

****Title:****

Hon. Alfredo S. Lim, Mayor of Manila, et al. vs. Hon. Felipe G. Pacquing, RTC Judge of Manila, et al.

****Facts:****

- ****September 7, 1971:**** Municipal Board of Manila passes Ordinance No. 7065 granting Associated Development Corporation (ADC) a franchise to operate a jai-alai in Manila.
- ****November 13, 1971:**** Modified ordinance approved by the Mayor.
- ****August 20, 1975:**** President Marcos issued Presidential Decree No. 771 revoking local government powers to grant licenses for gambling activities and cancelling existing franchises.
- ****1986:**** After the EDSA Revolution, PD No. 810 repealed by Executive Order No. 169 issued by President Corazon C. Aquino.
- ****May 5, 1988:**** ADC sought to resume operations under Ordinance No. 7065. Mayor Lopez denied the request.
- ****August 2, 1988:**** ADC files a petition for mandamus and specific performance before the RTC Manila (Civil Case No. 88-45660). The court rules in favor of ADC, recognizing Ordinance No. 7065 as a binding contract and orders the issuance of a permit.
- ****1989:**** Mayor Lopez appeals to the Court of Appeals but later withdraws the appeal, making the RTC decision final and executory.
- ****1991:**** City of Manila files action to annul the franchise (Civil Case No. 91-58913), which is dismissed by RTC Manila. No appeal is taken.
- ****March 1994:**** ADC files motion to compel Mayor Lim to issue a permit under Ordinance No. 7065. RTC grants the motion and issues a series of orders directing Mayor Lim to comply.
- ****Petition for Certiorari:**** Mayor Lim files for certiorari to set aside RTC orders on grounds of errors in jurisdiction and procedural irregularities.

****Issues:****

1. Does the decision in Civil Case No. 88-45660 remain valid despite the issuance of PD 771?
2. Can the decision in Civil Case No. 88-45660 be enforced via motion despite the lapse of five years from the decision's date?
3. Is there forum shopping or violations of procedural rules by the petitioners?

****Court's Decision:****

1. ****Validity of Civil Case No. 88-45660:****

- The Supreme Court holds that the trial court had valid jurisdiction and that ADC's franchise created a binding contractual obligation under Ordinance No. 7065.
- PD 771's effect on said ordinance was not raised in prior proceedings; thus estopping the City from contesting it now.

2. **Method of Enforcement:**

- The Court finds the enforcement via motion appropriate as the motion was well within the five-year period from the entry of final judgment, thus, complying with Section 6 of Rule 39.

3. **Forum Shopping and Procedural Violations:**

- The petitioners did not commit forum shopping since the issue before the Court was whether the earlier judgment could be executed by motion, not the validity of the ordinance.
- The affidavit and certification submitted by petitioners about other cases and timelines sufficed under procedural rules.

Doctrine:

- **Res Judicata:** The principle bars re-litigation of issues that could have or were raised previously.
- **Estoppel by Judgment:** Parties cannot re-argue issues decided in a final judgment or an issue that should have been raised in earlier proceedings.

Class Notes:

- **Ordinance No. 7065** created a binding contract between ADC and the City of Manila.
- **PD 771** revoked the power of local governments to grant gambling licenses but does not automatically nullify pre-existing franchises if not contested timely and properly in court.
- **Section 6 of Rule 39:** Execution by motion must occur within five years from the judgment's entry.

Historical Background:

- **Context:** The case reflects the dynamic tension between local autonomy and centralized executive decrees in the Philippines' transition from martial law to democratic governance. Legislative and executive actions influencing gambling operations often intersect with local government autonomy and fiscal interests.