

REPUBLIC OF THE PHILIPPINES THRU THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH), PETITIONER, VS. COURT OF APPEALS, HON. AMANDA VALERA-CABIGAO IN HER CAPACITY AS PRESIDING JU...

G.R. No. 116463. June 10, 2003

Ponente: CARPIO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-116463/>

CARPIO, J.:

The Case

Before this Court is a Petition for Review of the Decision[1] of the Court of Appeals dated 18 July 1994, in CA-G.R. CV No. 33094.[2] The Court of Appeals affirmed the Order of the Regional Trial Court of Malabon ("Malabon trial court") which denied the motion of petitioner to consolidate Civil Case No. 1153-MN pending before it with Criminal Cases Nos. 16889-16900 filed with the Sandiganbayan. This petition seeks to restrain permanently the Malabon trial court from further hearing Civil Case No. 1153-MN and to dismiss the case.

The Antecedent Facts

Private respondent Navotas Industrial Corporation ("NIC") is a corporation engaged in dredging operations throughout the Philippines. On 27 November 1985, then Public Works and Highways Minister Jesus Hipolito requested former President Ferdinand E. Marcos to release P800 million to finance the immediate implementation of dredging, flood control and related projects in Metro Manila, Bulacan, Pampanga and Leyte. Of the total funds approved for release, P615 million went to the National Capital Region of the Ministry[3] of Public Works and Highways ("DPWH").

The DPWH allocated the P615 million to several projects covered by twenty-one contracts. The DPWH awarded one of the contractors, NIC, P194,454,000.00 worth of dredging work in four contracts for completion within 350 calendar days.

NIC alleges that the dredging work proceeded pursuant to specific work schedules and plan approved by DPWH. NIC contends that it accomplished 95.06 percent of the required total volume of work or P184,847,970.00 worth of services based on an alleged evaluation by DPWH. However, NIC maintains that DPWH paid only 79.22 percent of the accomplished work, leaving a balance of P30,799,676.00.

On 20 September 1988, NIC filed a complaint for sum of money with the Malabon trial court against the Republic of the Philippines, thru the DPWH. The case, docketed as Civil Case No. 1153-MN, was raffled to Branch 73 of the court, presided by Judge Amanda Valera-Cabigao.

In its Answer, petitioner contends that NIC is not entitled to the amount claimed. Soon after the February 1986 Revolution, DPWH created a fact-finding committee to audit the flood control projects in the National Capital

Region, Bulacan, Pampanga and Leyte. Then DPWH Minister Rogaciano Mercado, who replaced Minister Jesus Hipolito, ordered the suspension of all projects funded by special budget released or issued before the snap elections on February 1986, pending inventory and evaluation of these projects.

Petitioner contends that upon verification and investigation, the DPWH fact-finding committee discovered that the dredging contracts of NIC with DPWH were null and void. Petitioner claims that NIC worked on the project five or six months before the award of the dredging contracts to NIC. The contracts of NIC were awarded without any public bidding. Moreover, DPWH discovered that NIC, through its corporate officers, connived with some DPWH officials in falsifying certain public documents to make it appear that NIC had completed a major portion of the project, when no dredging work was actually performed. The scheme enabled NIC to collect from DPWH P146,962,072.47 as payment for work allegedly accomplished. Petitioner thus filed a counterclaim for the return of the P146,962,072.47 plus interest and exemplary damages of P100 million.

On 14 July 1986, the DPWH fact-finding committee filed with the Office of the Tanodbayan[4] a case for estafa thru falsification of public documents and for violation of Republic Act No. 3019 against former Minister Hipolito. Other DPWH officials[5] involved in awarding the dredging contracts to NIC, as well as Cipriano Bautista,[6] president of NIC, were also named respondents. The charges[7] were for four counts corresponding to the four contracts that DPWH entered into with NIC. The case was docketed as TBP Case No. 86-01163.

However, it was only on 17 June 1991 that former Ombudsman Conrado Vasquez approved the resolution of the Office of the Special Prosecutor finding probable cause for estafa thru falsification of public documents and for violation of Section 3 (e) and (g)[8] of RA No. 3019. Subsequently, the Ombudsman filed the corresponding Informations with the First Division of the Sandiganbayan against all the respondents in TBP Case No. 86-01163. The cases were docketed as Criminal Cases Nos. 16889-16900.

On 14 April 1993, petitioner filed before the Malabon trial court a Motion to Consolidate Civil Case No. 1153-MN with Criminal Cases Nos. 16889-16900 in the Sandiganbayan. Petitioner argued that the civil case for collection and the criminal cases arose from the same incidents and involve the same facts. Thus, these cases should be consolidated as mandated by Section 4(b) of Presidential Decree No. 1606, as amended.

On 18 June 1993, the Malabon trial court issued a Resolution denying petitioner's Motion for Consolidation. Thereafter, petitioner filed a Motion for Reconsideration which the Malabon trial court denied on 7 November 1993.

On 19 January 1994, petitioner filed a Petition for Certiorari, Prohibition and Mandamus with the Court of Appeals docketed as CA-G.R. CV No. 33094. In a Decision dated 18 July 1994, the Court of Appeals dismissed the petition. On 12 September 1994, petitioner filed with the Court this petition for review.

On 26 September 1994, the Court resolved to issue the temporary restraining order prayed for by petitioner. Consequently, the Malabon trial court desisted from hearing further Civil Case No. 1153-MN.

The Ruling of the Court of Appeals

In dismissing the petition for Certiorari, Prohibition and Mandamus filed by petitioner, the Court of Appeals ruled as follows:

It is clear that in the same manner that the RTC would have no jurisdiction relative to violations of Republic Act Nos. 3019, as amended, and 1379, neither could the Sandiganbayan acquire jurisdiction over collection of sum of money, the latter not involving recovery of civil liability arising from the offense charged. More specifically, the said Sandiganbayan would have no power whatsoever to order the defendant in the civil case

(the Republic of the Philippines thru the DPWH) to pay the private respondent the amount of P30,799,676.00 claimed by the latter. One of the averred purposes then of consolidation (to avoid multiplicity of suits) could not be realized. A civil action would still have to be instituted by the private respondent to recover the amount allegedly due.

The Issues

I.

WHETHER THE PETITION WAS FILED ON TIME.

II.

WHETHER THE COURT OF APPEALS ERRED IN NOT ORDERING THE CONSOLIDATION OF CIVIL CASE NO. 1153-MN WITH CRIMINAL CASES NOS. 16889-16900 WITH THE SANDIGANBAYAN AS REQUIRED BY SECTION 4(B) OF P.D. 1606.[9]

The Ruling of the Court

The petition is devoid of merit.

First Issue: Timeliness of the filing of the petition

We first resolve a minor issue raised by NIC regarding the timeliness of the filing of this petition.

In its Comment, NIC seeks the dismissal of the petition on the ground that it was not served on time. Petitioner admittedly filed two motions for extension of time, each for fifteen days. The last day for filing the second motion for extension was on 11 September 1994. NIC, however, asserts that a copy of the petition was sent by registered mail to its counsel only on 12 September 1994 or a day after the last day for filing.

NIC, believing that this petition was filed out of time, now asks the Court to consider the instant petition as not having been filed, making the Resolution of the Court of Appeals final and executory.

We do not agree.

NIC harps on the fact that the petition was sent by registered mail only on 12 September 1994, when the last day for filing was on 11 September 1994. NIC, however, overlooked one significant fact. The last day for filing, 11 September 1994, fell on a Sunday.

Based on Section 1,[10] Rule 22 of the Rules of Court, and as applied in several cases,[11] "where the last day for doing any act required or permitted by law falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day." Thus, petitioner filed on time its petition on 12 September 1994, the next working day, following the last day for filing which fell on a Sunday.

Second Issue: Consolidation of the Cases

The main issue before us is whether Civil Case No. 1153-MN pending with the Malabon trial court should be consolidated with Criminal Cases Nos. 16889-16900 filed with the Sandiganbayan.

Petitioner argues that the civil case for collection of sum of money and the criminal cases for estafa thru falsification of public documents and for violation of RA No. 3019 arose from the same transaction and involve similar questions of fact and law. Petitioner claims that all these cases pertain to only one issue, that is, whether NIC performed dredging work. Petitioner argues that a determination in the civil case that NIC performed

dredging work will entitle NIC to the balance of the contract price. Similarly, petitioner claims that the criminal cases also involve the same issue since petitioner charges that the accused connived in falsifying documents and in fraudulently collecting payments for non-existing dredging work. In sum, petitioner asserts that since the issues in all these cases are the same, the parties will have to present the same evidence. Therefore, the consolidation of these cases is in order.

We do not agree.

Consolidation is a matter of discretion with the court. Consolidation becomes a matter of right only when the cases sought to be consolidated involve similar questions of fact and law, provided certain requirements are met. The purpose of consolidation is to avoid multiplicity of suits, prevent delay, clear congested dockets, simplify the work of the trial court, and save unnecessary expense.[12]

We cannot order the consolidation of the civil case for collection with the criminal cases for two reasons. First, the Sandiganbayan has no jurisdiction over the collection case. Second, the Rules of Court do not allow the filing of a counterclaim or a third-party complaint in a criminal case.

First, the Sandiganbayan was created as a special court to hear graft cases against government officials of a particular salary grade for violations of specific laws.[13] Presidential Decree No. 1606,[14] as amended by Republic

Act No. 8249,[15] outlines the Sandiganbayan's jurisdiction as follows:

Sec. 4. Jurisdiction. — The Sandiganbayan shall exercise exclusive original jurisdiction in all cases involving:

A. Violations of Republic Act No. 3019, as amended, otherwise known as the Anti-Graft and Corrupt Practices Act, Republic Act No. 1379, and Chapter II, Section 2, Title VII, Book II of the Revised Penal Code, where one or more of the accused are officials occupying the following positions in the government, whether in a permanent, acting or interim capacity, at the time of the commission of the offense:

(1) Officials of the executive branch occupying the positions of regional director and higher, otherwise classified as Grade '27' and higher, of the Compensation and Position Classification Act of 1989 (Republic Act No. 6758), specifically including:

x x x

B. Other offenses or felonies whether simple or complexed with other crimes committed by the public officials and employees mentioned in subsection a of this section in relation to their office.

C. Civil and criminal cases filed pursuant to and in connection with Executive Order Nos. 1, 2, 14 and 14-A, issued in 1986.

In cases where none of the accused are occupying positions corresponding to Salary Grade '27' or higher, as prescribed in the said Republic Act No. 6758, or military and PNP officers mentioned above, exclusive original jurisdiction thereof shall be vested in the proper regional trial court, metropolitan trial court, municipal trial court, and municipal circuit trial court, as the case may be, pursuant to their respective jurisdictions as provided in Batas Pambansa Blg. 129, as amended.

The Sandiganbayan shall exercise exclusive appellate jurisdiction over final judgments, resolutions or order of regional trial courts whether in the exercise of their own original jurisdiction or of their appellate jurisdiction as herein provided.

x x x

In case private individuals are charged as co-principals, accomplices or accessories with the public officers or employees, including those employed in government-owned or controlled corporations, they shall be tried jointly with said public officers and employees in the proper courts which shall exercise exclusive jurisdiction over them.

x x x.

The law does not include civil cases for collection of sum of money among the cases falling under the jurisdiction of the Sandiganbayan. If we consolidate the collection case in the Malabon trial court with the criminal cases, the Sandiganbayan will have no jurisdiction to hear and decide the collection case. Even if NIC proves it is entitled to payment, the Sandiganbayan will have no jurisdiction to award any money judgment to NIC. NIC will still have to file a separate case in the regular court for the collection of its claim. Thus, the avowed purpose of consolidation which is to avoid multiplicity of suits will not be achieved.

Petitioner invokes *Naguiat v. Intermediate Appellate Court*[16] in claiming that a civil action not arising from the offense charged may be consolidated with the criminal action. Indeed, *Naguiat* allowed the consolidation of the criminal case with a civil case arising *ex contractu*. In consolidating the two cases, *Naguiat* relied on *Canos v. Peralta*[17] where the Court consolidated a civil action for the recovery of wage differential with a criminal action for violation of the Minimum Wage Law. *Canos*, however, made an important qualification before a court may order the consolidation of cases. *Canos* held that:

A court may order several actions pending before it to be tried together where they arise from the same act, event or transaction, involve the same or like issues, and depend largely or substantially on the same evidence, provided that the court has jurisdiction over the cases to be consolidated x x x. (Emphasis supplied)

Thus, an essential requisite of consolidation is that the court must have jurisdiction over all the cases consolidated before it. Since the Sandiganbayan does not have jurisdiction over the collection case, the same cannot be consolidated with the criminal cases even if these cases involve similar questions of fact and law. Obviously, consolidation of the collection case with the criminal cases will be a useless and empty formality since the Sandiganbayan, being devoid of jurisdiction over the collection case, cannot act on it.

Second, we cannot order the consolidation of the civil action filed by NIC with the criminal cases in the Sandiganbayan because the civil case amounts to a counterclaim or a third-party complaint in a criminal case. While NIC, as a corporate entity, is not an accused in the criminal cases, a consolidation of NIC's collection case with the criminal cases will have the same effect of a counterclaim or a third-party complaint against petitioner and DPWH. In such case, the rule against counterclaims and third-party complaints in criminal cases may be applied by analogy.

Section 1, Rule 111 of the 2000 Rules on Criminal Procedure expressly requires the accused to litigate his counterclaim separately from the criminal action.

SECTION 1. Institution of criminal and civil actions.—

(a) xxx

No counterclaim, cross-claim or third-party complaint may be filed by the accused in the criminal case, but any cause of action which could have been the subject thereof may be litigated in a separate civil action. (Emphasis supplied)

This paragraph was incorporated in the 2000 Rules of Criminal Procedure to address the lacuna mentioned in *Cabaero v. Cantos*[18] where the Court noted the "absence of clear-cut rules governing the prosecution of impliedly instituted civil action and the necessary consequences and implications thereof." [19] In the same vein,

the Court in Cabaero clarified that:

[T]he counterclaim of the accused cannot be tried together with the criminal case because, as already discussed, it will unnecessarily complicate and confuse the criminal proceedings. Thus, the trial court should confine itself to the criminal aspect and the possible civil liability of the accused arising out of the crime. The counterclaim (and cross-claim or third party complaint, if any) should be set aside or refused cognizance without prejudice to their filing in separate proceedings at the proper time.

Thus, a counterclaim in a criminal case must be litigated separately to avoid complication and confusion in the resolution of the criminal cases. This is the rationale behind Section 1 of Rule 111. The same rationale applies to NIC's collection case against petitioner and DPWH. Thus, NIC's collection case must be litigated separately before the Malabon trial court to avoid confusion in resolving the criminal cases with the Sandiganbayan.

Petitioner lodged its own counterclaim to the collection case filed with the Malabon trial court, praying for the return of the payment DPWH made to NIC arising from the dredging contracts. However, petitioner's counterclaim is deemed abandoned by virtue of Section 4 of PD No. 1606, as amended.[20] The last paragraph of Section 4 of PD No. 1606, as amended, provides that:

Any provision of law or Rules of Court to the contrary notwithstanding, the criminal action and the corresponding civil action for the recovery of civil liability shall at all times be simultaneously instituted with, and jointly determined in, the same proceeding by the Sandiganbayan or the appropriate courts, the filing of the criminal action being deemed to necessarily carry with it the filing of the civil action, and no right to reserve the filing of such civil action separately from the criminal action shall be recognized: Provided, however, That where the civil action had heretofore been filed separately but judgment therein has not yet been rendered, and the criminal case is hereafter filed with the Sandiganbayan or the appropriate court, said civil action shall be transferred to the Sandiganbayan or the appropriate court, as the case may be, for consolidation and joint determination with the criminal action, otherwise the separate civil action shall be deemed abandoned. (Emphasis supplied)

Petitioner's counterclaim in the civil case pending with the Malabon trial court for the return of the amount DPWH paid NIC is an action to recover civil liability ex delicto. However, this action to recover civil liability ex delicto is by operation of law included in the criminal cases filed with the Sandiganbayan. By mandate of RA No. 8249, the counterclaim filed earlier in the separate civil action with the Malabon trial court "shall be deemed abandoned."

The only question left is whether NIC's civil case before the Malabon trial court for collection of sum of money can proceed independently of the criminal cases filed with the Sandiganbayan. NIC's collection case for unpaid services from its dredging contracts with DPWH obviously does not fall under Articles 32, 33 or 34 (on Human Relations) of the Civil Code. Neither does it fall under Article 2176 (on quasi-delict) of the Civil Code. Under Section 3 of Rule 111, civil actions falling under Articles 32, 33, 34 or 2176 may proceed independently and separately from the criminal case. However, NIC cannot invoke any of these articles.

The only other possibility is for NIC's civil action to fall under Article 31 of the Civil Code which provides:

Art. 31. When the civil action is based on an obligation not arising from the act or omission complained of as a felony, such civil action may proceed independently of the criminal proceedings and regardless of the result of the latter.

An example of a case falling under Article 31 is a civil action to recover the proceeds of sale of goods covered by a trust receipt. Such civil action can proceed independently of the criminal action for violation of the trust receipt law.[21] In such a case, the validity of the contract, on which the civil action is based, is not at issue. What is at

issue is the violation of an obligation arising from a valid contract — the trust receipt.

However, when the civil action is based on a purported contract that is assailed as illegal per se, as when the execution of the contract is alleged to violate the Anti-Graft and Corrupt Practices Act, Article 31 does not apply. In such a situation, the contract if proven illegal cannot create any valid obligation that can be the basis of a cause of action in a civil case. Under Article 1409[22] of the Civil Code, a contract "whose cause, object or purpose is contrary to law," or a contract that is "expressly prohibited or declared void by law," is void from the very beginning. No party to such void contract can claim any right under such contract or enforce any of its provisions.

Under Section 3 (g) of the Anti-Graft and Corrupt Practices Act, entering into a contract that is manifestly and grossly disadvantageous to the government is "declared to be unlawful." If the act of entering into the contract is assailed as a crime in itself, then the issue of whether the contract is illegal must first be resolved before any civil action based on the contract can proceed. Only the Sandiganbayan has the jurisdiction to decide whether the act of entering into such contract is a crime, where the salary grade of one of the accused is grade 27 or higher,[23] as in Criminal Cases Nos. 16889-16900 filed with the Sandiganbayan.

Article 31 speaks of a civil action "based on an obligation not arising from the act x x x complained of as a felony." This clearly means that the obligation must arise from an act not constituting a crime. In the instant case, the act purporting to create the obligation is assailed as a crime in itself. That act, which is prohibited by law, is the entering into dredging contracts that are manifestly and grossly disadvantageous to the government.[24] A contract executed against the provisions of prohibitory laws is void.[25] If the dredging contracts are declared illegal, then no valid obligation can arise from such contracts. Consequently, no civil action based on such contracts can proceed independently of the criminal action.

In contrast, where the civil action is based on a contract that can remain valid even if its violation may constitute a crime, the civil action can proceed independently. Thus, in estafa thru violation of the trust receipt law, the violation of the trust receipt constitutes a crime. However, the trust receipt itself remains valid, allowing a civil action based on the trust receipt to proceed independently of the criminal case.

Clearly, NIC's civil case before the Malabon trial court does not fall under Article 31 of the Civil Code. This calls then for the application of the second paragraph of Section 2 of Rule 111 which states that "if the criminal action is filed after the said civil action has already been instituted, the latter shall be suspended in whatever stage it may be found before judgment on the merits." Consequently, the civil case for collection pending in the Malabon trial court must be suspended until after the termination of the criminal cases filed with the Sandiganbayan.

The suspension of the civil case for collection of sum of money will avoid the possibility of conflicting decisions between the Sandiganbayan and the Malabon trial court on the validity of NIC's dredging contracts. If the Sandiganbayan declares the dredging contracts illegal and void ab initio, and such declaration becomes final, then NIC's civil case for collection of sum of money will have no legal leg to stand on. However, if the Sandiganbayan finds the dredging contracts valid, then NIC's collection case before the Malabon trial court can then proceed to trial.

WHEREFORE, the petition is DENIED and the Decision of the Court of Appeals dated 18 July 1994 is AFFIRMED with MODIFICATION. The counterclaim of petitioner in Civil Case No. 1153-MN pending with the Regional Trial Court of Malabon, Branch 73, is deemed abandoned. The Regional Trial Court of Malabon, Branch 73, is ordered to suspend the trial of Civil Case No. 1153-MN until the termination of Criminal Cases Nos. 16889-16900 filed with the Sandiganbayan.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Vitug, Ynares-Santiago, and Azcuna, JJ., concur.

[1] Penned by Associate Justice Serafin V. C. Guingona with Associate Justices Gloria C. Paras and Minerva G. Reyes concurring.

[2] Republic of the Philippines thru the DPWH v. Hon. Amanda Valera-Cabigao, in her capacity as Presiding Judge, Regional Trial Court, Branch 73, Malabon, Metro Manila and Navotas Industrial Corporation.

[3] Later renamed into a Department.

[4] Now the Special Prosecutor.

[5] Aber P. Canlas, former DPWH Deputy Minister; Samuel T. Fadullon, former DPWH-NCR Regional Director; Rodolfo Palmera, former DPWH-NCR Asst. Regional Director; Carmelo Manuguid, DPWH-NCR Supervising Engineer; Edilberto Tayao, DPWH-NCR Chief Civil Engineer; Oscar Cammayo, Project Engineer, Manava Flood Control and Drainage Project, DPWH-NCR; Enrique Madamba, Jr., DPWH-NCR Chief Civil Engineer; and Edgardo Manansala, DPWH-NCR.

[6] NIC manifested to the Court that Cipriano Bautista died on 11 May 2000.

[7] Docketed as TBP Case No. 86-01163.

[8] Section 3(g) of RA No. 3019 declares unlawful the following act: "(g) entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby."

[9] Rollo, p. 21.

[10] Rule 22, Sec. 1. How to compute time.— In computing any period of time prescribed or allowed by these Rules, or by order of the court, or by any applicable statute, the day of the act or event from which the designated period of time begins to run is to be excluded and the date of performance included. If the last day of the period, as thus computed, falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day.

[11] *Pilipinas Kao, Inc. v. CA*, G.R. No. 105014, 18 December 2001; *Labad v. University of Southeastern Philippines*, G.R. No. 139665, 9 August 2001, 362 SCRA 510; *Unity Fishing Development Corp. v. CA*, G.R. No. 145415, 2 February 2001, 351 SCRA 140.

[12] *People v. Mejia*, 341 Phil. 118 (1997).

[13] PD 1861, Whereas Clause: "[I]n keeping with the constitutional mandate constituting the Sandiganbayan as a special court to try cases involving graft and corruption, and other offenses committed by public officers and employees in relation to their office, it is necessary and desirable that certain cases shall be triable by the appropriate courts, with appellate jurisdiction over these cases to be vested in the Sandiganbayan."

[14] Revising Presidential Decree No. 1486 Creating a Special Court to be known as 'Sandiganbayan' and for other Purposes, 10 December 1978.

[15] An Act Further Defining the Jurisdiction of the Sandiganbayan, Amending for the Purpose PD No. 1606, As Amended, Providing Funds Therefor, and for Other Purposes. 5 February 1997. At the time the Informations were

filed with the Sandiganbayan, the jurisdiction of the Sandiganbayan was governed by PD No. 1606, as amended by PD No. 1861, which provided as follows:

SEC. 4. Jurisdiction.— The Sandiganbayan shall exercise:

(a) Exclusive original jurisdiction in all cases involving:

(1) Violations of Republic Act No. 3019, as amended, otherwise known as the Anti-Graft and Corrupt Practices Act, Republic Act No. 1379, and Chapter II, Section 2, Title VII of the Revised Penal Code;

Other offenses or felonies committed by public officers and employees in relation to their office, including those employed in government-owned or controlled corporations, whether simple or complexed with other crimes, where the penalty prescribed by law is higher than prison correccional or imprisonment for six (6) years, or a fine of P6,000.00; PROVIDED, HOWEVER, that offenses or felonies mentioned in this paragraph where the penalty prescribed by law does not exceed prison correccional or imprisonment for six (6) years or a fine of P6,000.00 shall be tried by the proper Regional Trial Court, Metropolitan Trial Court, Municipal Trial Court and Municipal Circuit Trial Court.

x x x.

[16] G.R. No. 73836, 18 August 1988, 164 SCRA 505.

[17] 201 Phil. 422 (1982).

[18] 338 Phil. 105 (1997).

[19] *Casupanan v. Laroya*, G.R. No. 145391, 26 August 2002.

[20] PD No. 1606; PD No. 1861; RA No. 7975; and RA No. 8249.

[21] *South City Homes, Inc. v. BA Finance*, G.R. No. 135462, 7 December 2001; *Prudential Bank v. NLRC*, 321 Phil. 798 (1995); *Prudential Bank v. Intermediate Appellate Court*, G.R. No. 74886, 8 December 1992, 216 SCRA 257.

[22] Article 1409 of the Civil Code states: "The following contracts are inexistent and void from the beginning:

Those whose cause, object or purpose is contrary to law, morals, good customs, public order or public policy;

x x x

(7) Those expressly prohibited or declared void by law.

x x x."

[23] Section 4, PD No. 1606, as amended by RA No. 8249. At the time the Informations were filed in Criminal Cases Nos. 16889-16900, the Sandiganbayan still had exclusive jurisdiction over all violations of the Anti-Graft and Corrupt Practices Act and certain other special laws regardless of the salary grade of the accused public officials.

[24] TBP Case No. 86-01163 is for violation of Section 3(g) of RA No. 3019, among others. See Annex "A," Rollo, p. 68.

[25] Article 5 of the Civil Code provides as follows: "Acts executed against the provisions of mandatory or prohibitory laws shall be void, except when the law itself authorizes their validity."

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.