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ACCORDINGLY, the Court's temporary restraining order of November 8, 1977 is lifted for the purpose of enabling respondent military commission to transfer the cases before it to the civil courts and upon receipt of the corresponding manifestation to this effect, the cases at bar shall be deemed dismissed for having become moot and academic.

Castro, C.J., Barredo, Makasiar, Antonio, Muñoz Palma, Aquino, Concepcion Jr., Fernandez, and *Guerrero, JJ.*, concur.

Fernando, J. and *Santos, JJ.*, took no part.

FIRST DIVISION

[G.R. No. L-26882. April 5, 1978]

ROSARIO *VDA. DE* LAIG, ROMEO, JOSE, NESTOR and BENITO, JR., all surnamed LAIG, minors, assisted by Rosario *Vda. de* Laig, Their Guardian *Ad Litem*, *petitioners, vs.* COURT OF APPEALS, CARMEN VERZO, PETRE GALERO, THE REGISTER OF DEEDS OF CAMARINES NORTE, THE DIRECTOR OF LANDS, AND THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES, *respondents.*

SYLLABUS

CIVIL LAW; SPECIAL CONTRACTS; SALES; DOUBLE SALE; RULES IN CASE OF IMMOVABLE PROPERTY; CASE AT BAR.— As in the recent case of *Rosario Carbonell vs. Hon. Court of Appeals, et al.* (L-29972, Jan. 26, 1976), the first issue calls for the application of Article 1544, paragraph 2,

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of the New Civil Code regarding double sale. The above-said provision reads: "*Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith recorded it in the Register of Property.*" In the Carbonell case, *supra,* WE held that to be under the protective umbrella of paragraph 2, Article 1544, of the New Civil Code, it is essential that the vendee of the immovable must act in good faith in registering his deed of sale. In other words, good faith must characterize the vendee's act of prior registration. Prior to the sale in her favor, Carmen Verzo knew that the disputed property belongs to Atty. Laig; because whenever Atty. Laig was in Manila, Carmen Verzo attended to said property and communicated with Atty. Laig in Manila about his share of the harvest from the land. How can Carmen Verzo speak of Atty. Laig's share of the harvest without first knowing that the land from where the crop was harvested was owned by Atty. Benito Laig? Bad faith can be demonstrated, not ONLY by direct proof, but also by circumstantial evidence. "Bad faith is a state of mind indicated by acts and circumstances and is provable by CIRCUMSTANTIAL x x x evidence." Logically, therefore, since, as has already been earlier shown, respondent Carmen Verzo was not a purchaser in good faith, she could never have been a registrant in good faith of the deed of sale of said land in her favor. Consequently, she cannot claim the protection accorded to a registrant in good faith by paragraph 2, Article 1544 of the New Civil Code.

APPEARANCES OF COUNSEL

Gelasio L. Dimaano for petitioners.

Pedro A. Venida for private respondents.

Office of the Solicitor General for respondents The Director of Lands, *etc., et al.*

D E C I S I O N

MAKASIAR, *J.*:

Appeal by *certiorari* from the decision of respondent Court of Appeals which affirmed the judgment of the Court of First Instance of Camarines Norte in Civil Case No. 577 entitled

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"Rosario Vda. de Laig, et al. vs. Carmen Verzo, et al.," dismissing herein petitioners, complaint for the reconveyance of a parcel of land with damages, and declaring herein respondent Carmen Verzo as the lawful owner of the land in issue.

It appears that on March 27, 1939, one Petre Galero obtained from the Bureau of Lands Homestead Patent No. 53-176 covering 219,949 square meters of land located at Barrio Pinagtambangan, Labo, Camarines Norte, for which Original Certificate of Title No. 1097 was issued in Galero's name.

On June 25, 1940, Galero sold the land to a certain Mario Escuta for ₱300.00. Escuta, in turn, sold the same land to Florencio Caramoan in December, 1942. Later, however, Petre Galero, through proper court action, and with Atty. Benito K. Laig — the deceased husband of herein petitioner Rosario *Vda. de* Laig — as counsel, recovered the land, the court having been convinced that its alienation violated Section 118 of the Public Land Act, which reads:

"No alienation, transfer, or conveyance of any homestead after five years and before twenty-five years after issuance of title shall be valid without the approval of the Secretary of Agriculture and Commerce, which approval shall not be denied except on constitutional and legal grounds" (Sec. 118, CA No. 141, as amended by CA No. 456).

On June 1, 1948, a deed of sale was executed by and between Petre Galero as vendor and Atty. Benito K. Laig as vendee, whereby the former sold to the latter the land in question with its improvements, for ₱1,500.00 plus attorney's fees due Atty. Laig for his legal services as counsel for Galero in the successful reconveyance case (p. 87, rec.; *People vs. Petre Galero*, CA G.R. No. 12043-R). This deed of sale was executed in the house of Carmen Verzo and witnessed by one Claudio Muratalla and Rosario Verzo Villarente (p. 87, back, rec., *People vs. Petre Galero, supra*), sister of herein respondent Carmen Verzo, who was living with her in the same house at that time.

Original Certificate of Title No. 1097 was delivered by Galero to Atty. Laig (Exh. J and Annex B, p. 6, CA Brief for Petitioners, p. 137, back, rec.).

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Unfortunately, vendee Atty. Benito K. Laig failed to solicit the approval of the Secretary of Agriculture and Natural Resources (then Secretary of Agriculture and Commerce), as required by Section 118 of the Public Land Act, as amended. It was only after Atty. Laig's death in 1951 that his wife, herein petitioner Rosario, noticed the deficiency.

On November 5, 1951, herein petitioner *Vda. de* Laig wrote the then Register of Deeds of Camarines Norte, respondent Baldomero M. Lapak, stating that the disputed parcel of land covered by Original Certificate of Title No. 1097 in the name of Petre Galero, had been sold to her late husband, requesting that she be informed of any claim of ownership by other parties so that she could take the necessary steps, and serving notice of her claim over the said property as surviving spouse of the late Atty. Laig and as natural guardian of their children.

On November 12, 1951, Register of Deeds Lapak replied that Original Certificate of Title No. 1097 was still intact and took note of her letter.

On *March 29, 1952*, petitioner *Vda. de* Laig filed with the Bureau of Lands an affidavit together with a copy of the deed of sale in her husband's favor. Said affidavit stated that she wanted to have the ownership over the land transferred to her husband's name.

On August 14, 1952, the Bureau of Lands forwarded the said affidavit of *Vda. de* Laig, together with the deed of sale, to the Office of the Secretary of Agriculture and Natural Resources with a recommendation that the said deed of sale be approved as the same does not violate any pertinent provisions of the Public Land Act or the corresponding rules and regulations thereunder promulgated. *On the same day*, the Office of the Secretary of Agriculture and Natural Resources, thru then Undersecretary Jose S. Camus, approved the deed of sale. And also on the same day, the Office of the Director of Lands, thru Vicente Tordesillas, Chief of the Public Lands Division, addressed a letter to Atty. Benito Laig informing him of the approval of the deed of sale executed by and between him and Petre Galero.

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Meanwhile, however, on *July 15, 1952* Petre Galero, with the assistance of Atty. Jose L. Lapak, son of respondent Register of Deeds Baldomero M. Lapak, sought in court the issuance of a second owner's duplicate copy of OCT No. 1097, claiming that his first duplicate of said OCT was lost during World War II.

On July 19, 1952 — or in a span of only four days — a second owner's duplicate copy of OCT No. 1097 was issued by respondent Register of Deeds Baldomero M. Lapak in favor of Petre Galero. And right on that same day, Galero executed in favor of respondent Carmen Verzo a deed of sale of the land in issue for the sum of ₱600.00. It was claimed that previously, the additional consideration of ₱500.00 in Japanese war notes was received by Galero from Carmen Verzo, although this amount, or anything to that effect, was not mentioned in the deed of sale executed by and between them.

Upon being informed that the sale necessitates the approval of the Secretary of Agriculture and Natural Resources before it could be registered in the Register of Deeds, herein respondent Carmen Verzo, on *July 30, 1952*, addressed a letter to the Secretary of Agriculture and Natural Resources, through the Director of Lands, seeking the former's required approval. Enclosed in the letter was a copy of the deed of sale in Verzo's favor, and an affidavit that the land in point was sold to Verzo by homestead grantee Petre Galero.

On *August 30, 1952*, Assistant Director of Lands Zoilo Castrillo forwarded Verzo's papers to the Secretary of Agriculture and Natural Resources and recommended that the sale, not being violative of the pertinent provisions of the Public Land Act nor the rules and regulations promulgated thereunder, be approved.

On *September 12, 1952*, Acting Secretary of Agriculture Jose S. Camus approved the sale in favor of Carmen Verzo.

On September 27, 1952, the office of the Director of Lands notified Carmen Verzo of such approval. Whereupon, on October

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13, 1952, Verzo declared the land in her name for taxation purposes, and since then, had been paying the realty taxes thereon.

On October 14, 1952, the deed of sale in Verzo's favor was registered, and Transfer Certificate of Title No. T-1055, in lieu of OCT No. 1097, which was cancelled, was issued in her name.

On January 26, 1953, petitioner *Vda. de* Laig, thru counsel, her brother Atty. Dimaano, inquired from the Register of Deeds of Camarines Norte if it was true that OCT No. 1097 in favor of Galero had already been cancelled and a transfer certificate of title had been issued in favor of another person. Respondent Register of Deeds Lapak replied in the affirmative.

In no time at all, petitioners called the attention of the Director of Lands to the existence of two deeds of sale, one in favor of Atty. Benito Laig, and another in favor of Carmen Verzo.

On February 25, 1953, the Director of Lands requested Petre Galero to explain within 30 days such double sale, and ordered the Provincial Land Officer in Daet, Camarines Norte to investigate the matter and immediately submit findings thereon.

On March 12, 1953, in reply to the Director of Land's request, Petre Galero denied having sold the land in issue to Atty. Benito K. Laig.

On March 15, 1953, the Bureau of Lands in Camarines Norte reported to the Director of Lands that second vendee Carmen Verzo had already successfully obtained a transfer certificate of title over the land in question, with the recommendation that the heirs of the first vendee, Benito K. Laig, seek their remedy in court as the status of the property at that stage does not anymore fall within the jurisdiction of the Bureau of Lands.

Petre Galero was charged in Criminal Case No. 533 before the Court of First Instance of Camarines with estafa thru falsification of public documents in connection with the sale in favor of Carmen Verzo of the land in point. Galero was convicted on October 29, 1953, which conviction was later affirmed by the Court of Appeals in *People vs. Petre Galero* (CA-G.R. No. 12043-R, December 2, 1954).

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On April 13, 1954, petitioner *Vda. de* Laig, together with her minor children, filed the present action, docketed as Civil Case No. 577 in the Court of First Instance of Camarines Norte against respondents Carmen Verzo, Petre Galero, the Director of Lands, the Register of Deeds of Camarines Norte and the Secretary of Agriculture and Natural Resources praying for the annulment of the sale in favor of Carmen Verzo and the cancellation of the second owner's duplicate of Original Certificate of Title No. 1097 and Transfer Certificate of Title No. T-1055 by declaring the first OCT No. 1097 valid and effective or in the alternative, by ordering Carmen Verzo to reconvey the land in question to petitioners, plus ₱5,000.00 by way of damages.

Sometime in 1958, Galero died while serving his sentence at the National Penitentiary, and was, on November 11, 1958, substituted by his wife, Perpetua Dar, as party-defendant (p. 27, ROA; p. 114, rec.).

On November 21, 1961, the trial court, in a decision, dismissed the complaint and declared that the land described in TCT No. 1055 to be rightfully owned by Carmen Verzo. The lower court also found Baldomero M. Lapak, then the Register of Deeds of Camarines Norte, guilty of negligence, but exempted him from any liability; found the Director of Lands and the Secretary of Agriculture and Natural Resources likewise guilty of negligence, but exempted them from any liability on the theory that they are not responsible for the acts of their subordinates; held that the approval of two deeds of sale in favor of two different vendees in a space of less than one month is but a ministerial duty which exculpates the Director of Lands and the Secretary of Agriculture and Natural Resources from liability, and that plaintiffs-appellants slept on their rights in not having the first deed of sale in favor of Atty. Laig registered in the Registry of Property, and therefore, have only themselves to blame for losing the land; and exempted Galero from liability (pp. 88-97, ROA; pp. 119-124, rec.).

On April 12, 1962, petitioners appealed the decision of the lower court to the Court of Appeals.

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On September 28, 1966 (p. 32, rec.), the Fifth Division of the Court of Appeals, thru Justice Jesus Y. Perez, affirmed the decision of the Court of First Instance of Camarines Norte.

The case unveils a couple of issues to resolve, to wit:

1. Who between petitioner *Vda. de* Laig and respondent Carmen Verzo should be considered as the rightful owner of the land in question; and

2. Should the respondents register of deeds, Director of Lands and the Secretary of Agriculture and Natural Resources, together with respondent Carmen Verzo, be held liable for damages for approving the sale of one and the same piece of land in favor of two different persons?

I

As in the *present* case of *Rosario Carbonell vs. Hon. Court of Appeals, et al.* (L-29972, Jan. 26, 1976), the first issue calls for the application of Article 1544, paragraph 2, of the New Civil Code regarding double sale.

The above-said provision reads:

"*Should it be immovable property, the ownership shall belong to the person acquiring it who in good faith recorded it in the Registry of Property*" (italics supplied).

In the Carbonell case, *supra*, WE held that to be under the protective umbrella of paragraph 2, Article 1544, of the New Civil Code, it is essential that the vendee of the immovable must act in good faith in registering his deed of sale. In other words, good faith must characterize the vendee's act of prior registration.

To this effect was Our ruling in a 1918 case that:

"The force and effect given by law to an inscription in a public record presupposes the good faith of him who enters such inscription; and rights created by statute, which are predicated upon an inscription in a public registry, do not and cannot accrue under an inscription 'in bad faith,' to the benefit of the person who thus makes the

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inscription" (*Leung Yee vs. F.L. Strong Machinery Co. and Williamson*, No. 11658, Feb. 15, 1918, 37 Phil. 644, 649).

The records reveal that respondent Carmen Verzo was not in good faith when she facilitated the registration of her deed of sale. The following indicia of bad faith characterized NOT ONLY her act of registering her deed of sale, BUT ALSO her purchase of the disputed realty:

1. At the time of the sale of the land in question by Petre Galero to Atty. Benito K. Laig in 1948, the latter was a boarder of Carmen Verzo in her house. As a matter of fact, Atty. Laig maintained his law office, and received his clients (among whom was Petre Galero) therein [p. 81, t.s.n., session of Aug. 23, 1961].

Atty. Benito K. Laig, as her boarder, must have mentioned to Carmen Verzo, his landlady, the land sold to him by Galero. By the same token, Carmen Verzo must have known such sale; because transactions of this sort in the rural areas do not escape the knowledge of persons living under one roof with a party to the document, more especially when there exists between such persons and party the peculiarly intimate relationship of landlady and boarder in a small town.

2. One of the witnesses to the deed of sale executed by and between Atty. Laig and Petre Galero was Rosario Verzo Villarente, Carmen Verzo's very own sister who was at that time living with her in her house, where Atty. Laig then boarded.

Rosario Verzo Villarente, being in the household of her sister Carmen Verzo, must have likewise informed the latter about the deed of sale executed by Petre in favor of Atty. Laig which she signed as witness. A formal act, such as witnessing a deed of sale, is not a common daily experience. Laymen, especially rural folk like Rosario Verzo Villarente, who participate in the same, ordinarily regard the same as a memorable event. It is not therefore unreasonable to assume that her significant role as an instrumental witness to the deed of sale between Atty. Laig and Petre Galero must have moved Rosario to confide to her sister Carmen the fact of her participation therein.

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3. Petre Galero was able to procure another copy of the duplicate of Original Certificate of Title No. 1097 covering the disputed land through the aid of Atty. Jose Lapak who is the son of the respondent register of deeds, Baldomero Lapak, under clearly dubious circumstances. For one, it was done without observing the required formalities of *notice and hearing* (Sec. 109, Act No. 496). Secondly, it was all over in a record-setting period of ONLY four [4] days. Add to this the fact that respondent register of deeds Baldomero Lapak issued said duplicate of OCT 1097 despite his having received about eight months earlier and taken note on November 12, 1951 of the letter of petitioner Rosario *Vda. de* Laig inquiring about the status of the title to the questioned land which was purchased by her husband from Petre Galero; and the process, indeed, reeks with an unpleasant scent. If Atty. Jose Lapak were not the son of respondent Baldomero Lapak, the latter as register of deeds would not have facilitated the issuance of the duplicate copy of the title with such "scandalous haste." He should have informed his son Atty. Lapak, and Petre Galero about the previous inquiry of petitioner as early as November 5, 1951, to which he replied on November 12, 1951 that OCT No. 1097 was still intact.

Moreover, the expeditious disposal of the land in litigation by Petre Galero to Carmen Verzo was done immediately after the death of Atty. Benito Laig, and during the time that his wife Rosario *Vda. de* Laig, who was residing in faraway Manila, was seeking all legal means to have the title over the property transferred to her name.

Such bad faith on the part of respondent Carmen Verzo and Baldomero Lapak is further underscored by the fact that Atty. Jose Lapak himself (a) was the notary public before whom the deed of sale executed by and between Petre Galero and Carmen Verzo was acknowledged, and (b) was the same lawyer who assisted Carmen Verzo in writing the Director of Lands and the Secretary of Agriculture and Natural Resources, enclosing therewith an affidavit also sworn before said Atty. Lapak, praying that the deed of sale be approved.

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This conspiracy among Petre Galero, register of deeds Baldomero Lapak, his son Atty. Jose Lapak, and Carmen Verzo, could not have been known to petitioner Rosario *Vda. de* Laig, who was then as now, residing in Manila.

4. Carmen Verzo was familiar with the property in dispute and with the previous legal battle over the same. In fact in her special defense (par. 2, p. 47, ROA), she stated that she gave sums of money to Petre Galero to enable him to institute Civil Case No. 164-R-14 entitled "*Petre Galero vs. Macario Escuta and Florendo Caramoan*," for the recovery of said parcel of land. Knowing that said case was for the reconveyance from defendants therein of the land in issue and that Atty. Laig was the counsel of Petre Galero, Carmen Verzo must have known likewise that a torrens title to the same was existing and intact and the same was delivered by Petre to Atty. Laig as the buyer of the land. And if she inquired from the wife of Atty. Laig, which was incumbent upon her as she was aware of the antecedent circumstances, she would have been told by petitioner Rosario *Vda. de* Laig that the owner's copy of the original certificate of title was then in her possession. Respondent Carmen Verzo could not pretend that she believed that said owner's duplicate was lost during the war because Civil Case No. 164-R-14 involving the land in point was instituted only AFTER the war and the owner's duplicate copy of the title was intact and returned to Petre after he won in 1948 the suit for reconveyance. She could have also asked about said title the first buyer, Florencio Caramoan, who was ordered by the court to reconvey the land and return the owner's duplicate of the torrens title.

5. Prior to the sale in her favor, Carmen Verzo knew that the disputed property belongs to Atty. Laig; because whenever Atty. Laig was in Manila, Carmen Verzo attended to said property and communicated with Atty. Laig in Manila about his share of the harvest from the land (pp. 33-34, t.s.n., session of Aug. 4, 1964). How can Carmen Verzo speak of Atty. Laig's share of the harvest without first knowing that the land from where the crop was harvested was owned by Atty. Benito Laig?

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Bad faith can be demonstrated, not ONLY by direct proof, but also by circumstantial evidence.

"Bad faith is a state of mind indicated by acts and circumstances and is provable by CIRCUMSTANTIAL x x x evidence" (*Zumwalt v. Utilities Ins. Co.*, 228 S.W. 2d 750, 754, 360 Mo. 362; Words and Phrases, Permanent Ed., Vol. 5, p. 261).

Logically, therefore, since, as has already been earlier shown, respondent Carmen Verzo was not a purchaser in good faith, she could never have been a registrant in good faith of the deed of sale of said land in her favor. Consequently, she cannot claim the protection accorded to a registrant in good faith by paragraph 2, Article 1544 of the New Civil Code.

Finally, since there is no valid inscription to speak of in the present case, the applicable provision of law is paragraph 3, Article 1544, New Civil Code (*Carbonell vs. Hon. Court of Appeals, supra*), which states:

"*Should there be no inscription, the ownership shall pertain to the person who in good faith was first in the possession*; and, in the absence thereof, to the person who presents the oldest title, provided there is good faith" (italics supplied).

In the present case, the fact of Atty. Benito Laig's having been the first possessor in good faith of the property in issue was never disputed by respondent Carmen Verzo.

Moreover, the deed of sale in favor of the late Atty. Benito Laig was executed on June 1, 1948, over 4 years earlier than the deed of sale executed on July 19, 1952 in favor of respondent Carmen Verzo.

It is Our view that the offices of the Secretary of Agriculture and Natural Resources and the Director of Lands should be cleared of any liability. It is not difficult to see that the reason why separate approvals concerning two separate sale of the same piece of land were had was the fact that two sets of officials took charge of both requests. But no malice can be gleaned from this fact. It should be borne in mind that both officials daily attend to thousands upon thousands of papers.

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It is also possible that their assistants failed to notice that two deeds of sale covered the same parcel of land or failed to advise these two officials of such fact.

As heretofore indicated, the malicious participation of respondent register of deeds Baldomero Lapak and his son Atty. Lapak is evident.

Knowing of the existence in his records of the original of OCT No. 1097, Baldomero Lapak effected the issuance of the second duplicate of OCT No. 1097 to Petre Galero in just four (4) days, dispensing with the requirements of notice and hearing to interested parties. The law in this regard is Section 109 of Act No. 496, which reads:

"If the duplicate certificate is lost or destroyed, or cannot be produced by a grantee, heir, devisee, assignee, or other person applying for the entry of a new certificate to him x x x, a suggestion may be filed by the registered owner or other person in interest and registered. The court (the Court of First Instance acting as land registration court) may thereupon, upon the petition of the registered owner or other person in interest, AFTER NOTICE AND HEARING, direct the issue of a new duplicate certificate, which shall contain a memorandum of the fact that it is issued in place of the lost duplicate certificate, but shall in all respects be entitled to like faith and credit as the original duplicate, and shall thereafter be regarded as the original duplicate for all the purposes of this Act' (*Ocampo vs. Garcia*, L-11260, April 29, 1959, 105 Phil. 553).

For his malicious involvement, WE find Baldomero Lapak liable under the following provision of the Land Registration Act:

"Whoever fraudulently procures, or *assists in fraudulently procuring or is privy to the fraudulent procurement* of any certificate of title or owner's duplicate certificate, shall be fined not exceeding five thousand dollars (ten thousand pesos) or imprisoned not exceeding five years, or both, in the discretion of the court" (Sec. 117, Act No. 496).

Baldomero Lapak likewise stands liable under Article 27 of the New Civil Code, which states:

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"Any person suffering material or moral loss because a public servant or employee refuses or neglects, without just cause, to perform his official duty may file an action for damages and other relief against the latter, without prejudice to any disciplinary administrative action that may be taken."

For in essence, his refusal to follow the directive of law (Act No. 496) was a conduct injurious to the petitioner. Thus a chief of police is liable under Article 27 of the New Civil Code for refusal to give assistance to the complainants which was his official duty as an officer of the law (*Amarro, et al. vs. Sumanggit*, L-14986, July 31, 1962, 5 SCRA 707, 708-9). Similarly, a municipal mayor incurs the same liability for neglecting to perform his official functions (*Javellana vs. Tayo*, L-18919, Dec. 29, 1962, 6 SCRA 1042,1051).

WE also find Atty. Jose L. Lapak liable under the above-quoted Section 117 of Act No. 496 (Land Registration Act), for which he should be, not only prosecuted but also, disciplined as a member of the Bar.

Moreover, both Baldomero Lapak and his son Atty. Jose Lapak are likewise civilly liable for failure to observe honesty and good faith in the performance of their duties as public officer and as a member of the Bar (Art. 19, New Civil Code) or for wilfully or negligently causing damage to another (Art. 20, New Civil Code), or for wilfully causing loss or injury to another in a manner that is contrary to morals, good customs and/or public policy (Art. 21, New Civil Code).

WHEREFORE, THE DECISION APPEALED FROM IS HEREBY REVERSED AND

I. THE REGISTER OF DEEDS OF CAMARINES NORTE IS HEREBY DIRECTED

(A) TO CANCEL TCT NO. T-1055; AND

(B) TO ISSUE IN LIEU THEREOF A NEW TRANSFER CERTIFICATE OF TITLE IN FAVOR OF THE HEIRS OF THE LATE BENITO K. LAIG; AND

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II. ALL THE RESPONDENTS HEREIN, EXCEPT THE DIRECTOR OF LANDS AND THE SECRETARY OF AGRICULTURE AND NATURAL RESOURCES, ARE HEREBY ORDERED TO PAY JOINTLY AND SEVERALLY PETITIONERS IN THE AMOUNT OF TEN THOUSAND (₱10,000.00) PESOS AS MORAL DAMAGES; THE SUM OF FIVE THOUSAND (₱5,000.00) PESOS AS ATTORNEY'S FEES; AND THE COSTS:

SO ORDERED.

Teehankee (Chairman), Muñoz Palma, Fernandez, and *Guerrero, JJ.*, concur.

FIRST DIVISION

[G.R. No. L-31909. April 5, 1978]

L. R. AGUINALDO & CO., INC., AGUINALDO *INDUSTRIES CORPORATION, LOVABLE (PHIL.)* INC., and ATELIER, INC., *petitioners, vs.* **COURT OF INDUSTRIAL RELATIONS, PHILIPPINE *UNITED LABOR ASSOCIATION* (PULA), WENCESLAO OBANIL, FLAVIANO BENITEZ, CESAR CARIÑO, FELICISIMO PACULTAD, *GERARDO OCAMPO, ALEJANDRA SORIANO,* ANITA ANGKIKO, AURELIA ESCUETA, BELEN LASTRA, BIBIANA ESPIRITU, CARMEN NAVAL, *CORAZON DEL ROSARIO, ELISA FLORES,* FELY VICTORIO, FIDEL VILLANUEVA, GLORIA RICAFRENTE, LEONILA SIASAT, LILIA CHIU, *LORENZO GEOLIN, LUCIA ISIDRO,* LUISA QUIJANO, LYDIA FLORES, LYDIA PAGSULINGAN, MARCELO L. REYES, MARIA *PONCIANO, MARINA ANACLETO, MAXIMO G.***