



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Third Division, issued a Resolution dated **June 22, 2022**, which reads as follows:*

“G.R. No. 204044 (*Pantranco Employees Association (PEA-PTGWO), the Executive Board of Petitioner Association, comprising namely: Warlito T. Ramirez, Ernesto Bajo, Benjamin B. Quedit, Francisco O. Castres, Cesar C. Narvas, Rufino S. Aquino, Jaime A. Gutay, Darwin A. Ramirez, Crispulo E. Arrieta, Jr., Oscar D. Bartolome, Edilito Yadao, Gregorio Oseo, Jr., Perfecto L. Aquino, Jr., Ernesto Lambino, and in their Individual Capacity as Members of the Association v. Republic of the Philippines, represented by Privatization and Management Office [PMO], and Jun Pascua*). – Before this Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court filed on December 13, 2012 at the instance of Pantranco Employees Association (PEA-PTGWO), represented by the Executive Board of PEA-PTGWO, comprising namely: Warlito T. Ramirez, Ernesto Bajo, Benjamin B. Quedit, Francisco O. Castres, Cesar C. Narvas, Rufino S. Aquino, Jaime A. Gutay, Darwin A. Ramirez, Crispulo E. Arrieta, Jr., Oscar D. Bartolome, Edilito Yadao, Gregorio Oseo, Jr., Perfecto L. Aquino, Jr., Ernesto C. Lambino (Ramirez Group), and in their individual capacity as members of the Association, and representing the members of the Association (collectively, petitioners), seeking the review of the: (1) Decision² promulgated on July 9, 2012; and (2) Resolution³ promulgated on October 17, 2012, of the Court of Appeals (CA) in CA-G.R. SP No. 111601, whereby the CA affirmed the denial of petitioners’ Notice of Appeal by the Regional Trial Court (RTC).

The Antecedents

On May 12, 2005, respondent Republic of the Philippines, through the Privatization and Management Office (PMO) filed a Complaint for the Cancellation of Transfer Certificates of Title Nos. TSC-1763, TSC-1764, and TSC-1765 and for Damages,⁴ against PEA-PTGWO and the Register of Deeds

¹ *Rollo*, pp. 21-71.

² *Id.* at 78-84. Penned by Associate Justice Manuel M. Barrios, with Associate Justices Remedios A. Salazar-Fernando and Associate Justice Normandie B. Pizarro, concurring.

³ *Id.* at 86-88.

⁴ *Id.* at 282-308.

of Isabela (RD). The controversy stemmed from the issue of who between PEA-PTGWO and PMO has ownership over a 2-hectare parcel of land located at Brgy. Villasis, Santiago City, Isabela (subject property) which was previously covered by only one title –Transfer Certificate of Title (TCT) No. T-54957 registered in the name of D.G. Real Estate Corporation, although already sold to and possessed by Pantranco North Express, Inc. (PNEI).⁵ PMO traced its ownership of the subject property to a *dacion en pago* executed by PNEI in favor of PNB on July 28, 1983. PMO avers that by virtue of the *dacion en pago*, the subject property no longer belongs to PNEI.⁶ PNB then transferred the same to the National Government through the Asset Privatization Trust (APT), which was later replaced by PMO.⁷

In the Complaint, PMO further averred that sometime in 1994, APT filed a Complaint for Quieting of Title concerning the same subject property. In that case, a compromise agreement was executed by PMO and PEA-PTGWO, wherein it was agreed that the latter shall sell the subject property and shall give to the former its share of ₱40,000,000.00 or 50% of the net proceeds, whichever is higher.⁸ PEA-PTGWO, however, violated the provisions of the compromise agreement and caused the subdivision of the subject parcel of land into three lots, and for which, three certificates of title were issued in the name of PEA-PTGWO. Hence, the instant Complaint for Cancellation of the three titles.⁹

In response, PEA-PTGWO, represented by Jun Pascua (Pascua), the president of PEA-PTGWO and the officers thereof (Pascua Group), filed its Answer¹⁰ dated February 10, 2006. Therein, PEA-PTGWO Pascua Group claimed that it acquired the subject property as the highest bidder in an auction sale conducted pursuant to a Writ of Execution and Notice of Levy issued in NLRC NCR Case No. 06-2863-83, where the National Labor Relations Commission ruled against PNEI in an action for illegal dismissal.¹¹ Aggrieved, APT filed a Complaint for Quieting of Title against PEA-PTGWO. PEA-PTGWO, thereafter, was forced to enter into a compromise agreement. One of the provisions of the agreement is that PEA-PTGWO shall sell the subject property and deliver ₱40,000,000.00 or 50% of the net proceeds of the sale, whichever is higher, to PMO within 90 days from the date of the court's approval of the compromise agreement, otherwise the compromise shall have no legal effect. The compromise agreement was, thereafter, approved by the court.¹²

As there was no interested buyer, PEA-PTGWO failed to make good on its obligation under the compromise agreement. On March 30, 2004, a resolution “*Consulta*” was issued by the Land Registration Authority (LRA), authorizing the

⁵ Id. at 284-286.

⁶ Id. at 286-288.

⁷ Id. at 288-290.

⁸ Id. at 293-294.

⁹ Id. at 295.

¹⁰ Id. at 326-342.

¹¹ Id. at 328-329.

¹² Id. at 334.

RD of Santiago, Isabela, to register the Sheriff's Final Deed of Sale and to cancel TCT No. T-54957. The RD, thereafter canceled TCT No. T-54957 and issued another title in the name of PEA-PTGWO. It was later on subdivided into several lots.¹³

More than a year after the filing of the instant complaint for cancellation of title, the Executive Board of PEA-PTGWO, (Ramirez Group), filed an Entry of Appearance¹⁴ dated November 23, 2007 claiming to be the proper representatives of PEA-PTGWO. In an Order¹⁵ dated August 22, 2008, the RTC declared the Ramirez Group without legal personality to file any motion on behalf of PEA-PTGWO, the latter being already duly represented by the Pascua Group.¹⁶

In the meantime, a Compromise Agreement¹⁷ was entered into between PMO and PEA-PTGWO Pascua Group, on November 26, 2007. The parties have agreed, among others that:

1. PEA-PTGWO will transfer, convey and assign to the National Government, through its Trustee PMO, the Four Thousand (4,000) square meter portion of the lot registered as TCT No. TSC-1763, AND the amount of Forty Nine Million Five Hundred Fifty Six Thousand Pesos (P49,556,000.00) representing the just compensation for the 3,812 square meter lot covered by TCT No. TSC-1764 being expropriated by the City of Santiago pursuant to the Order dated September 7, 2005 in Special Civil Action Case No. 36-0203.
2. PMO hereby confirms and acknowledges the sole ownership and interest of PEA-PTGWO over the 8,126 square meter parcel of land covered by TCT No. TSC-1765.
3. In order to consummate the transfer and conveyance to PMO of the 4,000 sq. m. portion of the lot covered by TCT No. TSC-1763, PEA-PTGWO and PMO shall jointly cause the segregation of their respective lots and each party shall shoulder its own expenses relative to the segregation and titling of their respective properties.¹⁸

PEA-PTGWO, as represented by the Ramirez Group, filed its Objection/Comment¹⁹ to the Compromise Agreement dated February 28, 2008. It prayed that the Compromise Agreement be disapproved for being contrary to law, morals, good customs, public policy and entered without authority.²⁰

On November 27, 2008, the RTC issued a Decision²¹ approving the Compromise Agreement between PMO and PEA-PTGWO Pascua Group. The *fallo* of the Decision states:

¹³ Id. at 333-335.

¹⁴ Id. at 388-390.

¹⁵ Id. at 187.

¹⁶ Id.

¹⁷ Id. at 393-397.

¹⁸ Id. at 394.

¹⁹ Id. at 399-418.

²⁰ Id. at 417.

²¹ Id. at 147-154. Rendered by Judge Efren M. Cacatian.

WHEREFORE, the Court hereby renders judgment APPROVING the Compromise Agreement duly executed by the parties who are ordered to faithfully comply with the terms and conditions contained therein.

SO ORDERED.²²

Aggrieved, PEA-PTGWO Ramirez Group filed a Notice of Appeal.²³

The RTC Ruling

In an Order²⁴ dated January 13, 2009, however, the RTC denied the Notice of Appeal considering that PEA-PTGWO was duly represented by the Pascua Group; in addition, a judgment based on a compromise agreement is not appealable, to wit:

WHEREFORE, the Notice of Appeal is hereby denied due course.

SO ORDERED.²⁵

PEA-PTGWO Ramirez Group moved for reconsideration. On September 14, 2009, the RTC denied the motion for lack of merit.²⁶

Unsatisfied, PEA-PTGWO Ramirez Group, and the petitioners filed a Petition for *Certiorari*²⁷ with the CA.

The CA Ruling

In the assailed Decision²⁸ promulgated on July 9, 2012, the CA dismissed the petition for lack of merit. On the legal standing of the Ramirez Group to represent PEA-PTGWO, the CA took due notice of the Department of Labor and Employment's (DOLE) Order dated July 18, 2008, declaring the Pascua Group as the proper agent of PEA-PTGWO. The CA likewise took into consideration the earlier decision of the RTC wherein it refused to recognize the standing of the Ramirez Group to act on behalf of PEA-PTGWO. The CA added that such ruling was not challenged by the Ramirez Group, hence, it can no longer be raised as an issue in the case.²⁹ As to the validity of the Notice of Appeal, the CA affirmed the RTC Decision that a decision based on a compromise agreement may not be appealed and can be executed immediately.³⁰ The dispositive portion of the assailed CA Decision reads:

²² Id. at 154.
²³ Id. at 155-157.
²⁴ Id. at 145.
²⁵ Id. at 145.
²⁶ Id. at 146.
²⁷ Id. at 90-144.
²⁸ Id. at 7-13.
²⁹ Id. at 11.
³⁰ Id. at 12-13.

WHEREFORE, foregoing considered, the instant petition is **DISMISSED** for lack of merit.

SO ORDERED.³¹

Unsatisfied, petitioners moved for reconsideration. It was, however, denied for lack of merit in a Resolution³² dated October 17, 2012.

Hence, the instant Petition for Review on *Certiorari* interposing the following errors:

Issues

I.

THE [CA] COMMITTED SERIOUS ERRORS IN CONCLUDING THAT PETITIONERS, THE RAMIREZ GROUP, HAD NO STANDING TO QUESTION THE ORDERS AND DECISION ISSUED IN THE CASE MUCH LESS TO FILE THE PETITION FOR CERTIORARI AND MANDAMUS [CA GR SP. NO. 111601]. THE SAID CONCLUSION IS CONTRARY TO LAW AND EVIDENCE.

II.

THE [CA] COMMITTED SERIOUS ERRORS TO CONCLUDE THAT THE FILING OF THE NOTICE OF APPEAL WITH THE TRIAL IS NOT THE PROPER REMEDY. ON THE CONTRARY, AN APPEAL IS THE PROPER AND CORRECT REMEDY.³³

The Court's Ruling

We dismiss the petition for lack of merit.

The Pascua Group, not the Ramirez Group, is the authorized representative of PEA-PTGWO

In the instant case, petitioners insist that they have the legal standing to question the orders, Decisions and Resolutions of the RTC and the CA, and file the instant petition considering that being the members of the Executive Board of PEA-PTGWO, they are its true and legal representatives.³⁴

We are not persuaded.

We first lay down a basic principle pertinent to the issue at hand, that is, *res judicata* by conclusiveness of judgment.

³¹ Id. at 13.

³² Id. at 15-17.

³³ Id. at 37.

³⁴ Id. at 37-48.

Res judicata means “a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment.”³⁵ It refers to the rule that a final judgment or decree on the merits by a court of competent jurisdiction is conclusive of the rights of the parties or their privies in all later suits on all points and matters determined in the former suit.³⁶ This is based on a principle that parties should not to be permitted to litigate the same issue more than once; that, when a right or fact has been judicially tried and determined by a court of competent jurisdiction, or an opportunity for such trial has been given, the judgment of the court, so long as it remains unreversed, should be conclusive and binding upon the parties and those in privity with them in law or estate.³⁷ *Res judicata* has two concepts. As exhaustively explained in the case of *Heirs of Elliot v. Corcuera*:³⁸

There are two concepts of *res judicata*: 1) *res judicata* by bar by prior judgment; and 2) *res judicata* by conclusiveness of judgment. *Res judicata* by bar by prior judgment precludes the filing of a second case when it has the same parties, same subject, and same cause of action, or otherwise prays for the same relief as the first case. On the other hand, *res judicata* by conclusiveness of judgment precludes the questioning of a fact or issue in a second case if the fact or issue has already been judicially determined in the first case between the same parties.³⁹

We hold that *res judicata* by conclusiveness of judgment applies to the instant case. *Gonzaga v. Commission on Audit*⁴⁰ further explained the concept of *res judicata* by conclusiveness of judgment, thus:

Res judicata by “conclusiveness of judgment” finds application when there is identity of parties in the first and second cases, but no identity of causes of action, and a fact or question has been squarely put in issue, judicially passed upon, and adjudged in a former suit by a court of competent jurisdiction. The fact or question settled by final judgment or order binds the parties to that action, and continues to bind them while the judgment or order remains standing and unreversed by proper authority on a timely motion or petition; the conclusively-settled fact or question cannot again be litigated in any future or other action between the same parties or their privies and successors-in-interest, in the same or in any other court of concurrent jurisdiction, either for the same or for a different cause of action. In *Heirs of Elliot v. Corcuera*, the Court held that *res judicata* by conclusiveness of judgment, requires the concurrence of the following elements: (1) the judgment sought to bar the new action must be final; (2) the decision must have been rendered by a court having jurisdiction over the subject matter and the parties; (3) the disposition of the case must be a judgment on the merits; and (4) there must be as between the first and second action, identity of parties, but not identity of causes of action.⁴¹ (Citations omitted)

³⁵ *Sanson v. Tapuz*, G.R. No. 245914, June 16, 2021, citing *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, G.R. No. 209116, January 14, 2019.

³⁶ *Taganas v. Hon. Emuslan*, 457 Phil. 305, 311 (2003).

³⁷ *Degayo v. Magbanua-Dinglasan*, 757 Phil. 376, 385 (2015).

³⁸ G.R. No. 233767, August 27, 2020.

³⁹ *Id.* citing *Presidential Decree No. 1271 Committee v. De Guzman*, 801 Phil. 731, 765 (2016).

⁴⁰ G.R. No. 244816, June 29, 2021.

⁴¹ *Id.*

In this case, as early as 2005, the authority of the Pascua Group to represent PEA-PTGWO had already been settled.

Records show that in a case for eminent domain docketed as Special Civil Action No. 36-0203 (Eminent Domain Case) filed by the City of Santiago, Isabela against D.G. Real Estate Corporation, PEA-PTGWO and PMO, petitioners filed a Notice of Change of Authorized Representative and Change of Address. Therein petitioners, representing themselves as the members of the executive board of PEA-PTGWO, declared Pascua Ad Hoc-Committee non-existing and illegal and prayed that all the transactions entered into by the Pascua Group on behalf of PEA-PTGWO be declared null and void.⁴²

After due hearing, the RTC of Santiago City, Branch 36 treated the notice as a mere manifestation that has no binding effect. The court extended official recognition and status of Pascua and the Pascua group as the authorized representative of PEA-PTGWO.⁴³

This issue of representation was raised with the CA by petitioners *via* a Petition for *Certiorari* (CA-G.R. SP No. 93046). In a Resolution⁴⁴ dated February 23, 2006, however, the CA dismissed the petition and affirmed the assailed RTC Decision. The CA Resolution, thereafter attained finality on August 26, 2006.⁴⁵

Ramirez Group also filed a petition before the Bureau of Labor and Employment (BLR) of the DOLE [DOLE Case], which sought the ouster of Pascua and his officers as representative of PEA-PTGWO. In an Order⁴⁶ dated July 18, 2008, the BLR, through the Circuit Mediator-Arbiter, dismissed the petition and acknowledged the representation of Pascua Group and ruled that they have the authority to act on behalf of PEA-PTGWO. On appeal, and in a Resolution dated November 10, 2009, the July 18, 2008 Order was affirmed and the authority of the Pascua Group to represent PEA-PTGWO was upheld.⁴⁷ It attained finality on January 22, 2010.⁴⁸

From the foregoing, it is clear that all the elements of *res judicata* by conclusiveness of judgment are extant in this case. First, the judgments recognizing the authority of the Pascua Group to represent PEA-PTGWO had become final and executory. Second, these judgments have been rendered by the court and DOLE, which have jurisdiction over the subject matter and the parties. Nowhere in the records of this case was the jurisdiction of the RTC and the DOLE over the parties and the subject matter ever questioned. Third, the final and executory rulings were decided on the merits. Finally, there was identity of parties among the Eminent Domain Case, DOLE Case and the

⁴² Id. at 526-528.

⁴³ Id. at 527-528.

⁴⁴ Id. at 539-544.

⁴⁵ Id. at 545.

⁴⁶ Id. at 546-557.

⁴⁷ Id. at 559-569.

⁴⁸ Id. at 82.

instant case.

It bears stressing at this point that even the Court *a quo* had already decided against petitioners' claim that they are the rightful representatives of PEA-PTGWO. As records further show, after the petitioners entered their appearance in the instant complaint for cancellation of title filed by PMO, the RTC, in an Order dated August 22, 2008, declared them without any legal personality to file on behalf of PEA- PTGWO, the latter being already duly represented by the Pascua Group.⁴⁹ Petitioners, thereafter, failed to challenge such order of the RTC.

With the issue of the representation having been settled with finality in earlier cases, petitioners are already proscribed from assailing the Pascua Group's authority to act on behalf of PEA-PTGWO. *Res judicata* by conclusiveness of judgment had already set in.

A decision based on a compromise agreement is immediately executory, hence, it can no longer be appealed.

Even assuming *ex argumenti* that petitioners can represent PEA-PTGWO in the instant petition, We cannot adhere to their position that the decision based on a compromise agreement may be the subject of an appeal.

A compromise is a contract whereby the parties, by making reciprocal concessions, avoid a litigation or put an end to one already commenced.⁵⁰ It is an agreement between two or more persons, who, for the purpose of preventing or putting an end to a lawsuit, adjust their difficulties by mutual consent in the manner which they agree on, and which each party prefers over the hope of gaining but balanced by the danger of losing.⁵¹ Thus, a judgment rendered in accordance with a compromise agreement is not appealable and is immediately executory unless a motion is filed to set aside the agreement on the ground of fraud, mistake, or duress, in which case an appeal may be taken against the order denying the motion.⁵² This was explained in the case of *Central Cement Corp. (now Union Cement Corp.) v. Mines Adjudication Board*,⁵³ citing *Magbanua v. Uy*,⁵⁴ thus:

When a compromise agreement is given judicial approval, it becomes more than a contract binding upon the parties. Having been sanctioned by the court, it is entered as a determination of a controversy and has the force and effect of a judgment. **It is immediately executory and not appealable, except for vices of consent or forgery.** The

⁴⁹ Id. at 80.

⁵⁰ *Sara Lee Phils., Inc. v. Macatlang*, 750 Phil. 646, 657 (2015).

⁵¹ *Heirs of Albano v. Sps. Ravanos*, 790 Phil. 557, 577 (2016).

⁵² *Philippine Journalists, Inc. v. National Labor Relations Commission*, 532 Phil. 531, 545-546 (2006).

⁵³ 566 Phil. 275 (2008).

⁵⁴ 497 Phil. 511, 519 (2005).

nonfulfillment of its terms and conditions justifies the issuance of a writ of execution; in such an instance, execution becomes a ministerial duty of the court.⁵⁵ (Emphasis supplied; citations omitted)

In this case, the RTC issued the November 27, 2008 Decision approving PMO's and PEA-PTGWO Pascua Group's Compromise Agreement. Instead of moving to set aside the agreement on the ground of fraud, mistake, or duress,⁵⁶ or filing a petition for relief from judgment on the ground of fraud, accident, mistake, or excusable negligence as prescribed by Rule 38 of the Rules of Court, petitioner opted to file a Notice of Appeal, which is not the proper remedy to assail a judgment based on a compromise agreement. Needless to state, the RTC, as affirmed by the CA, acted correctly in denying the petitioners' Notice of Appeal.

In sum, the issue of who between petitioners and the Pascua Group is the duly authorized representative of PEA-PTGWO had been long settled in earlier cases. In fact, *res judicata* by conclusiveness of judgment had already set in. The Eminent Domain Case and the DOLE Case which recognized that the Pascua Group was the rightful representative of PEA-PTGWO had attained finality and, therefore, is applicable to this case. Simply, petitioners have no legal standing to question the orders, decisions and resolutions of the RTC and the CA, and file the instant petition.

Moreover, even assuming, for academic purposes, that petitioners have legal standing to represent PEA-PTGWO, the filing of a Notice of Appeal after the RTC had approved the Compromise Agreement, proved fatal to their case. To reiterate, a compromise agreement when given judicial approval is unappealable and immediately executory.

All told, We find no reason to deviate from the ruling of the RTC, as affirmed by the CA. The denial of the Notice of Appeal is warranted in the case.

WHEREFORE, in view of the foregoing premises, the instant petition is **DENIED** for lack of merit. The assailed Court of Appeals Decision promulgated on July 9, 2012 and the Resolution promulgated on October 17, 2012 in CA-G.R. SP No. 111601, are **AFFIRMED in toto**.

SO ORDERED."

By authority of the Court:

Misael Domingo C. Battung III
MISAEL DOMINGO C. BATTUNG III
Division Clerk of Court
SER
2/12/23

⁵⁵ *Central Cement Corp. (now Union Cement Corp.) v. Mines Adjudication Board*, supra at 295-296.

⁵⁶ *Philippine Journalists, Inc. v. National Labor Relations Commission*, supra note 52.

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