

FRANCISCO I. CHAVEZ, PETITIONER, VS. PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT (PCGG) AND MAGTANGGOL GUNIGUNDO, (IN HIS CAPACITY AS CHAIRMAN OF THE PCGG), RESPONDENTS. GLORIA A...

G.R. No. 130716. May 19, 1999

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Before the Court are (1) a "Motion for Leave to Intervene with Motion for Leave to File the Attached Partial Motion for Reconsideration xxx" and (2) "Partial Motion for Reconsideration," both filed on January 22, 1999, as well as movants' Memorandum of Authorities filed on March 16, 1999.

Movants Ma. Imelda Marcos-Manotoc, Ferdinand R. Marcos II and Irene Marcos-Araneta allege that they are parties and signatories[1] to the General and Supplemental Agreements dated December 28, 1993, which this Court, in its Decision promulgated on December 9, 1998, declared "NULL AND VOID for being contrary to law and the Constitution." As such, they claim to "have a legal interest in the matter in litigation, or in the success of either of the parties or an interest against both as to warrant their intervention." They add that their exclusion from the instant case resulted in a denial of their constitutional rights to due process and to equal protection of the laws. They also raise the "principle of hierarchical administration of justice" to impugn the Court's cognizance of petitioner's direct action before it.

The motions are not meritorious.

Intervention Not Allowed
After Final Judgment

First, we cannot allow the Motion for Leave to Intervene at this late stage of the proceedings. Section 2, Rule 19 of the Rules of Court, provides that a motion to intervene should be filed "before rendition of judgment xxx." Our Decision was promulgated December 9, 1998, while movants came to us only on January 22, 1999. Intervention can no longer be allowed in a case already terminated by final judgment.[2]

Second, they do not even offer any valid plausible excuse for such late quest to assert their alleged rights. Indeed, they may have no cogent reason at all. As Petitioner Chavez asserts,[3] the original petition, which was filed on October 3, 1997, was well-publicized. So were its proceedings, particularly the oral arguments heard on March 16, 1998. Movants have long been back in the mainstream of Philippine political and social life. Indeed, they could not (and in fact did not) even feign unawareness of the petition prior to its disposition.

Third, the assailed Decision has become final and executory; the original parties have not filed any motion for reconsideration, and the period for doing so has long lapsed. Indeed, the movants are now legally barred from seeking leave to participate in this proceeding. Nevertheless, we shall tackle their substantive arguments, most of which have been taken up in said Decision, so as to finally dispose any allegation, even in the remote future, of

lack of due process or violation of the right to equal protection.

No Denial of Due Process

Movants claim that their exclusion from the proceedings regarding the Agreements to which they were parties and signatories was a denial of "their property right to contract without due process of law."

We rule that the movants are merely incidental, not indispensable, parties to the instant case. Being contractors to the General and Supplemental Agreements involving their supposed properties, they claim that their interests are affected by the petition. However, as exhaustively discussed in the assailed Decision, the Agreements undeniably contain terms and conditions that are clearly contrary to the Constitution and the laws and are not subject to compromise. Such terms and conditions cannot be granted by the PCGG to anyone, not just to movants. Being so, no argument of the contractors will make such illegal and unconstitutional stipulations pass the test of validity.[4] The void agreement will not be rendered operative by the parties' alleged performance (partial or full) of their respective prestations. A contract that violates the Constitution and the law is null and void ab initio and vests no rights and creates no obligations. It produces no legal effect at all.[5] In legal terms, the movants have really no interest to protect or right to assert in this proceeding. Contrary to their allegations, no infraction upon their rights has been committed.

The original petition of Francisco I. Chavez sought to enforce a constitutional right against the Presidential Commission on Good Government (PCGG) and to determine whether the latter has been acting within the bounds of its authority. In the process of adjudication, there is no need to call on each and every party whom said agency has contracted with.

In any event, we are now ruling on the merits of the arguments raised by movants; hence, they can no longer complain of not having been heard in this proceeding.

Petition Treated as an Exception to the Principle of Hierarchical Administration of Justice

Movants allege that despite petitioner's own statement that he did not intend "to stop or delay xxx the proceedings involving the subject agreements as an incident before the Sandiganbayan," this Court ruled upon the validity of the said Agreements. They submit that it thereby preempted the Sandiganbayan and rendered moot the three-year proceedings so far undertaken by the latter court regarding the same. Movants pray that the proceedings before the anti-graft court be allowed to take their due course, consistent with the principle of the hierarchical administration of justice.

This matter has been discussed and ruled upon in the assailed Decision. Movants have not raised any new argument that has not been taken up. In any event, we wish to point out that the principle of the hierarchy of the courts generally applies to cases involving factual questions. The oft-repeated justification for invoking it is that such cases do not only impose upon the precious time of the Court but, more important, inevitably result in their delayed adjudication. Often, such cases have to be remanded or referred to the lower court as the proper forum or as better equipped to resolve the issues, since the Supreme Court is not a trier of facts.[6] Inasmuch as the petition at bar involves only constitutional and legal questions concerning public interest, the Court resolved to exercise primary jurisdiction on the matter.

Moreover, in taking jurisdiction over the Chavez petition, the Court actually avoided unnecessary delays and expenses in the resolution of the ill-gotten wealth cases, which have been pending for about twelve years now. With this Decision, the Sandiganbayan may now more speedily resolve the merits of Civil Case No. 141. Finally,

it is an elementary rule that this Court may at its sound discretion suspend procedural rules in the interest of substantial justice.[7]

Petition Sought to Define Scope of Right to Information

Movants insist that there was "nothing 'secret' or 'furtive' about the agreements as to warrant their compulsory disclosure by the Honorable Court xxx." They submit that when they filed their Motion for Approval of Compromise Agreements before the Sandiganbayan, they practically "opened to public scrutiny the agreements and everything else related thereto."

In our Decision, we have already discussed this point and, hence, shall no longer belabor it. Suffice it to say that in our Decision, we ruled that the Chavez petition was not confined to the concluded terms contained in the Agreements, but likewise concerned other ongoing and future negotiations and agreement, perfected or not. It sought a precise interpretation of the scope of the twin constitutional provisions on "public transactions." It was therefore not rendered moot and academic simply by the public disclosure of the subject Agreements.

Alleged Partial Implementation of Agreements Immaterial

The movants also claim that PCGG's grant to their mother of access rights to one of their sequestered properties may be equivalent to an implied ratification of the Agreements. As we have ruled, the subject Agreements are null and void for being contrary to the Constitution and the laws. Being null and void, they are not subject to ratification.[8] Neither will they acquire validity through the passage of time.[9]

Petition Presented Actual Case and Judicial Question

We reiterate that mandamus, over which this Court has original jurisdiction, is a proper recourse for a citizen to enforce a public right and to compel the performance of a public duty, most especially when mandated by the Constitution. As aptly pointed out by Mr. Justice Jose C. Vitug,[10] "procedural rules xxx [are] not cogent reasons to deny to the Court its taking cognizance of the case."

There is no political question involved here. The power and the authority of the PCGG to compromise is not the issue. In fact, we have not prohibited or restrained it from doing so. But when the compromise entered into palpably violates the Constitution and the laws, this Court is duty-bound to strike it down as null and void. Clearly, by violating the Constitution and the laws, the PCGG gravely abused its discretion.[11]

In sum, we hold that the motions are procedurally flawed and that, at this late stage, intervention can no longer be allowed. Moreover, movants are not indispensable parties to this suit which principally assails the constitutionality and legality of PCGG's exercise of its discretion. In any event, the Court has ruled on the merits of movants' claims. Hence, they can no longer complain, however remotely, of deprivation of due process or of equal protection of the law.

WHEREFORE, the motions are hereby DENIED for lack of merit. Let the Decision of this Court, dated December 9, 1998, be now entered.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Melo, Vitug, and Quisumbing, JJ., concur.

[1] The Court noted in its Decision of December 9, 1998 that Ferdinand R. Marcos II did not sign either of the Agreements. By filing these Motion to Intervene and Motion for Partial Reconsideration, Ferdinand R. Marcos II may now be deemed to have adhered to said Agreements.

[2] *Rabino v. Cruz*, 222 SCRA 493, 501, May 24, 1993; citing *Lorenzana v. Cayetano*, 78 SCRA 485, 490-492 (1977).

[3] In his Motion for Issuance/Release of Entry of Judgment, dated March 19, 1999; Rollo, pp. 528-566.

[4] See *Development Bank of the Philippines v. Court of Appeals*, 116 SCRA 636 (1982); *Sarsosa vda. de Barsobia v. Cuenco*, 113 SCRA 547 (1982); *Yap v. Grageda*, 121 SCRA 244 (1983).

[5] *Yuchengco, Inc. v. Velayo*, 115 SCRA 307 (1982). Also in *Tongoy v. Court of Appeals*, 123 SCRA 99 (1983), we further said:

"The following are the most fundamental characteristics of void or inexistent contracts:

1) As a general rule, they produce no legal effects whatsoever in accordance with the principle "*quod nullum est nullum producit effectum*."

2) They are not susceptible of ratification.

3) The right to set up the defense of inexistence or absolute nullity cannot be waived or renounced.

4) The action or defense for the declaration of their inexistence or absolute nullity is imprescriptible.

5) The inexistence or absolute nullity of a contract cannot be invoked by a person whose interests are not directly affected (p. 444, *Comments and Jurisprudence on Obligations and Contracts*, Jurado, 1969 Ed.; italics supplied)."

[6] *Santiago v. Vasquez*, 217 SCRA 633 (January 27, 1993); *Gordon v. Executive Secretary*, GR No. 134071, Resolution dated July 7, 1998 (both cited by the movants in their Partial Motion for Reconsideration).

[7] *Ramos v. Court of Appeals*, 269 SCRA 34, 51-52 (March 3, 1997); *Ysmael v. Court of Appeals*, 273 SCRA 165, 181 (June 10, 1997).

[8] Art. 1409, Civil Code; *Ouano v. Court of Appeals*, 188 SCRA 799 (August 21, 1990); *Oliver v. Court Appeals*, 234 SCRA 367 (July 21, 1994).

[9] *Gayapanao v. IAC*, 199 SCRA 309 (July 17, 1991).

[10] See Separate Opinion to the main Decision promulgated on December 9, 1998.

[11] *Guingona Jr. v. Gonzales*, 214 SCRA 789 (October 20, 1992).

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