



Republic of the Philippines
Supreme Court
 Manila

SECOND DIVISION

**CITY GOVERNMENT OF
 TACLOBAN**, represented by
 the City Mayor, **HON.
 ALFRED S.
 ROMUALDEZ**,

G.R. No. 221554

Petitioner,

Present:

— *versus* —

**COURT OF APPEALS,
 PEOPLE OF THE
 PHILIPPINES**, and **HON.
 PRESIDING JUDGE
 FRISCO T. LILAGAN**,
 Regional Trial Court, Branch
 34, Tacloban City, **LUDY C.
 MARMITA**, Sheriff IV,
 Regional Trial Court, Branch 9,
 Tacloban City, **ESTEBAN B.
 SACRAMENTO** and **THE
 HEIRS OF SALVACION
 SIONY L. SACRAMENTO**,

PERLAS-BERNABE, S.A.J.,
Chairperson,
**GESMUNDO,
 LAZARO-JAVIER,
 M. LOPEZ**, and
ROSARIO, JJ.

Respondents.

Promulgated:

FEB 03 2021

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R E S O L U T I O N

M. LOPEZ, J.:

The doctrine of *res judicata* requires that stability be accorded to judgments lest there would be endless controversies. The relitigation of issues already settled burdens the courts and the taxpayers, creates uneasiness and confusion, and wastes valuable time and energy that could be devoted to

worthier causes.¹ We apply this policy in this Petition for Review on *Certiorari*² under Rule 45 of the Rules of Court assailing the Court of Appeals-Cebu City's (CA) Decision³ dated April 30, 2015 in CA-G.R. S.P. No. 07675.

ANTECEDENTS

Spouses Esteban R. Sacramento and Salvacion Siony L. Sacramento (Spouses Sacramento) owned parcels of land situated in Barangay Sto. Niño, Tacloban City which includes Lot No. 4144. The City Government of Tacloban, with authority from the Sangguniang Panlungsod, filed before the Regional Trial Court (RTC) a complaint for eminent domain over a portion of Lot No. 4144 for use as access road to the city's dumpsite.⁴ On September 8, 2008, the parties entered into a Compromise Agreement⁵ with the following terms and conditions, to wit:

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereby undertake as follows:

(1) The **FIRST PARTY** shall pay unto the **SECOND PARTIES** the amount of **TWO HUNDRED EIGHTY PESOS** ([P]280.00), Philippine Currency, per square meter, as compensation for the acquisition of Lot No. 4144, with an area of about **49,057 sq. meters** or a total amount of **THIRTEEN MILLION SEVEN HUNDRED THIRTY-FIVE THOUSAND NINE HUNDRED SIXTY PESOS** ([P]13,735,960.00), Philippine Currency, the lot being the subject of the above-captioned, under the following payment schedule:

1.1) One-half (1/2) or the amount of **SIX MILLION EIGHT HUNDRED SIXTY-SEVEN THOUSAND NINE HUNDRED EIGHTY PESOS** ([P]6,867,980.00) to be paid after ratification of this Compromise Agreement by the Sangguniang Panlungsod of Tacloban;

1.2) The other half of **SIX MILLION EIGHT HUNDRED SIXTY-SEVEN THOUSAND NINE HUNDRED EIGHTY PESOS** ([P]6,867,980.00) shall be paid in two (2) equal installments in the amount of **THREE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED NINETY PESOS** ([P]3,433,990.00) in the succeeding two (2) quarters;

(2) The **SECOND PARTY** shall pay all realty taxes, documentary stamp tax, capital gains tax, sales tax, transfer tax, registration fees, estate tax and other liabilities in connection with the land subject of the above-captioned

¹ *Monterona v. Coca-Cola Bottlers Philippines, Inc.*, G.R. No. 209116, January 14, 2019, citing *Camara v. Court of Appeals*, 369 Phil. 858, 865 (1999).

² *Rollo*, pp. 3-49.

³ *Id.* at 59-74; penned by Associate Justice Marilyn B. Lagura-Yap, with the concurrence of Associate Justices Ma. Luisa C. Quijano-Padilla and Jhosep Y. Lopez (now a Member of this Court).

⁴ *Id.* at 80-85.

⁵ *Id.* at 124-127.

case and the sale, transfer or conveyance of the same as well as all their obligations and obligations to other parties including those in favor of their lawyer;

(3) The parties agree to, and shall cause, the dismissal, with prejudice, of the above-captioned case, including all claims and counterclaims therein, and agree not to file any similar case, whether civil, administrative or criminal, of any kind or nature whatsoever, arising from the same facts, incident, claim, cause or causes of action;

(4) The parties hereby mutually, irrevocably, freely, and voluntarily release and forever discharge one another, from any and all manner of action, causes of action, sum of money, damages, liability, responsibility, obligation, claims and demands whatsoever in law or equity, which they had, now have, or may have against each other, including, but not limited to, actual, moral, exemplary and all other damages or causes of action provided for under the law if any, arising, directly or indirectly, from the facts and circumstances giving rise to, surrounding or arising from the complaint and/or counterclaims in the Pending Case, all of which claims or causes of action by these presents the parties hereby abandon and waive;

(5) This agreement shall not in any way be construed as an admission on the part of any party of any fault, negligence, or liability, of whatever kind and nature, in connection with the Pending Case;

(6) That the parties hereto agree to declare the **FIRST PARTY** as the true, legal, and absolute owner of the property subject matter hereof;

(7) In case of material breach of the terms and conditions of this agreement, the innocent party is hereby authorized to apply for a writ of execution in the Pending Case for the purpose of compelling compliance with the terms and conditions of this agreement.⁶ (Emphases in the original.)

On September 18, 2008, the RTC, presided by Judge Rogelio C. Sescon (Judge Sescon) approved the Compromise Agreement and directed the parties to comply with its terms and conditions.⁷ On September 24, 2008, the Sangguniang Panlungsod ratified the agreement through Resolution No. 2008-10-530 stating: "*RESOLVE, as it is hereby resolved, to confirm/ratify the Compromise Agreement entered into by the Parties in Civil Case No. 2006-01-04 and duly approved by Hon. Rogelio C. Sescon, Presiding Judge, RTC Branch 9, Tacloban City dated September 18, 2008[.]*"⁸ On November 19, 2008, however, the Sangguniang Panlungsod withdrew its ratification and issued Resolution No. 2008-10-581 entitled "*RESOLUTION WITHDRAWING/RESCINDING AND/OR REPEALING AND DECLARING AS NULL AND VOID RESOLUTION NO. 2008-10-530 PASSED AND APPROVED BY THIS HONORABLE BODY ON SEPTEMBER 24, 2008.*"⁹

⁶ *Id.* at 125-126.

⁷ *Id.* at 128-131.

⁸ *Id.* at 132.

⁹ *Id.* at 133.



Meantime, Spouses Sacramento moved for the enforcement of the compromise agreement. On March 16, 2009, the RTC denied¹⁰ the motion for execution in view of the withdrawal of the city council's ratification of the compromise agreement, *viz.*:

This Court after going over the allegations of the parties, allegations, and counter-allegations in their subject motion and comments and/or oppositions and finding that the Sangguniang Panlungsod of Tacloban City had passed and approved Resolution No. 2008-10-[581] withdrawing/rescinding and declaring as null and void Resolution No. 2008-10-530 so that there is no more compromise agreement to speak of, finds the defendants' motion for execution of judgment to be devoid of merit, and therefore, this Court denies the same.

SO ORDERED.¹¹

Spouses Sacramento filed a motion for reconsideration. On June 4, 2009, the RTC granted the motion,¹² and ordered the enforcement of the compromise agreement. On July 1, 2009, a Writ of Execution¹³ was issued. Unsuccessful at a reconsideration,¹⁴ the City Government of Tacloban elevated the case to the CA through a Petition for *Certiorari*¹⁵ docketed as CA-G.R. SP No. 04526. The City Government of Tacloban argued that public funds are not subject to levy and execution, and that the judgment based on a compromise agreement cannot be enforced without a valid ratification from the city council.¹⁶

On June 22, 2011, the CA dismissed the petition for *certiorari* absent grave abuse of discretion on the part of the RTC,¹⁷ thus:

The parties' decision to enter into judicial compromise agreements to put an end to litigation is recognized in this jurisdiction. **The court cannot impose a judgment different from the terms of a compromise agreement when such concurrence is not contrary to law, judicial decision, morals, good customs, or public policy. Once judicially approved, a compromise agreement becomes more than a binding contract to the parties and has the effect of *res judicata*.** Just like any final judgment, "the winning party is entitled to a writ of execution and the issuance thereof becomes a court's ministerial duty." The Supreme Court has categorically ruled that a judgment upon a compromise is immediately executory, where neither party moved to have it set aside on the ground of vices of consent or forgery.

Before this Court, petitioner invoked Sangguniang Panglungsod's Resolution No. 2008-10-581 dated 19 November 2008, which rescinded its prior ratification of the subject Compromise Agreement because "following

¹⁰ *Id.* at 141-144.

¹¹ *Id.* at 143-144.

¹² *Id.* at 149-151.

¹³ *Id.* at 152-154.

¹⁴ *Id.* at 164-165.

¹⁵ *Id.* at 167-194.

¹⁶ *Id.* at 204-205.

¹⁷ *Id.* at 203-208.



the passage of [Resolution No. 2008-10-530], Hon. Ranulfo S. Abellanosa discovered that the subject land, Lot 4144, to be acquired from Spouses Esteban and Salvacion Sacramento exceeded greatly in area and price from what was authorized to the city mayor to acquire x x x” and further cited grounds which make the enforcement of the issued writ of execution invalid due to lack of enabling laws.

Unfortunately for petitioner, it can no longer impugn the validity of the Writ of Execution of 18 September 2008 which was issued out of public respondent’s [fulfillment] of a ministerial duty. A final judgment is a vested right, which is protected by law. Certainly, “a party upon whose initiative an agreement was made, on the basis of which the court rendered judgment, is estopped to question the propriety of the action of the court, in the absence of showing that his consent to the agreement was secured through fraud, which at any rate could not possibly exist, the agreement being of his own making.”¹⁸ (Emphases supplied and citations omitted.)

The CA’s decision in CA-G.R. SP No. 04526 lapsed into finality. On February 23, 2012, the CA issued an entry of judgment. Later, Spouses Sacramento moved before the RTC to direct the City Government of Tacloban to comply with the compromise agreement. On June 23, 2011, the RTC granted the motion and issued the corresponding alias writ of execution, and notices of attachment and levy.¹⁹ Undaunted, the City Government of Tacloban moved to quash the writ of execution and to lift the notices of attachment and levy. On October 24, 2011, the RTC granted the motion.²⁰

Dissatisfied, Spouses Sacramento sought reconsideration but was denied. Thereafter, Judge Sescon inhibited and the case was transferred to Judge Frisco T. Lilagan (Judge Lilagan). Spouses Sacramento, again, moved for the issuance an alias writ of execution. On November 28, 2012, the RTC ruled that an alias writ is no longer necessary and ordered to continue the enforcement of the writ of execution issued on July 1, 2009,²¹ to wit:

First: This Court just like the original Court, being merely Regional Trial Courts, cannot modify, defy, violate, or much less reverse the Decision of the Honorable Court of Appeals affirming the validity and legality of the Writ of Execution which the original Court issued. It must be stressed that this Decision of the Court of Appeals had already attained its finality without the said Decision having been appealed.

x x x x

It must be remembered that the Decision in this case is by reason of a Compromise Agreement, and a Compromise Agreement once approved by the Court becomes immediately final and executory. The Order approving the Compromise Agreement was issued on September 18, 2008. Legally and technically, therefore, the Writ of Execution issued to enforce the Compromise Agreement is still valid and subsisting. **It is in this regard that**

¹⁸ *Id.* at 205-206.

¹⁹ *Id.* at 66-67.

²⁰ *Id.* at 67.

²¹ *Id.* at 68.

this Court finds it unnecessary to issue an Alias Writ of Execution, instead to order the herein executing Sheriff, Sheriff IV LUDY C. MARMITA to execute and enforce the said Writ of Execution dated July 1, 2009 already issued and to make a return thereof in accordance with the provisions of the Rules of Court.²² (Emphasis supplied.)

Unsuccessful at a reconsideration, the City Government of Tacloban, again, elevated the case to the CA through a petition for review on *certiorari* docketed as CA-G.R. SP No. 07675.²³ The City Government of Tacloban posited that Judge Lilagan erred in implementing the writ of execution which a co-equal court had quashed and lifted.²⁴ On April 30, 2015, the CA dismissed the petition on the ground of *res judicata* by conclusiveness of judgment, *viz*:

The elements of *res judicata* under the concept of conclusiveness of judgment are:

1. Identity of parties; and
2. Subject matter in the first and second cases.

The presence of the first element is not disputed considering that the parties in G.R. SP No. 04526 and in this case are similar. Also attendant is the last element, identity of the subject matter or the issue. A perusal of the allegations in the present case evidently shows that the petitioner mentioned issues similarly raised and already resolved in G.R. SP No. 04526. It must be emphasized that the order assailed in the present case is just enforcing the Writ of Execution issued on July 1, 2009 which was already passed upon in G.R. SP No. 04526.²⁵

Hence, this petition.²⁶ The City Government of Tacloban insists that the issues in CA-G.R. SP No. 04526 and CA-G.R. SP No. 07675 are different. In CA-G.R. SP No. 04526, the question is whether Judge Sescon committed grave abuse of discretion in enforcing the compromise agreement. On the other hand, the issue in CA-G.R. SP No. 07675 is whether Judge Lilagan was correct in implementing the previously quashed writ of execution dated July 1, 2009.²⁷

RULING

The petition is unmeritorious.

It bears emphasis that a compromise agreement is in the nature of both

²² *Id.* at 68-70.

²³ *Supra* note 2.

²⁴ *Rollo*, p. 71.

²⁵ *Id.* at 72.

²⁶ *Supra* note 2.

²⁷ *Supra* at 22.

a contract and a judgment on the merits.²⁸ As a contract, the compromise agreement can only be avoided on grounds of illegality, lack of consent, fraud or duress.²⁹ In this case, Spouses Sacramento and the City Government of Tacloban freely and voluntarily entered into a compromise agreement. The terms and conditions of the agreement are likewise clear. Moreover, the RTC approved the agreement and the Sangguniang Panlungsod ratified it. The parties knew exactly the rights and duties they assumed. The City Government of Tacloban did not even file any action or motion to set aside the agreement. It is settled that a compromise agreement, once stamped with judicial *imprimatur*, becomes more than a mere contract and acquires the force and effect of a judgment that is immediately final and executory.³⁰ As such, the City Government of Tacloban cannot, later, relieve itself of liability simply because the city council changed its position. To be sure, the RTC issued a writ of execution on July 1, 2009, to enforce the agreement as a matter of course. The validity of the writ of execution was settled with finality in CA-G.R. SP No. 04526.

Corollarily, the CA correctly applied the principle of *res judicata* in dismissing the petition for *certiorari* in CA-G.R. SP No. 07675. The elements of *res judicata* are: (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, subject matter, and causes of action.³¹ Apropos is Section (Sec.) 47, Rule 39 of the Rules of Court, to wit:

SEC. 47. *Effect of judgments or final orders.* – The effect of a judgment or final order rendered by a court of the Philippines, having jurisdiction to pronounce the judgment or final order, may be as follows:

x x x x

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have

²⁸ *Gadrinab v. Salamanca*, 736 Phil. 279, 293 (2014).

²⁹ NEW CIVIL CODE, Arts. 1330 and 2038.

ART. 1330. A contract where consent is through mistake, violence, intimidation, undue influence, or fraud is voidable.

ART. 2038. A compromise in which there is mistake, fraud, violence, intimidation, undue influence or falsity of documents, is subject to the provisions of Article 1330 of this Code.

However, one of the parties cannot set up a mistake of fact as against the other if the latter, by virtue of the compromise, has withdrawn from a litigation already commenced.

³⁰ *Diaz v. Valenciano*, 822 Phil. 291, 306-307 (2017).

³¹ *Quezon Province v. Hon. Marte*, 420 Phil. 177, 186 (2001).

been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

Based on the above-quoted provision, *res judicata* is applicable either under the concept of “*bar by prior judgment*” under Sec. 47 (b), Rule 39; or “*conclusiveness of judgment*” under Sec. 47 (c), Rule 39. Case law explained that if there is identity of parties, subject matter, and causes of action in the two cases, then *res judicata* in its aspect as a “*bar by prior judgment*” would apply. If, as between the two cases, only identity of parties can be shown, but not identical causes of action, then *res judicata* as “*conclusiveness of judgment*” applies,³² thus:

There is “bar by prior judgment” when, as between the first case where the judgment was rendered and the second case that is sought to be barred, **there is identity of parties, subject matter, and causes of action. In this instance, the judgment in the first case constitutes an absolute bar to the second action.** Otherwise put, the judgment or decree of the court of competent jurisdiction on the merits concludes the litigation between the parties, as well as their privies, and constitutes a bar to a new action or suit involving the same cause of action before the same or any other tribunal.

But where there is identity of parties in the first and second cases, **but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein.** This is the concept of *res judicata* known as “conclusiveness of judgment.” Stated differently, any right, fact or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which judgment is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies, whether or not the claim, demand, purpose, or subject matter of the two actions is the same.³³ (Emphases supplied and citations omitted.)

Here, as opposed to the CA’s conclusion, all the requisites of *res judicata* under the concept of “*bar by prior judgment*” and not “*conclusiveness of judgment*” are present. *First*, it is undisputed that the final decision in CA-G.R. SP No. 04526, as to the validity of the writ of execution was rendered with jurisdiction over the subject matter as well as over the parties, and it was a judgment on the merits. *Second*, there can be no question as to the identity of the parties in CA-G.R. SP No. 04526 and CA-G.R. SP No. 07675, *i.e.*, Spouses Sacramento and the City Government of Tacloban. *Third*, the subject matters of the two cases are also identical. The City Government of Tacloban in CA-G.R. SP No. 04526 contested the propriety of enforcing the compromise agreement due to the city council’s withdrawal of ratification. Meanwhile, the City Government of Tacloban questioned

³² *Oropeza Marketing Corp. v. Allied Banking Corp.*, 441 Phil. 551, 563 (2002).

³³ *Id.* at 564.

again the implementation of the agreement on the basis of the previously quashed July 1, 2009 writ of execution. Notably, the quashal of the writ of execution was already reversed, and the RTC's ruling thereon, was the very order assailed in CA-G.R. SP No. 07675. Undoubtedly, the issues in CA-G.R. SP No. 04526 and CA-G.R. SP No. 07675, both concern the satisfaction of the judgment based on the approved compromise agreement.

Lastly, the two cases involve similar causes of action. The test to determine whether the causes of action are identical, is to ascertain whether the same evidence will sustain both actions, or whether there is an identity in the facts essential to the maintenance of the two actions. If the same facts or evidence would sustain both, the two actions are considered the same, and a judgment in the first case is a bar to the subsequent action.³⁴ Verily, the petitions in CA-G.R. SP No. 04526 and CA-G.R. SP No. 07675, have the same underlying objectives, *i.e.*, to prevent the enforcement of the compromise agreement. Also, the City Government of Tacloban presented the same evidence to prove its claims in both cases. The fact that two cases involve different RTC resolutions does not prevent the application of *res judicata*. Suffice it to say that a party cannot, by varying the form of action or adopting a different method of presenting his case, escape the operation of the principle that one and the same cause of action shall not be twice litigated between the same parties or their privies.³⁵ Taken together, the petition in CA-G.R. SP No. 07675, is rightfully dismissed for being barred by the prior final judgment in CA-G.R. SP No. 04526.

We reiterate that nothing is more settled in law than the doctrine of immutability of judgments. Otherwise, there would be no end to litigation and would set to naught the main role of courts of justice to assist in the enforcement of the rule of law, and the settling of justiciable controversies with finality.³⁶ It is in the interest of justice that the Court writes *finis* to this dispute.

FOR THESE REASONS, the petition is **DENIED**. The Court of Appeals' Decision dated April 30, 2015 in CA-G.R. SP No. 07675 is **AFFIRMED**.

SO ORDERED.



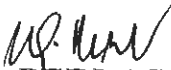
MARIO V. LOPEZ
Associate Justice

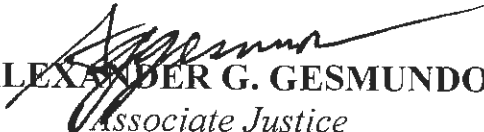
³⁴ *Yap v. Chua*, 687 Phil. 392, 401 (2012).

³⁵ *Id.*

³⁶ *Swire Agricultural Products, Inc. v. Hyundai Corporation*, 499 Phil. 73, 79 (2005).

WE CONCUR:


ESTELA M. PERLAS-BERNABE
Senior Associate Justice
 Chairperson



ALEXANDER G. GESMUNDO
Associate Justice


AMY C. LAZARO-JAVIER
Associate Justice


RICARDO R. ROSARIO
Associate Justice

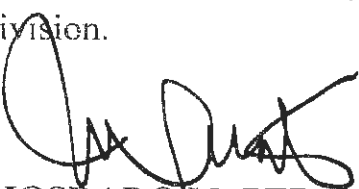
ATTESTATION

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


ESTELA M. PERLAS-BERNABE
Associate Justice
 Chairperson

CERTIFICATION

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


DIOSDADO M. PERALTA
Chief Justice