

Title:

Lapulapu Development and Housing Corporation v. Group Management Corporation

Facts:

Lapulapu Development and Housing Corporation (LLDHC) was the registered owner of 78 lots in Marigondon, Lapulapu City. On February 4, 1974, LLDHC entered a Project and Loan Agreement with the Government Service Insurance System (GSIS), involving a P25 million loan for property development, to be sold to GSIS members. LLDHC secured the loan with a mortgage over the said lots. Failing to develop the property and repay the loan, GSIS foreclosed the mortgage and, as the sole bidder, acquired the lots.

The GSIS then entered into a Deed of Conditional Sale of the same properties with Group Management Corporation (GMC). LLDHC contested this by filing a complaint for Annulment of Foreclosure with the Manila RTC, re-docketed as Civil Case No. R-82-3429. Concurrently, GMC filed a complaint for Specific Performance with the Lapulapu City RTC (Civil Case No. 2203-L) to compel GSIS to execute a Final Deed of Sale in favor of GMC.

Despite LLDHC's intervention and motions to dismiss, the Lapulapu RTC decided in favor of GMC. LLDHC appealed, which the court dismissed. Meanwhile, the Manila RTC annulled the foreclosure and ordered new titles in favor of LLDHC.

LLDHC later sought to annul the Lapulapu RTC decision through various petitions to the CA and the Supreme Court, all of which were dismissed, thereby affirming the final and executory nature of the Lapulapu RTC decision. Subsequent actions by LLDHC to obstruct the execution of the Lapulapu RTC judgment led to a series of orders and contempt charges.

Issues:

1. Whether the final and executed decision of the Manila RTC can be rendered ineffective by the Lapulapu City RTC judgment.
2. Whether either party is guilty of forum shopping.
3. Whether the refusal of Justices Verzola and Tuquero to voluntarily inhibit from the case was proper and justifiable.

Court's Decision:

The Supreme Court dismissed the petition, upholding the CA decision that affirmed the orders of the Lapulapu City RTC. The Court ruled that the LAPU-LAPU Decision was final and executory, and thus valid and binding upon the parties. The Court also noted that courts of equal and coordinate jurisdiction cannot interfere with each other's orders unless

authorized by law and that private respondent GMC cannot be bound by a decision in which it was not a party. As for the forum shopping accusation, the Court found that LLDHC was guilty, citing repetitive pleadings and actions taken to thwart the enforcement of the Lapulapu RTC decision. Regarding the third issue, the Court found no merit in LLDHC's request for the voluntary inhibition of Justices Tuquero and Verzola.

Doctrine:

Courts of coequal and coordinate jurisdiction cannot interfere with each other's orders unless authorized by law. The finality of a judgment renders it immutable and unalterable, thus enforceable. Forum shopping, determined by the vexation caused to the courts and litigants through repeated invocation of the same facts and issues, is proscribed.

Class Notes:

- Finality of Judgment: A judgment becomes immutable and unalterable after it becomes final and executory, and can no longer be disturbed or reopened regardless of its perceived errors (*Dorotheo v. CA*).
- Forum Shopping: Engaging in multiple judicial remedies in different courts involving the same transactions, facts, and circumstances, raising the same issues, is prohibited as it can cause judicial confusion and unnecessary delays (*First Philippine International Bank v. CA*).
- Powers of Coequal Courts: Courts of equal rank and competence should not interfere with each other's decisions, orders, or writs (Finality and Executory Nature of Judgments).

Historical Background:

The case illustrates the legal and judicial challenges involved in disputes over land ownership and contractual obligations between private entities and government instrumentalities in the Philippines. Such complex legal battles unfold within a broader context of conflicting claims, sometimes entangled in legacy issues from historical transactions, and exemplify the judicial system's role in resolving cases with finality while preventing forum shopping and ensuring proper administration of justice.