

Republic of the Philippines Supreme Court Manila

SECOND DIVISION

JOEL CORDERO, CAROLINA RAMOS, ESTRELLA REYES, represented herein by her heir, NAPOLEON DAMAYO, a.k.a. "JUN DAMAYO," BRENDA VILLAFUERTE, ANTONIO ULAT, CARLOS PAQUERA, CAROLINA PAQUERA, ELSA SANCHEZ, MARIA LORNA A. LOOS, **BERNARDO** VILLAGRACIA. represented herein by his heir, JOEL VILLAGRACIA, REBECCA TEJERO, EULALIA JARON, SHIRLEY ULAT, and MARIE ALBA **JOSEPHINE** SANTIANES,

G.R. No. 205074

Petitioners,

- versus -

GUTIERREZ DEVELOPMENT CO., INC.,*

Respondent.

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JOEL CORDERO, CAROLINA RAMOS, ESTRELLA REYES, represented herein by her heir, NAPOLEON DAMAYO, JR., a.k.a. "JUN DAMAYO,"

G.R. No. 231518

[&]quot;Gutierrez Development Corporation, Inc." in some parts of the *rollo*. Respondents Hon. Isaac Robillo and Sheriff Hipolito Belangdal, both of the Regional Trial Court of Branch 13, 11th Judicial Region, Davao City was omitted.

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BRENDA VILLAFUERTE, ANTONIO ULAT, **CARLOS** PAQUERA, **CAROLINA** ELSA SANCHEZ, PAQUERA, MARIA **LORNA** A. LOOS, BERNARDO VILLAGRACIA. represented herein by his heir, **JOEL** VILLAGRACIA, REBECCA TEJERO, EULALIA JARON, SHIRLEY ULAT, and MARIE ALBA **JOSEPHINE** SANTIANES,

Petitioners.

Present:

LEONEN,** Acting Chief Justice LAZARO-JAVIER,*** Working Chairperson LOPEZ, M., LOPEZ, J., and KHO, JR., JJ.

Promulgated:

JUN 2 6 2023

- versus -

GUTIERREZ DEVELOPMENT CORPORATION, INC.,

Respondent.

DECISION

KHO, JR., J.:

Before the Court are consolidated Petitions for Review on *Certiorari*¹ under Rule 45 of the Rules of Court, assailing the following issuances of the Court of Appeals (CA) in CA-G.R. SP No. 03631-MIN: (a) the Resolutions dated December 29, 2011² and November 19, 2012,³ denying petitioners Joel Cordero, Carolina Ramos, Estrella Reyes, represented herein by her heir Napoleon Damayo, Jr., a.k.a. "Jun Damayo," et al.'s (petitioners) prayer for the issuance of temporary restraining order (TRO) and/or writ of preliminary injunction (WPI), which is the subject of the petition in **G.R. No. 205074**; and (b) the Decision⁴ dated June 22, 2016 and the Resolution⁵ dated March 23,

^{**} Acting Chief Justice per Special Order No. 2989 dated June 24, 2023.

Working Chairperson per Special Order No. 2993 dated June 26, 2023.

Dated January 7, 2013, *rollo* (G.R. No. 205074), pp. 11–43; and May 19, 2017, *rollo* (G.R. No. 231518), pp. 9–25.

Rollo (G.R. No. 205074), pp. 57–60. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Edgardo T. Lloren and Pamela Ann Abella Maxino of the Special Twenty-Second Division of the CA, Cagayan de Oro City.

Id. at 52-54. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Edgardo T. Lloren and Maria Christine Azcarraga Jacob of the Special Former Twenty-Second Division of the CA, Cagayan de Oro City.

⁴ Rollo (G.R. No. 231518), pp. 36-41. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Oscar V. Badelles and Perpetua T. Atal-Paño of the Special Twenty-Second Division of the CA, Cagayan de Oro City.

¹d. at 44-45. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Oscar V. Badelles and Perpetua T. Atal-Paño of the Former Special Twenty-Second Division of the CA, Cagayan de Oro City.

2017, affirming the Orders dated September 18, 2009⁶ and May 15, 2010⁷ of the Regional Trial Court of Davao City, Branch 13 (RTC) in Civil Case No. 30,556-2004, ordering the issuance of a Writ of Execution⁸ in favor of respondent Gutierrez Development Co., Inc. (respondent), which is the subject of the petition in **G.R. No. 231518**.

The Facts

These cases stemmed from a Petition⁹ for fixing the period of lease and adjustment of lease rentals (Lease Petition) filed before the RTC by respondent against petitioners. Essentially, the Lease Petition averred that: (a) respondent is the registered owner of a parcel of land located in Poblacion, Davao City, as evinced by Transfer Certificate of Title No. T-52804¹⁰ under respondent's name (subject land); (b) respondent's predecessor-in-interest have allowed petitioners to stay thereat, initially by tolerance, but later on, required the latter to pay a token monthly rental of PHP 100.00 each; (c) when respondent acquired the property, it continued such arrangement with petitioners; and (d) petitioners have been neglecting their obligation to pay such monthly rentals. In light of the foregoing, respondent prayed that a judgment be rendered, fixing the period of petitioners' remaining lease for not longer than one year at the rate in keeping with the current value of the subject land. Notably, respondent also prayed for such other relief as may be deemed just and equitable under the premises.¹¹

In defense, petitioners claimed, *inter alia*, that they initially entered into negotiations with respondent as to the extension of the lease, or in the alternative, for the payment of the improvements they introduced thereon should they vacate the subject land. However, such negotiations never materialized. Petitioners further filed a counterclaim, seeking that they be paid the value of the improvements introduced on the subject lot in the aggregate sum of PHP 46,500,000.00, as well as moral damages and attorney's fees. ¹²

After due proceedings, the RTC rendered a Decision¹³ dated August 31, 2006, fixing petitioner's monthly rental payments at PHP 100.00 each per month for a period of two years, <u>reckoned from the date of the decision</u>. Notably, the RTC commented that the lessor-lessee relationship between petitioners and respondent cannot be allowed to continue indefinitely as the latter's right to enjoy its own property must be respected. Pertinent portions of the RTC ruling state:

Rollo (G.R. No. 205074), p. 201. Issued by Judge Isaac G. Robillo, Jr. of the RTC, Branch 13 of Davao City.

⁷ Id. at 211.

⁸ Id. at 208–209. Signed by Clerk of Court V Teresita Rosario Hofileña-Sam.

⁹ *Id.* at 76–93.

¹⁰ *Id.* at 94–95.

¹¹ Id. at 76-79 & 92.

See petitioners' Answer; id. at 141–155.

¹³ Id. at 161–167. Penned by Judge Isaac G. Robillo, Jr. of the RTC, Branch 13 of Davao City.

It is the belief of this court that two years is the just and equitable period of the lease for both [respondent] and [petitioners]. [Petitioners] have been occupying the premises of [respondent] for a very long time, (even prior to 1976 as claimed by [petitioners] themselves). This situation cannot be allowed to continue indefinitely. [Respondent] has a right to the enjoyment of its property, which has long been deprived from it by [petitioners].

As ruled by the Supreme Court in the case of Yek Seng Co, "While private respondents are correct in saying that Art. 1687 rewards a lessee for its loyalty, the law is not so lopsided as to disregard altogether the lessor's right not to be deprived of possession of its property for so many years."

WHEREFORE, the petition is hereby GRANTED. A period of two (2) years is hereby fixed for the lease of the property of [respondent] by [petitioners], at the same rental of [PHP 100.00] per month, reckoned from the date of this decision.

No pronouncement as to costs and liabilities.

SO ORDERED.14

Aggrieved, petitioners appealed to the CA, and such appeal was docketed as CA-G.R. CV No. 00991-MIN.

In a Decision¹⁵ dated September 25, 2008, the CA affirmed the RTC ruling. Notably, however, the CA held that since the two-year period stated by the RTC started on August 26, 2006, such period had already lapsed, and hence, it is only proper to already terminate the lease agreement and direct petitioners to turn over the possession of the subject land to respondent. Pertinent portions of the CA ruling read:

We note that to date[,] the period as fixed by trial court, which is two (2) years reckoned from the date of [the trial court's] Decision[,] or from August 26, 2006, has expired. Considering that no manifestation was filed by the contracting parties to the effect that the contract of lease was renewed upon the expiration of the two (2) year period, the said contract of lease is deemed terminated.

WHEREFORE, premises considered, the instant Appeal is **DISMISSED**. The appealed *Decision* dated August 26, 2006, of the court *a quo*, is **AFFIRMED**. The contract of lease is hereby deemed **TERMINATED**. [Petitioners] are **ORDERED** to turn over possession of the leased property to [respondent].

SO ORDERED.16

¹⁴ Id. at 167.

¹⁵ Id. at 171-185. Penned by Associate Justice Jane Aurora C. Lantion and concurred in by Associate Justices Edgardo A. Camello and Edgardo T. Lloren of the Twenty Second Division of the CA, Cagayan De Oro City.

¹⁶ Id. at 184.

Petitioners moved for reconsideration,¹⁷ but the same was denied in a Resolution¹⁸ dated April 3, 2009. There being no further appeals interposed by petitioners, the CA ruling in CA-G.R. CV No. 00991-MIN <u>became final</u> <u>and executory</u>, as evinced by the Entry of Judgment¹⁹ issued by the CA.

Thereafter, respondent filed before the RTC a Motion for Execution²⁰ dated June 23, 2009, seeking that a writ of execution be issued to enforce the CA ruling in CA-G.R. CV No. 00991-MIN.

The RTC Ruling

In an Order²¹ dated September 18, 2009, the RTC granted respondent's motion and directed the issuance of a writ of execution in its favor. Thus, on September 28, 2009, the RTC issued the Writ of Execution,²² ordering the enforcement of the CA ruling in CA-G.R. CV No. 00991-MIN.

Petitioners filed a Motion for Reconsideration,²³ arguing *inter alia*, that the two-year period stated in the RTC's Decision dated August 31, 2006 should not be reckoned from such date, but rather, only from the finality of the CA ruling in CA-G.R. CV No. 00991-MIN, i.e., on October 25, 2008.²⁴ However, the RTC denied such motion through an Order²⁵ dated May 15, 2010.

Aggrieved, petitioners filed a Rule 65 Petition for *Certiorari*²⁶ with prayer for the issuance of a TRO and/or WPI before the CA, which was docketed as CA-G.R. No. 03631-MIN.

The CA Proceedings

In a Resolution²⁷ dated December 29, 2011, the CA denied the prayer for TRO and/or WPI and directed the parties to submit their respective memoranda, after which the case shall be deemed submitted for decision. In so ruling, the CA held that a thorough examination of the assailed RTC Orders *vis-à-vis* the averments of the petition would show that there is no urgent reason to issue any injunctive order or writ in favor of petitioners.²⁸ Petitioners

¹⁷ *Id.* at 186–191

¹⁸ Id. at 196-197. Penned by Associate Justice Jane Aurora C. Lantion and concurred in by Associate Justices Edgardo A. Camello and Edgardo T. Lloren.

¹⁹ Id. at 198. Signed by Signed by Division Clerk of Court Rosemarie D. Anacan-Dizon.

²⁰ Id. at 199-200.

²¹ Id. at 201.

²² Id. at 208-209. Signed by Clerk of Court V Teresita Rosario Hofileña-Sam.

²³ Id. at 202-207.

²⁴ Id. at 203.

²⁵ Id. at 211. Issued by Judge Isaac G. Robillo, Jr. of the RTC, Branch 13 of Davae City.

²⁶ Id. at 212-246.

²⁷ Id. at 57-60.

²⁸ Id. at 59.

moved for reconsideration,²⁹ but the same was denied in a Resolution³⁰ dated November 19, 2012. Undaunted, petitioners filed the Petition subject of **G.R. No. 205074.**³¹

After the parties submitted their respective memoranda as directed, the CA promulgated a Decision³² dated June 22, 2016, denying the Rule 65 petition of petitioners and affirming the assailed RTC Orders.³³

In so ruling, the CA held that the RTC did not gravely abuse its discretion in issuing its assailed Orders, considering that the same were issued in accordance with the CA ruling in CA-G.R. CV No. 00991-MIN, which had long become final and executory.³⁴

Dissatisfied, petitioners moved for reconsideration, ³⁵ which was, however, denied in a Resolution³⁶ dated March 23, 2017; hence, the Petition subject of **G.R. No. 231518**.³⁷

The Issues Before the Court

The issues for the Court's resolution are as follows:

- (a) In G.R. No. 205074, whether or not the CA correctly denied petitioners' prayer for TRO and/or WPI; and
- (b) In G.R. No. 231518, whether or not the CA correctly found no grave abuse of discretion on the part of the RTC when the latter court issued its assailed Orders which ordered the issuance of a Writ of Execution in respondent's favor, pursuant to the CA ruling in CA-G.R. CV No. 00991-MIN.

The Court's Ruling

The Petition in G.R. No. 205074 is dismissed for being moot and academic; while the Petition in G.R. No. 231518 is denied for lack of merit.

²⁹ *Id.* at 62–73.

³⁰ Id. at 52-54.

³¹ Id. at 11-38.

³² Rollo (G.R. No. 231518), pp. 36-41.

³³ Id. at 40.

³⁴ Id. at 39-40.

³⁵ *Id.* at 221-226.

³⁶ Id. at 44-45.

id. at 9 -25.

I.

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At the outset, the Court notes that the petition in G.R. No. 205074 involves a mere incident in CA-G.R. SP No. 03631-MIN, particularly, the propriety of the CA's denial of petitioners' prayer for the issuance of TRO and/or WPI. However, and as may be gleaned from the petition in G.R. No. 231518, CA-G.R. SP No. 03631-MIN had already been resolved on the merits.

In *Philippine Veterans Bank v. Court of Appeals*,³⁸ the Court reiterated the rule that an appeal/petition for *certiorari* assailing a mere incident in the main case is rendered moot and academic by the resolution on the merits of the latter, to wit:

A case or issue is considered moot and academic when it ceases to present a justiciable controversy by virtue of supervening events, so that an adjudication of the case or a declaration on the issue would be of no practical value or use. In such instance, there is no actual substantial relief which a petitioner would be entitled to, and which would be negated by the dismissal of the petition. Courts generally decline jurisdiction over such case or dismiss it on the ground of mootness. This is because the judgment will not serve any useful purpose or have any practical legal effect because, in the nature of things, it cannot be enforced.

Applying the foregoing, the Court finds that the CA's supervening promulgation of its Decision dated May 21, 2021 in CA-G.R. SP No. 157608 — which dismissed PVB's petition before it on the merits — rendered the present case moot and academic. This is because, as already discussed, the main issue in the instant petition is the propriety of the CA's denial of PVB's prayer for TRO/WPI, which is but an incident of CA-G.R. SP No. 157608. Since this issue is but an incident of the main case before the CA which had already been resolved, ruling on the present issue would be merely an academic exercise carrying no practical effect. Accordingly, the Court is constrained to dismiss the instant petition. ³⁹

Verily, the CA's resolution on the merits of CA-G.R. SP No. 03631-MIN had already rendered moot and academic the issues raised in the petition in G.R. No. 205074. Thus, the Court is constrained to dismiss the same.

II.

As regards G.R. No. 231518, the Court, to reiterate, is tasked to ascertain whether the CA correctly found no grave abuse of discretion on the part of the RTC when the latter court issued its assailed Orders, which ordered

39 Id.; citations omitted.

G.R. No. 249353, August 22, 2022 [Per J. Kho, Jr., Second Division] https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/68518.

the issuance of a Writ of Execution in respondent's favor pursuant to the CA ruling in CA-G.R. CV No. 00991-MIN.

In *Chua v. People*, ⁴⁰ the Court, through Associate Justice Samuel R. Martires, reiterated the definition of "grave abuse of discretion," to wit:

The term "grave abuse of discretion" has a specific meaning. An act of a court or tribunal can only be considered as with grave abuse of discretion when such act is done in a "capricious or whimsical exercise of judgment as is equivalent to lack of jurisdiction." The abuse of discretion must be so patent and gross as to amount to an "evasion of a positive duty or to a virtual refusal to perform a duty enjoined by law, or to act at all in contemplation of law, as where the power is exercised in an arbitrary and despotic manner by reason of passion and hostility." Furthermore, the use of a petition for *certiorari* is restricted only to "truly extraordinary cases wherein the act of the lower court or quasi-judicial body is wholly void." From the foregoing definition, it is clear that the special civil action of certiorari under Rule 65 can only strike an act down for having been done with grave abuse of discretion if the petitioner could manifestly show that such act was patent and gross. 41 (Emphasis and underscoring supplied)

Based on the foregoing, and as will be explained hereunder, the CA correctly found that the RTC did not gravely abuse its discretion in issuing the assailed Orders, which directed the issuance of a Writ of Execution pursuant to the CA ruling in CA-G.R. CV No. 00991-MIN.

It bears stressing that the CA's ruling in CA-G.R. CV No. 00991-MIN had long become final and executory, as evinced by the Entry of Judgment⁴² issued by the CA. As such, the same had become immutable. In *Aguinaldo IV* v. *People*,⁴³ the Court, through Associate Justice Estela M. Perlas-Bernabe, explained the doctrine of immutability of final judgments, as follows:

Time and again, the Court has repeatedly held that "a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the Highest Court of the land. This principle, known as the doctrine of immutability of judgment, has a two-fold purpose, namely: (a) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business; and (b) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why courts exist. Verily, it fosters the judicious perception that the rights and obligations of every litigant must not hang in suspense for an indefinite period of time. As such, it is not regarded as a mere technicality

^{40 821} Phil. 271 (2017) [Third Division].

⁴¹ Id. at 249–280, citing Yu v. Judge Reves-Carpio, 667 Phil. 474, 481–482 (2011) [Per J. Velasco, Jr., First Division].

⁴² Rollo (G.R. No. 205074), p. 198.

G.R. No. 226615, January 13. 2021 [Special Second Division] https://elibrary.judiciary.gov.ph/thebookshelt/showdocs/1/66866>.

to be easily brushed aside, but rather, a matter of public policy which must be faithfully complied."44

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While the Court recognizes grounds for relaxation ⁴⁵ as well as exceptions ⁴⁶ to this doctrine, suffice it to say none applies in this case.

Since the CA ruling CA-G.R. CV No. 00991-MIN had become final, executory, and immutable, execution in favor of the prevailing party—i.e., respondent in this case—becomes a matter of right. In this regard, the Rules of Court, Rule 39, Section 1 reads:

SECTION 1. Execution upon Judgments or Final Orders. — Execution shall issue as a matter of right, on motion, upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected.

Notably, the Court's ruling in *Mauleon v. Porter*,⁴⁷ through Associate Justice Estela M. Perlas-Bernabe, is instructive on this matter:

Nothing is more settled in law than that when a final judgment is executory, it thereby becomes immutable and unalterable. The judgment may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest Court of the land. The doctrine is founded on considerations of public policy and sound practice that, at the risk of occasional errors, judgments must become final at some definite point in time.

Resultantly, the implementation and execution of judgments that had attained finality are already ministerial on the courts. Public policy also dictates that once a judgment becomes final, executory, and unappealable, the prevailing party should not be denied the fruits of his victory by some subterfuge devised by the losing party. Unjustified delay in the enforcement of a judgment sets at naught the role of courts in disposing justiciable controversies with finality. Hence, once a judgment becomes final, the prevailing party is entitled as a matter of right to a writ

⁴⁴ Id., citing Uy v. Del Castillo, 814 Phil. 61, 74–75 (2017) [Per J. Perlas-Bernabe, First Division].

^{45 &}quot;However, this doctrine "is not a hard and fast rule as the Court has the power and prerogative to relax the same in order to serve the demands of substantial justice considering: (a) matters of life, liberty, honor, or property; (b) the existence of special or compelling circumstances; (c) the merits of the case; (d) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules; (e) the lack of any showing that the review sought is merely frivolous and dilatory; and (f) that the other party will not be unjustly prejudiced thereby." (Id.)

[&]quot;Notably, there are established exceptions to the foregoing rule, namely: (i) the correction of clerical errors; (ii) presence of *nunc pro tunc* entries, which cause no prejudice to any party; (iii) void judgment; and, (iv) whenever circumstances transpire after the finality of the judgment which renders the execution unjust and inequitable." (*HH & Co. Agricultural Corporation v. Perlas*, 870 Phil. 608, 615 [2020] [Per J. Inting, Second Division], citing *Mercury Drug Corp. v. Spouses Huang*, 817 Phil. 434, 445–446 [2017] [Per J. Leonen, Third Division]).

⁷³⁹ Phil. 203 (2014) [Per J. Perlas-Bernabe, Second Division].

of execution, the issuance of which is the trial court's ministerial duty.⁴⁸ (Emphasis supplied)

In light of the foregoing, the CA correctly ruled that no grave abuse of discretion may be ascribed on the part of the RTC's assailed Orders which led to the issuance of a Writ of Execution in respondent's favor. This is considering that such Orders, as well as the Writ of Execution itself, were issued strictly in accordance with the final, executory, and immutable CA ruling in CA-G.R. CV No. 00991-MIN.

ACCORDINGLY, the Court rules as follows:

- (a) The Petition in G.R. No. 205074 is DISMISSED for being moot and academic; and
- (b) The Petition in G.R. No. 231518 is DENIED for lack of merit. The Decision dated June 22, 2016 and the Resolution dated March 23, 2017 of the Court of Appeals in CA-G.R. SP No. 03631-MIN are hereby AFFIRMED.

SO ORDERED.

ANTONIO T. KHO, JR.

Associate Justice

WE CONCUR:

MARVIE M.V.F. LEONEN

Acting Chief Justice

AMY C. LAZA/RO-JAVIER

Associate Justice

Working Chairperson

JHOSEP LOPEZ
Associate Justice

⁴⁸ Id. at 213-214, citing Ocampo v. Vda. De Fernandez, 552 Phil. 166, 188 (2007) [Per J. Chico-Nazario, Third Division].

CERTIFICATION

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

MARVICM.V.F. LEONEN
Acting Chief Justice