

Title: Republic of the Philippines, represented by the Department of Public Works and Highways, vs. Espina & Madarang, Co. and Makar Agricultural Corp.

Facts:

1. **Initial Claim and Special Proceedings:**

- **Undated Letter:** Vicente L. Olarte, attorney-in-fact of the Olarte Hermanos y Cia Estate, wrote to the DPWH Regional Director demanding payment for RROW covering 186,856 square meters taken for the construction of the Cotabato-Kiamba-General Santos-Koronadal National Highway.
- **Special Proceedings Case (Spec Pro. No. 2004-074):** Filed by the heirs of Alberto and Jose Olarte, resulting in a July 4, 2007, RTC Order directing DPWH to pay their RROW claim.
- **Partial Payment:** By November 13, 2007, DPWH partially paid the heirs of Olarte, amounting to P44,891,140.65.

2. **Injunction Case (Civil Case No. 7788):**

- **May 7, 2008:** Espina and Makar filed an injunction action against the heirs of Olarte, DPWH, and Register of Deeds of General Santos City, claiming ownership over the property based on transfers from 1933 to 1958.
- **October 17, 2008:** DPWH ceased payments to the heirs of Olarte pending the ownership dispute's resolution.
- **October 5, 2009:** RTC General Santos City declared the injunction case moot, affirmed Espina and Makar's ownership, and directed DPWH to compensate for the RROW.

3. **Certiorari and Prohibition Petition (CA-G.R. SP No. 03310-MIN):**

- **December 16, 2013:** RTC issued an Order for immediate payment execution.
- **February 24, 2014:** RTC ordered the sheriff to implement execution, levy, and garnishment of DPWH funds.
- **June 14, 2011:** CA denied DPWH's petition, affirming RTC's decision.
- **G.R. No. 202416:** Supreme Court denied the Republic's petition, causing finality in favor of Espina and Makar.

4. **Subsequent Certiorari Petition (CA-G.R. SP No. 06472-MIN):**

- **July 21, 2014:** RTC upheld its prior orders against the reconsideration motions filed by DPWH and heirs of Olarte.
- **January 25, 2016:** CA upheld RTC orders, noting res judicata concerning previously

settled ownership and suability of the State.

- **Current Review**: DPWH contends improper determination of ownership and computation of just compensation, and the necessity of a COA claim for public fund disbursement.

Issues:

1. Whether the CA erred in dismissing the petition under the doctrine of res judicata.
2. Whether the CA erred in ruling that petitioner is barred from claiming that a money claim should first be filed before COA to execute the money judgment.

Court's Decision:

1. **Res Judicata**:

- **Final Judgment Elements**: The elements of res judicata — final judgment, jurisdiction, merit-based decision, and identity of parties and causes of action — are present.
- **Ownership and Entitlement**: Petitioner's arguments on ownership and remuneration had been settled, and respondents' ownership validated through final and enforceable judgments.

2. **Proper Venue for Monetary Claims**:

- **COA as Execution Court**: Even with final judgments, respondents must file a money claim before the COA, which acts as the execution body ensuring proper public fund allocation.

Doctrine:

- **Res Judicata**: A final judgment that prevents subsequent disputes on the same issues between the same parties.
- **Execution Against Government Funds**: Payment of monetary judgments against the government must comply with COA's prior approval, per regulations governing public fund disbursement.

Class Notes:

- **Res Judicata Elements**: finality, jurisdiction, merit, same parties/claims.
- **Public Fund Disbursement**: Must comply with the Government Auditing Code and COA regulations — no direct garnishment/execution against government funds.
- **Relevant Statutes**:
- **Section 47 of Rule 39, Rules of Court** — Res Judicata.

- **Presidential Decree No. 1445** — Government Auditing Code.
- **Republic Act No. 10752** — Right of Way Act.

Historical Background:

- The case reflects the complexities of state liability and disbursement of public funds for land taken for public projects. The necessity of following proper procedural protocols (such as filing claims with COA) safeguards public resources and preserves the integrity of governmental operations. This case underscores established practices in Philippine jurisprudence, bridging historical land ownership disputes with modern statutory requirements for compensation and public fund disbursement.