

# Republic of the Philippines Supreme Court

Manila FIRST DIVISION

DEL MONTE FRESH PRODUCE N.A. and DEL MONTE FRESH PRODUCE COMPANY, Petitioners,

- versus -

G.R. No. 179232

DOW CHEMICAL COMPANY, OCCIDENTAL CHEMICAL CORPORATION, CECILIO G. ABENION, et al., DOLE FOOD COMPANY, INC., DOLE FRESH FRUIT COMPANY, STANDARD FRUIT COMPANY, STANDARD FRUIT AND STEAMSHIP COMPANY, CHIQUITA BRANDS, INC., and CHIQUITA BRANDS INTERNATIONAL, INC., Respondents.

THE DOW CHEMICAL COMPANY and OCCIDENTAL CHEMICAL CORPORATION, Petitioners,

- versus -

G.R. No. 179290

Present:

VELASCO, JR., J.,\* LEONARDO-DE CASTRO,\*\* *Acting Chairperson*, BERSAMIN, DEL CASTILLO, and VILLARAMA, JR., JJ.

Promulgated: 23 AUG 2012

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HON. JESUS L. GRAGEDA, Presiding Judge, Regional Trial Court of Panabo City, Branch 4,

Composed of 1,843 people whose names and addresses are enumerated in the list attached to the Amended Joint Complaint in Civil Case No. 95-45. [See CA Decision, p. 1, *rollo* (G.R. No. 179290), Vol. I, pp. 9, 303-335.]

Designated Acting Member of the First Division per Special Order No. 1227-M dated May 30, 2012.

\*\* Designated Acting Chairperson of the First Division per Special Order No. 1226 dated May 30, 2012.

Panabo City, Davao del Norte; CECILIO G. ABENION, et al.; DOLE FRESH FRUIT COMPANY; STANDARD FRUIT COMPANY; STANDARD FRUIT AND STEAMSHIP COMPANY; DEL MONTE FRESH PRODUCE, N.A.; DEL MONTE TROPICAL FRUIT COMPANY;" CHIQUITA BRANDS, INC.; and CHIQUITA BRANDS INTERNATIONAL, INC., Respondents.

## **DECISION**

### VILLARAMA, JR., J.:

Before this Court are consolidated petitions for review on certiorari under Rule 45 of the <u>1997 Rules of Civil Procedure</u>, as amended, assailing the May 23, 2006 Decision<sup>1</sup> and August 8, 2007<sup>2</sup> Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 77287.

The antecedents of the case follow:

On August 11, 1995, a Joint Complaint for damages based on quasidelict was filed before the Regional Trial Court (RTC) of Panabo City, Davao del Norte, by 1,185 individuals against Del Monte Fresh Produce, N.A. and Del Monte Tropical Fruit Company, petitioners in G.R. No. 179232; Dow Chemical Company and Occidental Chemical Corporation, petitioners in G.R. No. 179290; Shell Oil Company; Standard Fruit and Steamship Company; Standard Fruit Company, Dole Food Company, Inc.; Dole Fresh Fruit Company; Chiquita Brands, Inc.; Chiquita Brands International, Inc.; Dead Sea Bromine Company, Ltd.; Ameribrom, Inc.; Bromine Compounds, Ltd.; and Amvac Chemical Corporation. The Joint

<sup>••</sup> Now Del Monte Fresh Produce Company.

Rollo (G.R. No. 179232), pp. 44-58. Penned by Associate Justice Normandie B. Pizarro with Associate Justices Edgardo A. Camello and Ramon R. Garcia concurring.
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<sup>&</sup>lt;sup>2</sup> Id. at 71-73. Penned by Associate Justice Edgardo A. Camello with Associate Justices Jane Aurora C. Lantion and Elihu A. Ybañez concurring.

Complaint, docketed as Civil Case No. 95-45, alleged that said corporations were negligent in the manufacture, distribution, and/or sale, or in not informing users of the hazardous effects. of chemical the dibromochloropropane (DBCP). The plaintiffs, claiming to be banana plantation workers and residents of Davao del Norte, alleged that they were exposed to DBCP in the early 1970s and 1980s and as a result, suffered serious and permanent injuries to their health. The plaintiffs sought to be jointly and solidarily recompensed by the defendant corporations in the total amount of ₽2,700,000.

Prior to the filing of the defendants' Answer, the Joint Complaint was amended to implead other plaintiffs, increasing their number to 1,843 and to drop Dead Sea Bromine Company, Ltd., Ameribrom, Inc., Bromine Compounds, Ltd., and Amvac Chemical Corporation as party-defendants.<sup>3</sup>

Some of the remaining defendants—Del Monte Fresh Produce, N.A. and Del Monte Tropical Fruit Company (Del Monte defendants), Dow Chemical Company and Occidental Chemical Corporation (Dow/Occidental defendants), Dole Food Company, Inc. and Dole Fresh Fruit Company (Dole defendants), Chiquita Brands, Inc. and Chiquita Brands International, Inc. (Chiquita defendants)—filed their respective Answers with Counterclaim on separate dates.

On September 2, 1997, the Dow/Occidental defendants jointly moved for the dismissal of the complaint against them, as well as their counterclaim against the plaintiffs. They alleged that they have already entered into a compromise agreement<sup>4</sup> with the plaintiffs.<sup>5</sup> They likewise filed a Motion for Partial Judgment Based on Compromise. Both motions were opposed by their co-defendants.

<sup>&</sup>lt;sup>3</sup> *Rollo* (G.R. No. 179290) Vol. I, pp. 289-302.

<sup>&</sup>lt;sup>4</sup> Id. at 522-553.

<sup>&</sup>lt;sup>5</sup> Id. at 518-520.

The Chiquita defendants, on even date, filed their Motion for Leave to Admit Amended Answer with Counterclaims and Cross-claims,<sup>6</sup> citing inadvertence, oversight, and excusable neglect as grounds for amendment.

The Del Monte defendants also filed a Motion to Admit Amended Answer with Cross-Claim<sup>7</sup> and Amended Answer with Cross-Claim<sup>8</sup> attached thereto, alleging that they inadvertently failed to include in their answer their cross-claims against their co-defendants.

The Dole defendants, on October 1, 1997, filed a Motion to Admit Amended Answer<sup>9</sup> with the Amended Answer with Cross-Claim Ad Cautelam.<sup>10</sup> They alleged that since they were in imminent danger of being the only defendants left, they were constrained to file a cross-claim against their co-defendants in order to adequately secure their right to contribution and reimbursement as potential solidary debtors.

The parties thereafter filed numerous oppositions/motions to the pleadings filed by each. Replies and comments were likewise filed in response thereto.

On June 4, 2001, the Del Monte defendants filed a Motion to Dismiss<sup>11</sup> praying that as to them, the Amended Joint Complaint be dismissed in its entirety and with prejudice, on the ground, among others, that the claims or demands of the plaintiffs (except for 16 of them)<sup>12</sup> had been paid, waived, abandoned and extinguished. Attached to its Motion is a copy of the settlement agreement entitled "Release in Full."<sup>13</sup> The

<sup>&</sup>lt;sup>6</sup> Id. at 554-572.

<sup>&</sup>lt;sup>7</sup> Id. at 595-597.

<sup>&</sup>lt;sup>8</sup> Id. at 598-603.

 <sup>&</sup>lt;sup>9</sup> Id. at 604-613.
<sup>10</sup> Id. at 614-644.

<sup>&</sup>lt;sup>11</sup> *Rollo* (G.R. No. 179290), Vol. II, pp. 1196-1202.

<sup>&</sup>lt;sup>12</sup> Romeo Acelo, Jesus Aguelo, Manuel Apas, Antonio Cabulang, Rodrigo Catulong, Enrique Dinoy, Fidel Ebrano, Cairus B. Francisco, Primo Magpatoc, Peter Manica, Ernesto Olleque, Teodoro Pardillo, Federico Pesaña, Desiderio G. Rivas, Patricio Villotes, Ireneo P. Yaras. [*Rollo* (G.R. No. 179290), Vol. II, pp. 1198-1199.]

<sup>&</sup>lt;sup>13</sup> *Rollo* (G.R. No. 179290), Vol. II, pp. 1203-1218.

Dow/Occidental defendants filed a Manifestation<sup>14</sup> stating that they do not object to Del Monte's Motion to Dismiss.

On July 31, 2001, the Chiquita defendants filed a Motion for Partial Dismissal of the Amended Joint Complaint<sup>15</sup> on the ground that all the plaintiffs, except for James Bagas and Dante Bautista, have settled their claims with them, for which each has executed a quitclaim styled "Release in Full." Attached to the motion were copies of some of the individual settlement agreements entitled "Release in Full"<sup>16</sup> signed by those who have settled their claims.

On June 4, 2002, the Dow/Occidental defendants filed a Request for Admissions<sup>17</sup> addressed to the plaintiffs seeking from them the admission that payments were already made to them by the Dow/Occidental defendants.

On December 20, 2002, the RTC issued the assailed Omnibus Order.<sup>18</sup> The portions of the *fallo* of the order pertinent to the instant petitions read:

WHEREFORE, the court, hereby resolves:

Under No. 1, supra, to admit:  $x \ x \ x$  the amended answer dated September 2, 1997 of the Chiquita defendants;  $x \ x \ x$  the motion to admit new amended answer and the amended answer with cross-claims dated November 3, 1997, noting as well the manifestation of even date of the Del Monte defendants;  $x \ x \ x$  Dole's motion to admit amended answer and the amended answer itself dated October 1, 1997;  $x \ x \ x$ 

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Under No. 3, supra, the joint motion to dismiss and motion for partial judgment between the plaintiffs and defendants Dow and Occidental under the provisions of "compromise settlement, indemnity and hold harmless agreement(s)," embodied in annexes "A" and "B," which documents by reference are, hereby, incorporated, adopted, and made integral parts hereof, not being contrary to law, good morals, public order or policy are, hereby, approved by way of judgment on compromise and the causes of action of the plaintiffs in their joint amended complaint as well as the counter-claims of defendants Dow and Occidental are dismissed;

<sup>&</sup>lt;sup>14</sup> Id. at 1230-1232.

<sup>&</sup>lt;sup>15</sup> Id. at 1239-1241.

<sup>&</sup>lt;sup>16</sup> Id. at 1242-1320.  $^{17}$  Id. at 1687 1600.

<sup>&</sup>lt;sup>17</sup> Id. at 1687-1690; *rollo* (G.R. No. 179290), Vol. I, p. 60.

<sup>&</sup>lt;sup>18</sup> *Rollo* (G.R. No. 179232), pp. 94-116.

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The cross-claims of all the co-defendants in the above-entitled case between and among themselves, in effect leaving all the said codefendants cross-claimants ("plaintiffs") and cross defendants ("defendants") against each other shall continue to be taken cognizance of by the court.

All other motions filed by the parties in relation to or in connection to the issues hereinabove resolved but which have been wittingly or unwittingly left unresolved are hereby considered moot and academic; likewise, all previous orders contrary to or not in accordance with the foregoing resolutions are hereby reconsidered, set aside and vacated.

SO ORDERED.<sup>19</sup>

The Dow/Occidental defendants filed a Motion for Partial Reconsideration<sup>20</sup> of said omnibus order but the same was denied.

On December 26, 2002, the plaintiffs who entered into compromise agreements filed a Motion for Execution<sup>21</sup> alleging:

- 1. Earlier on, <u>certain plaintiffs had been compelled to file a Motion for</u> <u>Execution because defendants DOW, Shell, Occidental, Del Monte</u> <u>and Chiquita had failed to abide by the terms and conditions of the</u> <u>Compromise Agreements which they entered into with the above</u> <u>named defendants as early as 1997 or five (5) years ago</u>, more or less;
- 2. Consequently, <u>the said motion for execution dated March 4, 2002</u> <u>faced stiff opposition from defendants</u>. Almost unending exchanges of comments ensued touching on certain plaintiffs' Motion for Execution. In effect, all parties have been given the chance to be heard. As such, due process of law has been complied with. On their part, <u>defendants</u> <u>DOW and Occidental opposed said motion because the compromise</u> <u>agreements in question have not yet been approved by this Honorable</u> <u>Court</u>;
- 3. On December 20, 2002, the Honorable Court issued its Omnibus Order approving the compromise agreements in question executed by defendants Dow, Shell, Occidental, Del Monte and Chiquita x x x;
- 4. Pursuant to the Omnibus Order dated 20 December 2002, the provisions of "Compromise Settlement, Indemnity and Hold Harmless Agreements" entered into by and between plaintiffs and defendants DOW, Shell, Occidental, Del Monte and Chiquita have been approved by way of judgment on compromise. Significantly, the dispositive portion of the Omnibus Order which provides that: "**The foregoing**

<sup>&</sup>lt;sup>19</sup> Id. at 114-116.

<sup>&</sup>lt;sup>20</sup> Id. at 143-173; *rollo* (G.R. No.179290), Vol. I, p. 65.

<sup>&</sup>lt;sup>21</sup> *Rollo* (G.R. No. 179290), Vol. III, pp. 2850-2854.

**parties are, hereby, enjoined to strictly abide by the terms and conditions of their respective settlements**" is adequate for purposes of execution x x x;

5. In view of the fact that this Honorable Court has already approved by way of judgment on compromise entered into by and between plaintiffs and defendants DOW, Shell, Occidental, Del Monte and Chiquita, the same is immediately executory. It then becomes ministerial for this Honorable Court to order the execution of its final executory judgment against above named defendants.  $x \propto x^{22}$  (Emphasis in the original; underscoring supplied.)

On April 23, 2003, the RTC issued a Writ of Execution<sup>23</sup> which declared that the Compromise Agreements entered into by the Dow/Occidental, Del Monte and Chiquita defendants with the compromising plaintiffs are immediately final and executory. The dispositive portion of the writ reads:

NOW THEREFORE, you are hereby commanded to cause the execution of the Omnibus Order of this court dated December 20, 2002 specifically to collect or demand from each of the herein defendants the following amounts to wit:

- 1. Defendants Dow Chemical Company ("Dow") and Occidental Chemical Corporation ("Occidental") the amount of:
  - a. \$22 million or such amount equivalent to the plaintiffs' claim in this case in accordance with their Compromise Settlement, Indemnity, and Hold Harmless Agreement (Annex "A"); and
  - b. The amount of \$20 million or such amount equivalent to the plaintiffs' claim in this case in accordance with their Compromise Settlement, Indemnity, and Hold Harmless Agreement (Annex "B")
- 2. Defendants Del Monte Fresh Produce, N.A. and Del Monte Fresh Produce Company (formerly Del Monte Tropical Fruit, Co.) (collectively, the "Del Monte defendants") the amount of One Thousand Eight and No/100 Dollars (\$1,008.00) for each plaintiff in accordance with their Release in Full Agreement;
- 3. Defendants Chiquita Brands, Inc. and Chiquita Brands, International, Inc. (collectively the "Chiquita Defendants") the amount of Two Thousand One Hundred Fifty Seven and No/100 Dollars (\$2,157.00) for each plaintiff in accordance with their Release in Full Agreement.<sup>24</sup>

<sup>&</sup>lt;sup>22</sup> Id. at 2850-2851.

<sup>&</sup>lt;sup>23</sup> Id. at 2726-2731.

<sup>&</sup>lt;sup>24</sup> Id. at 2729-2730.

The Dow/Occidental defendants then filed a petition for certiorari with the CA seeking the annulment of the omnibus order in so far as it:

- Admitted the amended answers with cross-claims filed by the Dole defendants, Del Monte defendants and Chiquita defendants;
- (2) Ruled that it shall continue to take cognizance of the cross-claims of the Dole, Del Monte and Chiquita defendants against petitioners; and
- (3) Ruled that all the other motions filed by the parties in relation to the issues which have been left unresolved are considered moot and academic relative to the Dow/Occidental defendants' Request for Admission.

The Dow/Occidental defendants argue, among others, that the RTC gravely abused its discretion when it did not dismiss the cross-claims filed by the Dole, Del Monte and Chiquita defendants despite the following: (1) the cross-claims were already filed beyond the reglementary period; and (2) the complaint against them and the Del Monte and Chiquita defendants, including their respective counterclaims, were already dismissed on the bases of the compromise agreements they each had with the plaintiffs.

On May 23, 2006, the appellate court issued the assailed decision, disposing as follows:

WHEREFORE, above premises considered, the instant Petition is partially GRANTED. The December 20, 2002 Omnibus Order issued by the Regional Trial Court, Branch 4, Panabo City, Davao del Norte is hereby AFFIRMED with MODIFICATION. As modified, the crossclaims filed by the Chiquita defendants, except [as to] the claims of James Bagas and Dante Bautista, and by the Del Monte defendants, except [as to] the claims of Romeo Acelo, Jesus Aguelo, Manuel Apas, Antonio Cabulang, Rodrigo Catulong, Enrique Dinoy, Fidel Ebrano, Cairus B. Francisco, Primo Magpatoc, Peter Manica, Ernesto Olleque, Teodoro Pardillo, Federico Pesaña, Desiderio G. Rivas, Patricio Villotes, Ireneo P. Yaras, are hereby DISMISSED. No costs.

SO ORDERED.<sup>25</sup>

<sup>&</sup>lt;sup>25</sup> *Rollo* (G.R. No.179232), p. 57.

The CA ruled that the cross-claims of the Dole, Del Monte and Chiquita defendants, which were all filed with leave of court, on the grounds provided under said rule, and before judgment was rendered, clearly complied with the requirements of the law. It held that cross-claims filed at any time before judgment is rendered cannot be considered belatedly filed especially in this case when the compromise agreement submitted by the plaintiffs and the Dow/Occidental defendants has yet to be approved.

The CA also held that the dismissal of the complaint as regards the Dow/Occidental defendants in the civil case did not carry with it the dismissal of the cross-claims filed against said defendants. It ruled that the dismissal of the complaint against the Dow/Occidental defendants was not due to any finding by the RTC that the complaint therein was without basis. In fact, the dismissal was because of the compromise agreement the parties entered into. The appellate court likewise held that the Dow/Occidental defendants and the Dole, Del Monte and Chiquita defendants were sought to be held solidarily liable by the plaintiffs. Yet, despite the compromise agreements entered into by the Dow/Occidental, Del Monte, and Chiquita defendants with majority of the plaintiffs below, the civil case was not dismissed nor the amount of damages sought by plaintiffs for the full amount of damages sought, said remaining defendants have a right to proceed against the Dow/Occidental defendants through their cross-claims.

The CA, however, ruled that the RTC gravely abused its discretion when it admitted the cross-claims against the Dow/Occidental defendants without any qualification. It held that only the cross-claims filed by the Dole defendants, the Chiquita defendants (with respect to the claims of James Bagas and Dante Bautista) and the Del Monte defendants (with respect to the 16 non-compromising plaintiffs) against the Dow/Occidental defendants can be rightly admitted by the RTC. Since the Del Monte and Chiquita defendants can no longer be held liable by the compromising plaintiffs, no reason existed for them anymore to sue the Dow/Occidental

defendants as far as the compromising plaintiffs are concerned under the cross-claim. The case, however, is different with the Dole defendants. Since the Dole defendants did not enter into a compromise agreement with any of the plaintiffs, their cross-claims against the Dow/Occidental, Chiquita and Del Monte defendants are still viable in its entirety.

With respect to the Request for Admission served by the Dow/Occidental defendants on the compromising plaintiffs, the CA ruled that their belated resort to such mode of discovery was clearly improper since it was made only after a writ of execution was issued against them. Moreover, the questions propounded pertain to matters that are within the knowledge of the Dow/Occidental defendants. Thus, the best evidence to prove that payments had been made were the receipts which the Dow/Occidental defendants themselves claim to be in the possession of their U.S. counsels.

Unsatisfied, the Dow/Occidental defendants, as petitioners in G.R. No. 179290, come to this Court arguing that the CA committed reversible error in not finding that the cross-claims of the Dole, Del Monte and Chiquita defendants should all be dismissed and the Request for Admission was timely filed and proper.

The Del Monte defendants, as petitioners in G.R. No. 179232, are also before this Court seeking a partial reversal of the CA decision. They submit that their cross-claims against the Dow/Occidental defendants should extend to all the plaintiffs, that is, the 16 plaintiffs who did not settle, as well as those who have settled with them.

Essentially, the issues to be resolved are: (1) Does the dismissal of the civil case against the Dow/Occidental defendants carry with it the dismissal of cross-claims against them? (2) Is the Request for Admission by the Dow/Occidental defendants proper?

We deny the petitions.

Section 10, Rule 11 of the <u>1997 Rules of Civil Procedure</u>, as amended, provides:

SEC. 10. *Omitted counterclaim or cross-claim.* — When a pleader fails to set up a counterclaim or a cross-claim through oversight, inadvertence, or excusable neglect, or when justice requires, he may, by leave of court, set up the counterclaim or cross-claim by amendment before judgment.

Based on the above-quoted provision, there are two requisites for a court to allow an omitted counterclaim or cross-claim by amendment: (1) there was oversight, inadvertence, or excusable neglect, or when justice requires; and (2) the amendment is made before judgment.

The CA correctly held that there is basis for allowing the cross-claims of the Dole, Del Monte and Chiquita defendants against the Dow/Occidental defendants as they complied with the rules. It is undisputed that the Dole, Del Monte and Chiquita defendants sought to amend their answers to include their cross-claims before judgment. More importantly, justice requires that they be allowed to do so in consonance with the policy against multiplicity of suits.

We further agree with the appellate court when it ruled that the dismissal of the complaint against the Dow/Occidental defendants does not carry with it the dismissal of the cross-claims against them. The ruling in *Ruiz, Jr. v. Court of Appeals*<sup>26</sup> that the dismissal of the complaint divested the cross-claimants of whatever appealable interest they might have had before, and made the cross-claim itself no longer viable, is not applicable in the instant case because in *Ruiz*, the dismissal of the complaint was based on the ground that it lacked merit. In the case at bar, the dismissal of the complaint against the Dow/Occidental defendants resulted from the settlement with the plaintiffs, which is in effect an admission of liability on the part of the Dow/Occidental defendants. As held in *Bañez v. Court of Appeals*:<sup>27</sup>

A third-party complaint is indeed similar to a cross-claim, except only with respect to the persons against whom they are directed.

<sup>&</sup>lt;sup>26</sup> G.R. No. 101566, August 17, 1992, 212 SCRA 660, 664.

<sup>&</sup>lt;sup>27</sup> G.R. No. 119321, March 18, 1997, 270 SCRA 19, 25.

However, the ruling in *Ruiz* cannot be successfully invoked by petitioners. In *Ruiz* we declared that the dismissal of the main action rendered the cross-claim no longer viable only because the main action was categorically dismissed for lack of cause of action. Hence, since defendants could no longer be held liable under the main complaint, no reason existed for them anymore to sue their co-party under the cross-claim.

In sharp contrast thereto, the termination of the main action between PESALA and PNB-RB was not due to any finding that it was bereft of any basis. On the contrary, further proceedings were rendered unnecessary only because defendant (third-party plaintiff) PNB-RB, to avoid a protracted litigation, voluntarily admitted liability in the amount of P20,226,685.00. Hence, the termination of the main action between PESALA and PNB-RB could not have rendered lifeless the third-party complaint filed against petitioners, as it did the cross-claim in *Ruiz, Jr. v. Court of Appeals*, since it involved a finding of liability on the part of PNB-RB even if it be by compromise.

And as correctly observed by the CA, the plaintiffs are seeking to hold all defendant companies solidarily liable. Thus, even with the compromise agreements entered into by the Dow/Occidental, Del Monte and Chiquita defendants with majority of the plaintiffs below, the civil case was not dismissed nor the amount of damages sought by plaintiffs therein reduced. Therefore, the remaining defendants can still be made liable by plaintiffs for the full amount. If that happens, the remaining defendants can still proceed with their cross-claims against the compromising defendants, including the Dow/Occidental defendants, for their respective shares.

We also uphold the appellate court's ruling that the RTC gravely abused its discretion when it admitted the cross-claims against the Dow/Occidental defendants without any qualification. The Del Monte and Chiquita defendants' cross-claims against the Dow/Occidental defendants cannot extend to the plaintiffs with whom they had settled, but only with respect to those plaintiffs who refused to enter into a compromise agreement with them, that is, with respect only to James Bagas and Dante Bautista for the Chiquita defendants and the 16 plaintiffs for the Del Monte defendants. Simply put, as the compromising plaintiffs can no longer hold the Del Monte and Chiquita defendants liable, there is no more reason for the latter to sue the Dow/Occidental defendants as far as the compromising plaintiffs are concerned under the cross-claim.

With respect to the Dole defendants, however, as the Dole defendants did not enter into a compromise agreement with any of the plaintiffs, their cross-claims against the Dow/Occidental, Del Monte and Chiquita defendants should be admitted in its totality.

As to the Request for Admission served by the Dow/Occidental defendants, this Court finds that the issue on its propriety has been rendered moot by the compromising plaintiffs' motion for execution and the subsequent issuance of the writ of execution by the RTC on April 23, 2003. The Request for Admission was seeking the compromising plaintiffs' admission that they have received the payments as agreed upon in the compromise agreement. However, in the plaintiffs' Motion for Execution dated December 26, 2002, they alleged that the compromising defendants still have not complied with the terms and conditions of the compromise agreements, thereby forcing said plaintiffs to file the motion. Thus, the admission sought by the Dow/Occidental defendants has already been impliedly responded to by a denial of receipt of payment under the compromise agreement. With said denial, the RTC did not commit grave abuse of discretion in not resolving the Request for Admission. It is incumbent upon the Dow/Occidental defendants to prove that payments have been made to the compromising plaintiffs.

WHEREFORE, the present petitions for review on certiorari are **DENIED** for lack of merit. The assailed May 23, 2006 Decision and August 8, 2007 Resolution of the Court of Appeals in CA-G.R. SP No. 77287 are **AFFIRMED and UPHELD.** 

With costs against the petitioners.

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SO ORDERED.

Associate Justice

WE CONCUR:

PRESBITERO J. VELASCO, JR. Associate Justice

110 TA J. LEONARDO-DE CASTRO

Associate Justice Acting Chairperson

LÍUCAS P. B Associate

MARIANO C. DEL CASTILLO

Associate Justice

#### ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Curita Lemardo de Catto **JARDO-DE CASTRO** 

Associate Justice Acting Chairperson

#### CERTIFICATION

Pursuant to Section 13, Article VIII of the <u>Constitution</u> and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO Senior Associate Justice (Per Section 12, R.A. 296, The Judiciary Act of 1948, as amended)