISION

[Adm. Case No. 1053. September 7, 1979]

SANTA PANGAN, *complainant, vs.* **ATTY. DIONISIO RAMOS,** *respondent.*

SYLLABUS

LEGAL ETHICS; ATTORNEYS; A LAWYER IS NOT AUTHORIZED TO USE A NAME OTHER THAN THE ONE INSCRIBED IN

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[12] *Ibid.*, 268-269. *Pacis*, L-22526, is reported in 18 SCRA 907; *Auyong Hian*, L-25181, is reported in 19 SCRA 10; *Gale*, is reported in 24 Phil. 95; *Vinuya*, L-29043, is reported in 37 SCRA 381. Outside of Pacis, the following cases were cited: *De Joya v. Lantin*, L-24037, April 27, 1967, 19 SCRA 893; *Romualdez v. Arca*, L-20516, Nov. 15, 1967, 21 SCRA 856; *Diosamito v. Balanque*, L-30734, July 28, 1969, 28 SCRA 836; and *de Joya v. David*, L-23504, Dec. 29, 1967, 21 SCRA 1493.