

Title: Atty. Romeo G. Roxas v. Republic Real Estate Corporation, and Republic Real Estate Corporation v. Republic of the Philippines (Republic v. Court of Appeals)

Facts: On April 24, 1959, Republic Real Estate Corporation (RREC) entered into an agreement with Pasay City for the reclamation of foreshore lands along Manila Bay, based on Pasay City Ordinance No. 121, as amended by Ordinance No. 158. However, on December 19, 1961, the Republic of the Philippines filed a suit against RREC for recovery of possession and damages, challenging the agreement on three grounds: ownership of the area by the Republic, deviation from Republic Act No. 1899's allowance of only "foreshore land" reclamation, and lack of approval from the national government without a public bidding.

The case, titled Republic v. Court of Appeals, reached the Supreme Court, which nullified the agreement and ordinance as ultra vires and contrary to RA No. 1899. Despite the nullity of the agreement, the Court recognized costs incurred by RREC and pegged compensation on quantum meruit at P10.9 million plus interest. Attempts to amend this decision were denied multiple times, with a finality on July 27, 1999.

Following further unsuccessful motions, RREC and Pasay City filed a pleading before the trial court for execution in various forms, either land or monetary payment equating to present value computation. The trial court denied adjusting the compensation according to present value but was directed by the sheriff to issue an unlawful amount for execution (P49 billion), prompting the Republic to object and the Court of Appeals to annul the execution notice. Atty. Roxas, former counsel for RREC, without the company's consent, attempted to seek reconsideration and further compensation, asserting that he was still the rightful counsel under a "no win, no fee" agreement. RREC terminated Atty. Roxas' services, citing breach of trust, and engaged Siguion Reyna Law Offices.

Issues:

1. Jurisdiction for hearing compensation claims against the Republic
2. Validity of the Court of Appeals' annulment of the sheriff's notice of execution exceeding the awarded amount
3. Entitlement of Pasay City to a share in the compensation
4. Recognition of Atty. Roxas as the rightful counsel for RREC

Court's Decision: The Supreme Court denied RREC's Petition for Review and concluded that the Court of Appeals correctly annulled the sheriff's notice. The Republic's obligations

should have been first brought before the Commission on Audit. The compensation awarded, including the 6% annual interest from 1962, was conclusively decided without possibility for adjustments. Pasay City was entitled to a share of the compensation. Atty. Roxas, who was terminated by RREC for breach of trust, had no legal standing to appeal on RREC's behalf and his continued attempts were improper. The Supreme Court also initiated an investigation on the sheriff's conduct and ordered Atty. Roxas to show cause why disciplinary sanctions should not be imposed on him.

Doctrine: A final and executory judgment of the Supreme Court is immutable and unalterable. It cannot be modified by the trial court or the sheriff through execution or notice inconsistent with the judgment's content. Claims against the government must be prosecuted in accordance with the rules and procedures laid down in the Government Auditing Code of the Philippines.

Class Notes:

- The principle of finality of judgment states that a decision that has reached finality becomes immutable and unalterable.
- Article 204 of the Revised Penal Code prohibits a judge from knowingly rendering an unjust judgment.
- Section 3(e) of the Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) prohibits causing undue injury to any party through manifest partiality, evident bad faith, or gross inexcusable negligence.
- Quantum meruit is a legal principle where a party is compensated for the value of the work done, when there is no agreed contractual amount.

Historical Background: The case demonstrates the principles regarding government contracts, local government autonomy in the context of national laws such as Republic Act No. 1899, and the limitations on executing judgments against the government. It underlines the importance of proper legal representation and the fiduciary duty between a lawyer and their client, showcasing the referral of unethical conduct of legal practitioners to appropriate disciplinary bodies.