

### Title: National Steel Corporation vs. City of Iligan

### Facts:

National Steel Corporation (NSC), a Philippine domestic corporation engaged in steel manufacturing, was placed under liquidation by the Securities and Exchange Commission (SEC) in 2000. It had unpaid real property tax arrears on its plant located in Iligan City. In 2004, the City Government of Iligan enacted an ordinance providing tax relief to delinquent taxpayers, which led NSC to enter into a tax amnesty agreement with Iligan City's government, agreeing to pay its tax liabilities in installments while selling its plant assets to Global Steelworks International, Inc. and Global Ispat Holdings, Inc. (Global Steel).

Global Steel was to pay taxes starting October 15, 2004, but failed to meet this obligation, prompting Iligan City to pursue NSC for the arrears. Despite an SEC Stay Order protecting NSC's assets from levy or auction due to liquidation, and NSC's payment of the amount agreed in the amnesty, Iligan City did not clear NSC of its liabilities. Consequently, NSC initiated a lawsuit for Specific Performance in Makati City Regional Trial Court (RTC). The RTC ruled in NSC's favor, declaring full compliance with the Tax Amnesty Agreement and dismissing Iligan City's counterclaim regarding the collection of taxes accruing after October 14, 2004.

However, Iligan City and its treasurer continued to list NSC as delinquent and auctioned the property, assuming control over it. NSC's subsequent legal remedies included securing a Writ of Execution from the Makati RTC and filing an Omnibus Motion seeking to annul the auction sale and to hold Iligan City officials in contempt.

### Issues:

1. Whether NSC violated the rule against forum shopping by filing a petition before the Court of Appeals (CA) while an action was pending before the RTC of Iligan.
2. Whether NSC failed to observe the doctrine of hierarchy of courts by seeking relief directly from the CA.
3. Whether the principle of immutability of judgment bars further action by the CA on NSC's petition.

### Court's Decision:

The Supreme Court reversed the CA's decision, determining that NSC did not engage in forum shopping and appropriately sought the intervention of the CA to enforce the final and executory decision of the Makati RTC.

1. No forum shopping was present since NSC and Global Steel maintained separate interests, and no deliberate movement was made by NSC to seek a favorable decision elsewhere after an adverse judgment.
2. NSC had observed the doctrine of hierarchy of courts by exhausting relevant remedies.
3. The principle of immutability of judgment was upheld by the Supreme Court. Given the finality of the RTC judgment, NSC's motions were meant to enforce what was already legally settled.

The Supreme Court issued a writ of prohibition ordering Iligan City to desist from asserting ownership over the plant assets and recognized the final and executory nature of the Makati RTC decision.

#### ### Doctrine:

The doctrine of immutability of judgment asserts that once a decision has achieved finality, it becomes immutable and unalterable and may no longer be modified in any respect, except for clerical errors or nunc pro tunc entries which cause no prejudice to any party.

#### ### Historical Background:

The case is set against the backdrop of the Philippine legal and economic climate, wherein NSC, once a significant player in the steel industry, faced financial challenges that led to its liquidation. This case reflects the Philippines' legal processes concerning tax delinquencies, tax amnesty agreements, and asset liquidation, showcasing the interaction between municipal tax authorities and businesses undergoing restructuring. The Supreme Court's decision reinforces the principle that final and executory judgments must be respected and the need for certainty in the conclusion of legal disputes.