

### Title: Unirock Corporation vs. Armando C. Carpio and Hardrock Aggregates, Inc.

### Facts:

This case originally began with a complaint for quieting of title initiated by respondents Armando C. Carpio and Hardrock Aggregates, Inc. against Unirock Corporation, concerning properties under the latter's name, in Civil Case No. 94-3393. The Supreme Court eventually ruled in favor of Unirock, confirming its ownership. Subsequently, a Memorandum of Agreement (MOA) was executed between Unirock and Hardrock, granting Hardrock the right to quarry on the properties in exchange for royalties to Unirock. This MOA was approved by the RTC as a compromise judgment. However, complications arose when Teresa Gonzales filed a suit claiming ownership over the properties and questioning Unirock's title, leading to a directive for royalty payments to be deposited in escrow. Moreover, Unirock initiated a separate action against Hardrock for non-payment of royalties, and upon its dismissal, sought execution of the compromise judgment in Civil Case No. 94-3393. Hardrock contested, citing the ongoing dispute initiated by Gonzales as affecting the viability of the execution.

### Issues:

1. Whether the Court of Appeals correctly affirmed the RTC's denial of Unirock's motion for execution of the compromise judgment.
2. The impact of a subsequent legal challenge on the enforceability of a compromise judgment.

### Court's Decision:

The Supreme Court partly granted the petition, setting aside the CA decision and remanding the case to the lower court for further proceedings. The Court underscored the principle that a compromise judgment is not appealable except on grounds of vitiated consent or forgery, being final and executory, and thereby conclusive between the parties. It ruled that the subsequent challenge by Gonzales does not invalidate the compromise judgment between Unirock and Hardrock, as the issue of ownership was conclusively settled in Civil Case No. 94-3393 in favor of Unirock. Therefore, it was erroneous for the lower courts to deny execution on the basis that the judgment had become unjust or inequitable due to the challenge by Gonzales.

### Doctrine:

- A compromise judgment has the force of res judicata between the parties and is enforceable through execution unless shown to have been agreed to under vitiated consent

or forgery.

- The principle of res judicata applies, rendering a final judgment on the merits by a court of competent jurisdiction as conclusive as to the rights of the parties and their privies.

### ### Class Notes:

- **Compromise Judgment:** A compromise judgment is a court's decision sanctioning an agreement between parties to end a lawsuit through mutual consent. Once approved, it transforms into a judgment enforceable under Rule 39 of the Rules of Court, only contestable on grounds of vitiated consent or forgery.

- **Res Judicata:** Refers to the principle where a final judgment by a competent court is conclusive regarding the rights of the parties involved, preventing them from re-litigating the same issues.

- **Execution of Judgments:** The enforcement of a final and executory judgment must proceed unless specific exceptions apply, such as when the consent for the judgment was vitiated or the judgment was based on a forgery.

### ### Historical Background:

The dispute's genesis was a quieting of title case that evolved into a complex legal battle involving issues of ownership, royalty payments, and the validity and enforceability of compromise judgments. This case highlights the challenges in executing compromise judgments in the face of subsequent legal disputes and the principles safeguarding the finality of judicial decisions.