

**ISABEL A. VDA. DE SALANGA, PABLO A. SALANGA, LUIS A. SALANGA,
JUAN A. SALANGA, JOSEFINA S. CASTILLO, BONIFACIO A. SALANGA,
CONCEPCION S. BAYLON, CRISTINA SMITH, BIANCA S. PALOMA...**

G.R. No. 134089. July 14, 2000

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

This special civil action for certiorari, prohibition and mandamus seeks to compel the dismissal of Civil Case No. 4991[1] on the ground that the same has been rendered moot and academic by virtue of the final and executory orders of the Municipal Trial Court of San Fernando, La Union, Branch 1, in Civil Case No. 2306, and is barred by res judicata, forum shopping, prescription and estoppel on account of the final Resolution of this Court in G.R. No. L-117259.

The present controversy arose as a consequence of the execution pending appeal of the January 8, 1992 judgment in the case of "Isabel Vda. De Salanga, et al. v. Shiptside, Incorporated," for ejectment, docketed as Civil Case No. 2306 of the Municipal Trial Court of San Fernando City, Branch 1 (hereinafter referred to as MTC). In that case, the MTC rendered judgment against defendant and in favor of plaintiffs. From that judgment, defendant filed an appeal[2] to the Regional Trial Court of San Fernando, La Union, Branch 29, (hereinafter referred to as RTC Branch 29), where the said Decision of MTC, Branch 1 of San Fernando City was affirmed in toto, and defendant was ordered to vacate the subject properties and to pay plaintiffs the arrearages in rentals.

Undaunted, defendant filed a Petition for Review with the Court of Appeals.[3] While said petition was awaiting resolution, execution pending appeal was ordered in the RTC Branch 29 to satisfy the monetary award in the January 8, 1992 MTC Decision. Accordingly, the public auction sale of defendant's properties was set for September 8, 1992.

Faced with the impending auction sale, defendant filed with the Court of Appeals, on August 20, 1992, an Urgent Motion to nullify the writ of execution pending appeal and to prevent the scheduled auction sale. On August 31, 1992, the Court of Appeals denied the Urgent Motion and dismissed CA-G.R. SP No. 28365.

The auction sale of some of defendant's properties proceeded on September 8, 1992, where the petitioners emerged as the highest bidders.

No redemption was effected by defendant within the one-year redemption period. Instead, defendant filed with this Court a Petition for Certiorari,[4] questioning the writ of execution as well as the auction sale. This Court denied the petition in a Resolution dated December 7, 1994. Defendant's first Motion for Reconsideration was denied on February 13, 1995, while its second Motion for Reconsideration was noted without action. The judgment became final and was entered on March 8, 1995.

On August 14, 1995, herein private respondent filed a Petition for the Annulment of Public Auction Sale before the Regional Trial Court of San Fernando, La Union, Branch 30, presided by respondent Judge Adolfo F.

Alagar.[5] The petition was based on alleged insufficiency of notice and inadequacy of bid price. As an alternative prayer, private respondent sought to be allowed to redeem the properties sold at public auction in the event such auction could not be declared invalid. Upon its filing, the Regional Trial Court of San Fernando, La Union issued a temporary restraining order, the lifetime of which was extended by subsequent status quo orders. Petitioners filed a Motion to Dismiss which the trial court denied on November 21, 1995.

Due to the court's refusal to dismiss Civil Case No. 4991, petitioner went to the Court of Appeals with a Petition for Certiorari, Prohibition and Mandamus.[6]

Meanwhile, on February 23, 1996, following entry of judgment in the ejectment case, the RTC Branch 29 remanded the case to the MTC for proceedings on matters involving execution of its final judgment. On May 22, 1996, finding that private respondent's right of redemption had already expired, the MTC ordered the issuance of an alias writ of execution for the satisfaction of its January 8, 1992 Decision as well as the issuance of Certificates of Final Sale to the purchasers at the public auction together with the issuance of writs of possession in their favor. It also ordered an accounting of the fruits and income of the properties from October 28, 1993 until delivery of the subject properties to petitioners. Private respondent's Motion for Reconsideration and Motion to Inhibit were both denied on July 17, 1996. These Orders later became final and executory.

Still, a Petition for Certiorari[7] assailing the enforcement of the two (2) MTC Orders was filed by private respondent before the Regional Trial Court of San Fernando, La Union where it was raffled to Branch 27, presided by respondent Judge Vicente A. Pacquing. Petitioners filed a Motion to Dismiss, but the Regional Trial Court, Branch 27, issued an Order on July 21, 1997, denying it and holding in abeyance the resolution of the petition until the Motion for Reconsideration in CA-G.R. SP No. 40534 was resolved.[8]

On August 29, 1996, a resolution was issued by the Court of Appeals in CA-G.R. SP No. 40534, finding that both Civil Case No. 4991 and the petition before it have become moot and academic because of the May 22, 1996 and July 17, 1996 Orders of the MTC -

"It is this Court's opinion that in view of the May 22, 1996 and July 17, 1996 orders of the trial court, after Civil Case No. 4586 was remanded to it, and considering further that the issues both petitioner and private respondent agreed to submit for resolution have been passed upon by the trial court, indeed Civil Case No. 4991 seeking the annulment of the auction sale of Shipside's properties before Judge Yaranon had become moot and academic and so with the instant petition before this court."

"We note with apprehension and skepticism another petition by herein private respondent Shipside filed before another branch of the Regional Trial Court seeking a temporary restraining order to be issued ex parte from enforcing supposedly two orders by the trial court. (Rollo, p. 539) Taking into account the history of this case, we caution against any attempt at forum shopping or dilatory trifling with judicial processes to delay further the enforcement of judgment and the termination of this case. Any such attempt to delay will be sternly dealt with. It degrades the administration of justice and is deplorable. The courts are burdened enough with a congestion of cases."[9]

Petitioners then reiterated their grounds for dismissal in another motion filed before the Regional Trial Court, Branch 30, in view of the aforequoted resolution in CA-G.R. SP No. 40534. Before this could be resolved, however, an Amended Decision was promulgated on January 19, 1998 in CA-G.R. SP No. 40534.[10] The Amended Decision in effect granted private respondent's Motion to Reconsider which sought to have the above-quoted portion of the Decision deleted on the ground that it is an unnecessary obiter dictum and relates to matters which were not properly brought before that court. Reconsidering the Decision earlier promulgated, the Court of Appeals made the following findings:

1. The suit for annulment of auction sale, being one incapable of pecuniary estimation, falls under the Regional Trial Courts, which has jurisdiction to entertain the Petition for the Annulment of the Public Auction Sale before it;
2. Private respondent never agreed to have this issue submitted to the Municipal Trial Court; indeed, its Petition with the Regional Trial Court was filed on August 14, 1995, whereas the remand of Civil Case No. 4586 from the Regional Trial Court Branch 29 to the Municipal Trial Court was only ordered on February 23, 1996;
3. The final and executory Court of Appeals and Supreme Court Decisions in CA-G.R. SP No. 28365 and G.R. No. 117259, respectively, did not touch on the issue of right of redemption or validity of auction sale, since the only issue was possession de facto; hence, res judicata does not apply; indeed, cause of action in Civil Case No. 4586 was unlawful detainer while that in Civil Case No. 4991 is annulment of auction sale.

In the light of the foregoing, the Court of Appeals dismissed the petition and deleted the obiter dictum in the original Decision. Petitioner's Urgent Motion to Compel Clerk of Court to Execute Final Judgment and Motion for Contempt were also denied. The Court of Appeals likewise denied petitioner's Manifestation (actually Motion for Reconsideration).

Hence, the instant Petition submitting that respondent Judge Alagar of RTC Branch 30 acted without jurisdiction and/or gravely abused his discretion, amounting to lack or excess of jurisdiction, in:

"REFUSING TO DISMISS CIVIL CASE NO. 4991 DESPITE THE SAME HAVING BECOME MOOT AND ACADEMIC AND/OR BARRED BY THE FINAL AND EXECUTORY ORDERS OF THE MTC AND/OR BY THIS TRIBUNAL'S RESOLUTIONS IN G.R. NO. 117259 BY RES JUDICATA AND/OR FORUM SHOPPING, WAIVER, PRESCRIPTION AND STOPPEL (sic).

And/Or

"REFUSING TO PERFORM HIS PLAIN LEGAL DUTY OF DISMISSING THE SAID MOOTED OR BARRED CASE IN WHICH HE IS LEFT WITH NO ALTERNATIVE BUT TO DISMISS THE SAME." [11]

with the following grounds added in the Supplemental Petition -

"x x x that the Honorable respondent Court of Appeals has acted without or in excess of its jurisdiction:
"IN AMENDING OR REVERSING ITS ORIGINAL DECISION WHICH RENDERED THE RESPONDENT RTC CIVIL CASE NO. 4991 AND ITS OWN CASE IN CA-G.R. SP No. 40534 MOOT AND ACADEMIC BY, AND IN WHICH THE ISSUES WERE ALREADY RESOLVED IN, THE FINAL JUDGMENT OF THE SUPREME COURT IN G.R. No. L-117259 AND, BY THE FINAL ORDERS OF THE MTC WHICH SIMPLY OBEYED THE RULE ON RES JUDICATA ESTABLISHED BY THE SUPREME COURT IN ITS SAID FINAL JUDGMENT IN SAID G.R. No. L-117259 IN ORDER TO ABET SHIPSIDE'S FORUM SHOPPING AND TO RELITIGATE THE SAME ISSUES." [12]

In fine, petitioners pray for the dismissal of Civil Case No. 4991 on the ground that it has become moot and academic; for a finding of forum shopping against private respondent and its lawyers with the meting out of corresponding penalties therefor; and for administrative sanctions against Judge Adolfo P. Alagar of RTC Branch 30, Judge Vicente A. Pacquing of RTC Branch 27 and Justice Buenaventura Guerrero for alleged gross ignorance of the law, serious misconduct and/or abetting forum shopping.

The petition must be dismissed.

To begin with, contrary to petitioners' passionate insistence, there lies no res judicata between Civil Case No. 4991 and the final judgment rendered in the unlawful detainer case it filed against private respondent.

In *Cagayan De Oro Coliseum, Inc. v. Court of Appeals*,^[13] we rejected claims of *res judicata* upon the following disquisition -

"The present petition hinges on the procedural issue of whether petitioner is barred by *res judicata* from assailing the validity of the execution proceedings over the subject property. Private respondent argues that Civil Case No. 89-098, the second action, is barred by the first action, i.e., CA-G.R. SP No. 10888, which we disposed of with finality in G.R. Nos. 79100 and 78315.

"For *res judicata* to be an absolute bar to a subsequent action, the following requisites must concur: (1) the former judgment or order must be final; (2) the judgment or order must be on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and parties; and (4) there must be between the first and second actions, identity of parties, of subject matter, and of causes of action (*Traders Royal Bank v. Intermediate Appellate Court*, 273 SCRA 521, 524 [1997]; *Guevara v. Benito*, 247 SCRA 570, 573 [1995]; *Javier v. Veridiano*, 237 SCRA 565, 570 [1994]; *American Inter-Fashion Corp. v. Office of the President*, 197 SCRA 409, 417 [1991]; *Nabus v. Court of Appeals*, 193 SCRA 732, 740 [1991]).

"The judgment in the first case, CA-G.R. SP No. 10888, which we reviewed in G.R. Nos. 78315 and 79100 was a final judgment. It was on the merits and rendered by this Court having jurisdiction over the subject matter and the parties. Whether there is identity of parties, of subject matter and causes of action, between CA-G.R. SP No. 10888 and this case, is the crux of the controversy.

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"Neither is there identity of subject matter. CA-G.R. SP No. 10888 did not directly involve the property subject matter of this case. It was concerned with the provisions of the compromise judgment and the claim that petitioner was denied due process by the trial court in granting execution. On the other hand, Civil Case No. 89-098 dealt with the validity of the execution proceedings after the validity of the compromise judgment was upheld (See *Ramos v. Pablo*, 146 SCRA 24, 31 [1986]).

"The two cases do not have the same causes of action. The test of identity of causes of action lies not in the form of action but on whether the same facts or evidence would support and establish the former and present causes of action (*Carlet v. Court of Appeals*, 275 SCRA 97, 107-108 [1997]; *Mendiola v. Court of Appeals*, 258 SCRA 492, 502 [1996]; *Nabus v. Court of Appeals*, 193 SCRA 732, 742-743 [1991]; *Vda de Cruz v. Cariaga, Jr.*, 174 SCRA 330, 343 [1989]). The doctrine of *res judicata* extends to facts and conditions as they existed at the time judgment was rendered and to the legal rights and relations of the parties fixed by the facts so determined (*Guevara v. Benito*, 247 SCRA 570, 573 [1995]; *Caina v. Court of Appeals*, 239 SCRA 252, 263 [1994]). The mere fact that the same relief is sought in the subsequent action will not render the judgment in the prior action operative as *res judicata*, such as when the two actions are brought on different statutes and rules as in the case at bar (*Nabus v. Court of Appeals*, *supra*, at 743).

"From the pleadings, the causes of action in CA-G.R. SP No. 10888 involved the lack of due process, the invalidity of the compromise judgment itself, particularly the provisions on the rates of interest and penalties vis-a-vis the Usury Law and C.B. Circular No. 721, as well as the application of payments under the Civil Code. On the other hand, the cause of action in Civil Case No. 89-098 is anchored on the validity of the execution proceedings and the debtor's exercise of the right of redemption under Rule 39 of the Rules of Court.

"In its motion for reconsideration of the Court of Appeals' decision in CA-G.R. SP No. 10888, petitioner assailed the validity of the writ of execution, the sheriff's notice of sale, the public auction sale of February 13, 1987 and the certificate of sale. A careful examination of said motion for reconsideration reveals that the validity of these documents of execution was assailed with respect to the computation of the amount of petitioner's debt subject of execution for not being in accordance with the decision of the Court of Appeals. In other words, it was the amount subject of execution that was questioned insofar as it did not conform with the reduced rates of interest and penalty charges imposed by the Court of Appeals. In fact, the Court of Appeals

nullified the writ of execution, sheriff's notice of sale, the public auction sale and the certificate of sale insofar as they were in excess of the modified judgment. The computation of petitioner's outstanding balance goes into the substantive provisions of the compromise judgment. Petitioner did not squarely and directly challenge the procedural infirmity of the execution proceedings but pursued the merits of the compromise judgment itself.

"G.R. No. 79100 was dismissed by this Court for late filing and on the ground that the Court of Appeals committed no reversible error. G.R. No. 78315 reversed the decision of the Court of Appeals in CA-G.R. SP No. 10888 and sustained the compromise judgment. Our factual finding then was that the execution proceedings 'did not take place as scheduled due to some internal problems in the office of the sheriff' (Commercial Credit Corporation of Cagayan de Oro v. Court of Appeals, G.R. No. 78315, 169 SCRA 1, 5 [1989]). The facts in the instant case now deal with the execution proceedings themselves. The two cases are not the same for the simple reason that the cause of action in Civil Case No. 89-098 arose only after the merits of the compromise judgment were passed upon with finality by this Court. It was error for respondent Court of Appeals therefore to declare that Civil Case No. 89-098 was a 'relitigation of issues' in CA-G.R. SP No. 10888."

Here, Civil Case No. 4991 did not directly involve the property subject matter of the ejectment case either. It was concerned with the validity of the execution proceedings, specifically the validity of the auction sale of private respondent's properties to satisfy the money judgment in the ejectment case. As such, said cases fail the test of identity of causes of action, i.e., whether the same facts or evidence would support and establish the causes of action in each case.

It is also error for petitioners to insist that the issues respecting the validity of the auction sale should have been raised with the MTC. Petitioners do not, as they cannot, deny that execution of the MTC judgment has been partially satisfied. Thus, the MTC can no longer act on private respondent's questions regarding the auction sale of its properties. As held in *Spouses Malolos v. Dy*[14] --

"We agree with petitioners that respondent's motion was inadequate to set aside the decision of the RTC, and the execution proceedings conducted pursuant thereto, when the judgment had already been satisfied. It is axiomatic that after a judgment has been fully satisfied, the case is deemed terminated once and for all (*Freeman, Inc. vs. Securities and Exchange Commission*, 233 SCRA 735 [1994]). Even in a case (*Seavan Carrier, Inc. vs. GTI Sportswear Corporation*, 137 SCRA 580 [1985]) involving a judgment that was only partially satisfied, this Court held that the trial court had lost its jurisdiction over the part of the proceedings involving the auction of the properties representing the amount already satisfied. We ratiocinated, thus:

The general rule is 'A case in which an execution has been issued is regarded as still pending so that all proceedings on the execution are proceedings in the suit. There is no question that the court which rendered the judgment has a general supervisory control over its process of execution, and this power carries with it the right to determine every question of fact and law which may be involved in the execution.' (*Vda. De Paman v. Señeris*, 115 SCRA 709). Moreover, it has been stated that it is 'when the judgment has been satisfied that the same passes beyond review, for satisfaction thereof is the last act and end of the proceedings. Payment produces permanent and irrevocable discharge.' (*Moran, Comments on the Rules of Court*, 1979 ed. Vol. II, p. 405).

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It is to be emphasized, however, that the petitioners [the defendants] at this stage of the proceedings may no longer question the propriety of the P462,000.00 bid of the private respondents [the plaintiffs] in relation to the properties sold at public auction. xxx.

Moreover, a certificate of sale on these properties in favor of the private respondents had already been issued on April 12, 1983 for a partial satisfaction of the judgment. In effect, this part of the judgment, having been satisfied, has passed beyond review. It is this part of the execution proceedings involving the auction sale of

the levied properties in the amount of P462,000.00 over which the trial court has lost its jurisdiction xxx."

"In this case, it appears that the decision of the RTC had already been fully executed and satisfied when respondent filed her Manifestation and Motion to Set Aside Judgment and/or To Suspend Proceedings. A parcel of land covered by TCT No. 452076 was acquired by petitioners in public auction. Likewise, a condominium unit had been purchased also at public auction by one Mario Pangilinan as the highest bidder thereof. Hence, the trial court had already lost jurisdiction over the execution proceedings, and the sale of these properties could no longer be questioned therein. Indeed, there are no more proceedings to speak of inasmuch as these were terminated by the satisfaction of the judgment. Respondent's motion is simply not the proper remedy either to question the judgment of the RTC, or the execution thereof."

Coming now to the case at bar, the records show that Certificates of Sale had already been issued to the herein petitioners who were successful bidders in the auction sale of private respondents' properties. Said Certificates were duly registered with the Register of Deeds of La Union on October 28, 1992. Applying the ruling in *Spouses Malolos*, supra, the issuance of said Certificates, representing a partial satisfaction of the judgment, effectively causes the MTC to lose jurisdiction "over such part of the proceedings involving the auction of the properties representing the amount already satisfied." Stated differently, following the issuance of Certificates of Sale to the petitioners, the MTC already lost its jurisdiction over the execution proceedings, and the sale of the properties sold at public auction could no longer be questioned therein.

All told, private respondent cannot be faulted in seeking relief through the Petition for Annulment of Public Auction Sale filed with the Regional Trial Court, all issues involving said auction sale being barred in the MTC, which had already lost jurisdiction over such portion of the proceedings.

We note that private respondent did raise the issues constituting its main cause of action in Civil Case No. 4991 before its pleadings with the Court of Appeals in CA-G.R. No. 28365 as well as with this Court in G.R. No. 117259. However, said issues were not touched upon or considered in either cases where judgment was simply on the merits of the ejectment case brought to them on appeal and no ruling, direct or otherwise, was made on the validity or invalidity of the auction sale on execution of private respondent's properties. Without such a ruling, *res judicata*, which literally means "a matter adjudged, a thing judicially acted upon or decided, a thing or matter settled by judgment,"^[15] can not be successfully pleaded by petitioners.

The instant Petition being directed against the alleged dismissible nature of Civil Case No. 4991 and there appearing to be no sufficient allegations respecting Civil Case No. 5090, we see no reason to rule upon the prayer to hold respondent Judge Vicente Pacquing for administrative charges.

In view of the foregoing, the prayer for administrative sanctions against respondent Judges Alagar and Pacquing and Justice Guerrero have no leg to stand on and should be, as it is hereby, denied.

WHEREFORE, the petition is DISMISSED. No pronouncement as to costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Pardo, JJ., concur.

[1] Petition for the Annulment of Public Auction Sale entitled "*Shipside, Incorporated v. Isabel Vda. De Salanga, et al.*," pending with the Regional Trial Court of San Fernando, La Union, Branch 30.

[2] Civil Case No. 4586.

[3] CA-G.R. SP No. 28365.

[4] G.R. No. 117259.

[5] Civil Case No. 4991.

[6] CA-G.R. SP No. 40534.

[7] Civil Case No. 5090.

[8] Rollo, pp. 335-353.

[9] Decision, CA-G.R. SP No. 40534, p. 5; Petition, Annex "X", Rollo, p. 328.

[10] Rollo, p. 366.

[11] Petition, p. 27; Rollo, p. 41.

[12] Supplemental Petition, p. 51; Rollo, p. 528.

[13] G.R. No. 129713, 15 December 1999.

[14] G.R. No. 132555, 17 February 2000.

[15] *Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing 46 Am Jur 2d, "Judgments," Sec. 394 [1969 ed.].

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