

HEIRS OF TRINIDAD DE LEON VDA. DE ROXAS, PETITIONERS, VS. COURT OF APPEALS AND MAGUESUN MANAGEMENT AND DEVELOPMENT CORPORATION, RESPONDENTS.

G.R. No. 138660. February 05, 2004

Ponente: CARPIO, J.

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CARPIO, J.:

The Case

This is a petition to cite for indirect contempt the officers of Meycauayan Central Realty Corporation (“Meycauayan”) for defying the final and executory Decision and Resolution of this Court in G.R. No. 118436 entitled “Heirs of Manuel A. Roxas and Trinidad de Leon Vda. De Roxas v. Court of Appeals and Magesun Management & Development Corporation” (“G.R. No. 118436”).[1]

The Antecedents

This petition stems from a case filed by Trinidad de Leon Vda. De Roxas to set aside the decree of registration over two unregistered parcels of land in Tagaytay City granted to Magesun Management and Development Corporation (“Magesun”) before the Regional Trial Court on the ground of actual fraud. The trial court dismissed the petition to set aside the decree of registration. On appeal, the Court of Appeals denied the petition for review and affirmed the findings of the trial court. On 21 March 1997, this Court reversed the appellate court’s decision in G.R. No. 118436. The dispositive portion reads:

WHEREFORE, the instant petition is hereby GRANTED. The Decision of the Court of Appeals in C.A. G.R. CV No. 38328 (“Trinidad de Leon Vda. de Roxas v. Magesun Management & Development Corporation, et al.”) promulgated on December 8, 1994 is hereby REVERSED AND SET ASIDE. Accordingly, registration of title over the subject parcels of land, described in Plan AS-04-000108, Lot Nos. 7231 and 7239, with an area of 3,461 and 10,674 square meters, respectively, as shown and supported by the corresponding technical descriptions now forming part of the Records of LRC No. TG-373, is awarded to herein petitioner Trinidad de Leon vda. de Roxas and her heirs, herein substituted as petitioners. Upon finality of this Decision, the Land Registration Authority is hereby directed to ISSUE with reasonable dispatch the corresponding decree of registration and certificate of title pursuant to Section 39 of Presidential Decree No. 1529.[2]

On 22 May 1997, Meycauayan filed a Petition for Intervention in G.R. No. 118436. Meycauayan alleged that on 14 May 1992, it purchased three parcels of land from Magesun which form part of the property awarded to the heirs of Trinidad de Leon Vda. De Roxas (“Roxas heirs”). Meycauayan contended that since it is a purchaser in good faith and for value, the Court should afford it the opportunity to be heard. Meycauayan contends that the adverse decision in G.R. No. 118436 cannot impair its rights as a purchaser in good faith and for value.

On 25 June 1997, this Court denied the Petition for Intervention. This Court also denied the Motion for Reconsideration filed by Magesun. Thus, on 21 August 1997, the Decision dated 21 March 1997 in G.R. No.

118436 became final and executory.

On 13 April 1998, the Land Registration Authority (“LRA”) submitted a Report to the Regional Trial Court of Tagaytay City, Branch 18 (“land registration court”), in LR Case No. TG-373, praying that the land registration court:

- a) Order the LRA to cancel Decree No. N-197092 in the name of Magesun to enable it to issue another decree in favor of the heirs of Manuel A. Roxas and Trinidad de Leon Vda. de Roxas;
- b) Order the Register of Deeds to cancel OCT No. 0-515 and all its derivative titles; and
- c) Order the issuance of the Decree with respect to the decision of the Supreme Court dated 21 March 1997.

Meycauayan filed with the land registration court a “Motion For Leave To Intervene And For Period Of Time To File Opposition To The Report Dated March 25, 1998 Filed By The LRA And To File Complaint-in-Intervention.”

On 4 June 1998, the Roxas heirs filed a Motion for Clarification with this Court raising the following issues:

- a) Whether it is necessary for the trial court to first order the LRA “to cancel Decree No. N-197092 in the name of Magesun Management and Development Corporation to enable (the LRA) to issue another decree in favor of the Heirs of Manuel A. Roxas and Trinidad de Leon Vda. de Roxas”? Or is that order necessarily included in the dispositive portion of the Supreme Court decision directing the LRA “to issue with reasonable dispatch the corresponding decree of registration and certificate of title” in favor of the Roxas heirs? Please note that this necessary implication is a consequence of the Supreme Court finding that the decree in favor of Magesun was wrongfully issued because it was “not entitled to the registration decree” as it had no registrable title, since “Zenaida Melliza (from whom Magesun supposedly bought the lots) conveyed no title over the subject parcels of land to Magesun Corporation as she was not the owner thereof.”
- b) Whether an order from the trial court is necessary for “the Register of Deeds concerned to cancel OCT No. 0-515 and all its derivative titles”? Or is that order necessarily included in the dispositive portion of the Supreme Court decision directing the LRA to issue the corresponding decree of registration and certificate of title in favor of the Roxas heirs, considering that the original certificate of title issued to Magesun was based on an illegal decree of registration as found by this Honorable Court. Further, the unconditional order of the Supreme Court to LRA to issue the corresponding certificate of title to the Roxas heirs necessarily implies that the OCT issued to Magesun and its derivative titles shall be canceled, for it cannot [be] assumed that the Supreme Court intended that the same parcel of land shall be covered by more than one certificate of title.
- c) Whether an order from the trial court is necessary before the LRA can comply with the Supreme Court decision directing the LRA “to issue with reasonable dispatch the corresponding decree of registration and certificate of title” in favor of the Roxas heirs?

On 23 June 1998, the Roxas heirs filed a Supplement to Motion for Clarification, the pertinent portions of which are:

1. In petitioners’ Motion for Clarification, one of the items sought to be clarified is whether the derivative titles (i.e., the titles derived from Magesun Management and Development Corporation’s [“Magesun”] Original Certificate of Title No. 0-515 and issued to Meycauayan Central Realty Corp.) should be canceled, together with Magesun’s certificates of title, so that new decree of registration and certificate of title can be issued to petitioners, as ordered in the decision of this Honorable Court dated 21 March 1997, which has become final and executory?
2. From the Petition for Intervention filed by Meycauayan Central Realty Corporation (“Meycauayan”) with this Honorable Court on 22 May 1997, the following statements, among others, are alleged:

- a. "That on May 14, 1992, the intervenor purchased for value several parcels of real property from private respondent Magesun Management and Development Corp. covered by TCT Nos. 24294, 24295 and 24296 containing an area of 2,019 square meters each, more or less."
- b. "That prior to paying the agreed purchase price in full to respondent Magesun, an investigation with the Tagaytay City Office of the Register of Deeds was made to determine and ascertain the authenticity, status and condition of the titles of Magesun over the aforesaid properties."
- c. "That investigation made by the intervenor with the Office of Register of Deeds of Tagaytay City showed that in all the certified true copies of the titles to the properties above-mentioned which were registered in the name of Magesun, the last entry which appeared was the following, to wit: x x x".
- d. "Appearing that the properties to be purchased by the herein intervenor from respondent Magesun have no existing liens and/or encumbrances and considering that the properties do not appear to be the subject of a pending case which would affect the titles of those who may subsequently purchase the same, the herein intervenor proceeded to pay, in full, the total amount of ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000.00) to Magesun. Immediately thereafter, Magesun, through its duly authorized officer, executed the corresponding Deeds of Absolute Sale."
- e. "That after the corresponding taxes and/or fees were paid by herein intervenor, the aforementioned TCT Nos. T-24294, 24295 and 24296, were canceled and in lieu thereof, new titles in the name of intervenor were issued by the Register of Deeds of Tagaytay City."
- f. "That on March 25, 1997, an officer of the intervenor corporation was informed of a newspaper report stating, in big bold letters, the following sub-headline, to wit:

SC RULES ON ROXAS FAMILY
LAND ROW IN TAGAYTAY".

- g. "The President of herein intervenor right after secured from the Tagaytay City Office of the Register of Deeds certified true copies of torrens titles over its Tagaytay City properties."
- h. "That only then, after it secured certified true copies of the titles mentioned in the preceding paragraph from the Office of the Register of Deeds of Tagaytay City, did intervenor come to know of the existence of a case involving the properties sold to it by respondent Magesun on May 14, 1992."

3. Meycauyan's Petition for Intervention was denied by this Honorable Court in its Resolution dated 25 June 1997, a denial that has since become final and executory. However, as stated in petitioners' Motion for Clarification, Meycauyan committed the proscribed act of forum-shopping by filing with the trial court a motion for leave to intervene raising again the issue of its alleged ownership of portions of the land.

4. In order to settle once and for all Meycauyan's allegation that it was a buyer in good faith, and to show that its derivative titles should be declared void and canceled by this Honorable Court, petitioners will show herein that the sale to Meycauyan was spurious or, at the very least, it was a buyer in bad faith.

In a Resolution dated 29 July 1998, this Court acted favorably on the Roxas heirs' Motion for Clarification and its Supplement. The pertinent portions of the Resolution read:

Upon careful consideration of the points made by petitioners in their motions, this Court finds the same meritorious and, hence, a clarification is in order. We, therefore, declare that our directive on the LRA to issue with reasonable dispatch the corresponding decree of registration and certificate of title also includes, as part thereof, the cancellation, without need of an order of the land registration court, of Decree No. N-197092, as well as OCT No. 0-515, and all its derivative titles. This is a necessary consequence of the Court's earlier finding that the foregoing documents were illegally issued in the name of respondent. But in light of Section 39

of Presidential Decree No. 1529 (the “Property Registration Decree”), Decree No. N-197092 which originated from the LRA must be cancelled by the LRA itself. On account of this cancellation, it is now incumbent upon the LRA to issue in lieu of the cancelled decree a new one in the name of petitioners as well as the corresponding original certificate of title. Cancellation of OCT No. 0-515, on the other hand, properly devolves upon the Register of Deeds who, under Section 40 of P.D. No. 1529, has earlier entered a copy thereof in his record book. OCT No. 0-515 having been nullified, all titles derived therefrom must also be considered void it appearing that there had been no intervening rights of an innocent purchaser for value involving the lots in dispute.

ACCORDINGLY, the Court hereby resolves to GRANT petitioners’ Motion for Clarification together with the Supplement thereto. For this reason, the dispositive portion of our decision dated March 21, 1997 is clarified, thus:

First, the Register of Deeds shall CANCEL OCT No. 0-515 and all its derivative titles, namely, TCT Nos. T-25625, T-25626, T-25627, T-25628, T-25688, T-25689, and T-25690, the latter three being already in the name of Meycauayan Realty and Development Corporation (also designated as “Meycauayan Central Realty, Inc.” and “Meycauayan Realty Corporation”).

Thereafter, the Land Registration Authority shall:

(a) CANCEL Decree No. N-197092 originally issued in the name of Maguesun Management and Development Corporation without need of an order from the land registration court; and

(b) ISSUE with reasonable dispatch a new decree of registration and a new original certificate of title (OCT) in favor of petitioners pursuant to Section 39 of Presidential Decree No. 1529. (Emphasis added)

On 11 December 1998, the land registration court issued an order denying the LRA Report dated 25 March 1998 and the Motion for Leave to Intervene filed by Meycauayan since the Supreme Court Resolution of 29 July 1998 had rendered them moot.

The Register of Deeds of Tagaytay City then canceled TCT Nos. T-25626, T-25627, T-25628, T-25688, T-25689, T-25690 and T-27390.[3] TCT Nos. T-25688, T-25689, T-25690 and T-27390 were derivative titles already in the name of Meycauayan.

On 5 April 1999, the Roxas heirs filed a Motion for Issuance of Writ of Possession with the land registration court.

On 20 April 1999, Meycauayan filed a Complaint for reconveyance, damages and quieting of title with the trial court entitled “Meycauayan Central Realty Corp. v. Heirs of Manuel A. Roxas and Trinidad de Leon Vda. de Roxas, Maguesun Management and Development Corp., Register of Deeds of Tagaytay City, City Assessor of Tagaytay City and Land Registration Authority.”[4] The Complaint is almost an exact reproduction of the Petition for Intervention filed by Meycauayan before this Court. The Complaint prayed for judgment:

1. Ordering the defendants Land Registration Authority and the Register of Deeds of Tagaytay City to cancel the titles and decree of registration they issued in lieu of TCT Nos. 25688, 25689, 25690 and 27390 registered in the name of plaintiff Meycauayan Central Realty Corporation and reconvey said properties to the plaintiff corporation by reinstating the said cancelled titles or if the same not be possible, cause the issuance of new decrees and titles thereto;
2. Ordering the defendant City Assessor of Tagaytay City to reinstate the Assessments for real estate taxes it previously cancelled covering the properties of plaintiff;
3. Ordering the defendants Roxas and Maguesun to jointly and solidarily pay the plaintiff actual and/or compensatory damages in the total amount of FIVE HUNDRED THOUSAND PESOS (P500,000.00);

4. Ordering the defendants Roxas and Maguesun to jointly and solidarily pay the plaintiff the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00) as and by way of nominal damages;
5. Ordering the defendants Roxas and Maguesun to jointly and solidarily pay the plaintiff exemplary damages in the amount of TWO HUNDRED THOUSAND PESOS (P200,000.00);
6. Ordering the defendants Roxas and Maguesun to jointly and solidarily pay the plaintiff Attorney's fees in the amount of ONE HUNDRED THOUSAND PESOS (P100,000.00); and
7. Ordering the defendants Roxas and Maguesun to jointly and solidarily pay the plaintiff the costs of suit.[5]

On 6 May 1999, Meycauayan filed a "Special Appearance Questioning Court Jurisdiction and Opposition to the Motion for Issuance of Writ of Possession Against Meycauayan Central Realty Corporation" with the land registration court.

On 2 September 1999, the land registration court issued an order, the dispositive portion of which reads:

WHEREFORE, in the light of the foregoing, let a Writ of Possession be issued against Maguesun Management and Development Corporation in these cases. However, insofar as Meycauayan Central Realty is concerned, let a resolution of the motion filed by the movants herein be deferred until the Supreme Court had resolved with finality the petition for contempt of herein movant in G.R. No. 138660.

On 7 March 2000, the trial court dismissed for lack of merit Meycauayan's complaint for reconveyance, damages and quieting of title. The trial court held that (1) the nullity of OCT No. 0-515, which is the source of Meycauayan's titles, is now *res judicata*; (2) the complaint's prayer for the trial court to annul the decision of the Supreme Court in G.R. No. 118436 is beyond the trial court's jurisdiction; and (3) Meycauayan is guilty of forum shopping.[6] The trial court likewise denied Meycauayan's Motion for Reconsideration in an Order dated 20 June 2000.[7] On 24 August 2000, Meycauayan filed a petition for certiorari under Rule 65 of the Rules of Court with the Court of Appeals assailing the trial court's dismissal of the complaint.

Meanwhile, the Roxas heirs filed on 2 June 1999 this petition to cite for indirect contempt the officers of Meycauayan.

The Issues

The parties raised the following issues:

1. Whether this Court's Decision and Resolution in G.R. No. 118436 bind Meycauayan;
2. Whether Meycauayan's act of filing with the trial court a complaint for reconveyance, damages and quieting of title involving parcels of land, which were the subject of this Court's Decision and Resolution in G.R. No. 118436, constitutes indirect contempt under Section 3, Rule 71 of the Rules of Civil Procedure; and
3. Whether Meycauayan is guilty of forum shopping.

The Court's Ruling

The petition is meritorious. We find Meycauayan's Executive Vice-President Juan M. Lamson, Jr. guilty of indirect contempt. We also find that Meycauayan committed forum shopping, and thus Meycauayan and its Executive Vice President Juan M. Lamson, Jr. are guilty of direct contempt.

The Roxas heirs allege that the following acts of Meycauayan constitute indirect contempt under Section 3, Rule 71 of the Rules of Civil Procedure: (1) Meycauayan's defiance of the final and executory Decision and Resolution

of this Court in G.R. No. 118436; (2) its act of filing pleadings before the land registration court to prevent execution of the Decision and Resolution; (3) its act of filing a Complaint raising the same issues in its Petition for Intervention which this Court had already denied and urging the trial court to ignore and countermand the orders of this Court.

On the other hand, Meycauayan alleges that the Decision in G.R. No. 118436 does not bind Meycauayan because it was not a party in the case. According to Meycauayan, the Decision in G.R. No. 118436 may be enforced against Magesun but not against Meycauayan which is a stranger to the case. Meycauayan insists that as a purchaser in good faith and for value its rights cannot be prejudiced by the alleged fraudulent acquisition by Magesun of the subject properties. Meycauayan, therefore, is not liable for contempt of court for filing an action for reconveyance, quieting of title and damages.

The issue of whether the Decision in G.R. No. 118436 binds Meycauayan was already addressed by this Court when it denied Meycauayan's Petition for Intervention. Furthermore, this Court's Resolution dated 29 July 1998 clarified the Decision dated 21 March 1997 by ordering the Register of Deeds to CANCEL OCT No. 0-515 and all its derivative titles, namely, TCT Nos. T-25625, T-25626, T-25627, T-25628, T-25688, T-25689, and T-25690, the latter three already in the name of Meycauayan Realty and Development Corporation (also designated as "Meycauayan Central Realty, Inc." and "Meycauayan Realty Corporation"). This Court also found that there had been no intervening rights of an innocent purchaser for value involving the lots in dispute.

Indirect Contempt

Meycauayan's obstinate refusal to abide by the Court's Decision in G.R. No. 118436 has no basis in view of this Court's clear pronouncement to the contrary. The fact that this Court specifically ordered the cancellation of Meycauayan's titles to the disputed parcels of land in the Resolution dated 29 July 1998 should have laid to rest the issue of whether the Decision and Resolution in G.R. No. 118436 is binding on Meycauayan. Clearly, Meycauayan's defiance of this Court's Decision and Resolution by filing an action for reconveyance, quieting of title and damages involving the same parcels of land which this Court already decided with finality constitutes indirect contempt under Section 3(d), Rule 71 of the Rules of Civil Procedure. Section 3(d) of Rule 71 reads:

SEC. 3. Indirect contempt to be punished after charge and hearing. — After a charge in writing has been filed, and an opportunity given to the respondent to comment thereon within such period as may be fixed by the court and to be heard by himself or counsel, a person guilty of any of the following acts may be punished for indirect contempt:

x x x

(d) Any improper conduct tending, directly or indirectly, to impede, obstruct, or degrade the administration of justice;

In *Halili, et al. v. CIR, et al.*,^[8] this Court explained the concept of contempt of court:

Contempt of court is a defiance of the authority, justice or dignity of the court; such conduct as tends to bring the authority and administration of the law into disrespect or to interfere with or prejudice parties litigant or their witnesses during litigation (12 Am. Jur. 389, cited in 14 SCRA 813).

Contempt of court is defined as a disobedience to the Court by acting in opposition to its authority, justice and dignity. It signifies not only a willful disregard or disobedience of the court's orders, but such conduct as tends to bring the authority of the court and the administration of law into disrepute or in some manner to impede the due administration of justice (17 C.J.S. 4).

This Court has thus repeatedly declared that the power to punish for contempt is inherent in all courts and is essential to the preservation of order in judicial proceedings and to the enforcement of judgments, orders, and mandates of the court, and consequently, to the due administration of justice (*Slade Perkins vs. Director of Prisons*, 58 Phil. 271; *In re Kelly*, 35 Phil. 944; *Commissioner of Immigration vs. Cloribel*, 20 SCRA 1241; *Montalban vs. Canonoy*, 38 SCRA 1).

Meycauayan's continuing resistance to this Court's judgment is an affront to the Court and to the sovereign dignity with which it is clothed.[9] Meycauayan's persistent attempts to raise issues long since laid to rest by a final and executory judgment of no less than the highest tribunal of the land constitute contumacious defiance of the authority of this Court and impede the speedy administration of justice.[10]

Well-settled is the rule that when a court of competent jurisdiction has tried and decided a right or fact, so long as the decision remains unreversed, it is conclusive on the parties and those in privity with them.[11] More so where the Supreme Court has already decided the issue since the Court is the final arbiter of all justiciable controversies properly brought before it.[12] As held in *Buaya v. Stronghold Insurance Co., Inc.*: [13]

x x x An existing final judgment or decree — rendered upon the merits, without fraud or collusion, by a court of competent jurisdiction acting upon a matter within its authority — is conclusive of the rights of the parties and their privies. This ruling holds in all other actions or suits, in the same or any other judicial tribunal of concurrent jurisdiction, touching on the points or matters in issue in the first suit.

x x x

Courts will simply refuse to reopen what has been decided. They will not allow the same parties or their privies to litigate anew a question, once it has been considered and decided with finality. Litigations must end and terminate sometime and somewhere. The effective and efficient administration of justice requires that once a judgment has become final, the prevailing party should not be deprived of the fruits of the verdict by subsequent suits on the same issues filed by the same parties.

This is in accordance with the doctrine of *res judicata* which has the following elements: (1) the former judgment must be final; (2) the court which rendered it had jurisdiction over the subject matter and the parties; (3) the judgment must be on the merits; and (4) there must be between the first and the second actions, identity of parties, subject matter and causes of action.[14] The application of the doctrine of *res judicata* does not require absolute identity of parties but merely substantial identity of parties.[15] There is substantial identity of parties when there is community of interest or privity of interest between a party in the first and a party in the second case even if the first case did not implead the latter.[16]

The Court ruled in G.R. No. 118436 that Meycauayan's predecessor-in-interest, Maguesun, committed actual fraud in obtaining the decree of registration of the subject properties. The Decision in G.R. No. 118436 binds Meycauayan under the principle of "privity of interest" since it was a successor-in-interest of Maguesun. Meycauayan, however, insists that it was a purchaser in good faith because it had no knowledge of any pending case involving the lots. Meycauayan claims that the trial court had already canceled the notice of *lis pendens* on the titles when it purchased the lots from Maguesun. In its Memorandum, Meycauayan stresses that to ensure the authenticity of the titles and the annotations appearing on the titles, particularly the cancelation of the notice of *lis pendens*, Meycauayan checked with the Register of Deeds and the Regional Trial Court of Tagaytay City.[17] Since Meycauayan checked with the Regional Trial Court of Tagaytay City, Meycauayan then had actual knowledge, before it purchased the lots, of the pending case involving the lots despite the cancelation of the notice of *lis pendens* on the titles.

Furthermore, as found by this Court in G.R. No. 118436, the Roxas family has been in possession of the property uninterruptedly through their caretaker, Jose Ramirez, who resided on the property.[18] Where the land sold is in

the possession of a person other than the vendor, the purchaser must go beyond the certificates of title and make inquiries concerning the rights of the actual possessor.[19] Meycauayan therefore cannot invoke the right of a purchaser in good faith and could not have acquired a better right than its predecessor-in-interest. This Court has already rejected Meycauayan's claim that it was a purchaser in good faith when it ruled in G.R. No. 118436 that there had been no intervening rights of an innocent purchaser for value involving the lots in dispute. As held in *Heirs of Pael v. Court of Appeals*: [20]

In the case of *Santiago Land Development Corporation vs. Court of Appeals* (G.R. No. 106194, 276 SCRA 674 [1997]), petitioner maintained that as a purchaser pendente lite of the land in litigation, it had a right to intervene under Rule 12, Section 2. We rejected this position and said that "since petitioner is not a stranger to the action between Quisumbing and the PNB, petitioner in fact having stepped into the shoes of PNB in a manner of speaking, it follows that it cannot claim any further right to intervene in the action." As in the instant *Petition*, it was argued that the denial of the Motion to Intervene would be a denial likewise of due process. But this, too, was struck down in *Santiago Land* where we held that "petitioner is not really denied protection. It is represented in the action by its predecessor in interest." Indeed, since petitioner is a transferee pendente lite with notice of the pending litigation between Reyes and private respondent Carreon, petitioner stands exactly in the shoes of Reyes and is bound by any judgment or decree which may be rendered for or against the latter.

Indeed, one who buys property with full knowledge of the flaws and defects of the title of his vendor and of a pending litigation over the property gambles on the result of the litigation and is bound by the outcome of his indifference.[21] A purchaser cannot close his eyes to facts which should put a reasonable man on guard and then claim that he acted in good faith believing that there was no defect in the title of the vendor.[22]

For the penalty for indirect contempt, Section 7 of Rule 71 of the Rules of Court provides:

SEC. 7. Punishment for indirect contempt. — If the respondent is adjudged guilty of indirect contempt committed against a Regional Trial Court or a court of equivalent or higher rank, he may be punished by a fine not exceeding thirty thousand pesos or imprisonment not exceeding six (6) months or both. x x x

In this case, Meycauayan Executive Vice President Juan M. Lamson, Jr. caused the preparation and the filing of the *Petition for Intervention* in G.R. No. 118436 and the *Complaint for Reconveyance, Damages and Quieting of Title* with the trial court.[23] Juan M. Lamson, Jr. signed the verification and certification of non-forum shopping for the *Petition for Intervention* and the *Complaint for Reconveyance, Damages and Quieting of Title*. "Even though a judgment, decree, or order is addressed to the corporation only, the officers, as well as the corporation itself, may be punished for contempt for disobedience to its terms, at least if they knowingly disobey the court's mandate, since a lawful judicial command to a corporation is in effect a command to the officers." [24] Thus, for improper conduct tending to impede the orderly administration of justice, Meycauayan Executive Vice President Juan M. Lamson, Jr. should be fined ten thousand pesos (P10,000).[25]

Direct Contempt

Meycauayan's act of filing a *Complaint for Reconveyance, Quieting of Title and Damages* raising the same issues in its *Petition for Intervention*, which this Court had already denied, also constitutes forum shopping. Forum shopping is the act of a party against whom an adverse judgment has been rendered in one forum, seeking another and possibly favorable opinion in another forum other than by appeal or special civil action of certiorari. There is also forum shopping when a party institutes two or more actions based on the same cause on the expectation that one or the other court might look with favor on the party.[26]

In this case, the Court had already rejected Meycauayan's claim on the subject lots when the Court denied

Meycauayan's Petition for Intervention in G.R. No. 118436. The Court ruled that there had been no intervening rights of an innocent purchaser for value involving the lots in dispute. The Decision of this Court in G.R. No. 118436 is already final and executory. The filing by Meycauayan of an action to re-litigate the title to the same property, which this Court had already adjudicated with finality, is an abuse of the court's processes and constitutes direct contempt.

Section 5 of Rule 7 of the Rules of Court provides that "if the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be a ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions." The fact that Meycauayan did mention in its certification of non-forum shopping its attempt to intervene in G.R. No. 118436, which this Court denied,[27] does not negate the existence of forum shopping. This disclosure does not exculpate Meycauayan for deliberately seeking a friendlier forum for its case and re-litigating an issue which this Court had already decided with finality.[28]

The general rule is that a corporation and its officers and agents may be held liable for contempt. A corporation and those who are officially responsible for the conduct of its affairs may be punished for contempt in disobeying judgments, decrees, or orders of a court made in a case within its jurisdiction.[29]

Under Section 1 of Rule 71 of the Rules of Court, direct contempt is punishable by a fine not exceeding two thousand pesos (P2,000) or imprisonment not exceeding ten (10) days, or both, if committed against a Regional Trial Court or a court of equivalent or higher rank. Hence, Meycauayan[30] and its Executive Vice President Juan M. Lamson, Jr. are each fined P2,000 for direct contempt of court for forum shopping.

WHEREFORE, we find Meycauayan Central Realty Corporation's Executive Vice President Juan M. Lamson, Jr. GUILTY of INDIRECT CONTEMPT and FINE him TEN THOUSAND PESOS (P10,000). Furthermore, we find Meycauayan Central Realty Corporation and its Executive Vice President Juan M. Lamson, Jr. GUILTY of DIRECT CONTEMPT for forum shopping and FINE them TWO THOUSAND PESOS (P2,000) each. The Court warns them that a repetition of the same or similar offense shall merit a more severe penalty.

SO ORDERED.

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

Azcuna, J., on official leave.

[1] 337 Phil. 41 (1997).

[2] Ibid.

[3] TCT No. 27390 was the new title issued in the name of Meycauayan in lieu of the canceled TCT No. 25625 registered in the name of Maguesun.

[4] Civil Case No. TG-1893.

[5] Rollo, pp. 62-63.

[6] Ibid., pp. 283-287.

[7] Ibid., p. 288.

[8] 220 Phil. 507 (1985).

- [9] *People v. Godoy*, 312 Phil. 977 (1995).
- [10] See *Pacquing v. Court of Appeals, et al.*, 200 Phil. 516 (1982).
- [11] *Fulgencio, et al. v. National Labor Relations Commission (First Division) and Raycor Aircontrol Systems, Inc.*, G.R. No. 141600, 12 September 2003; *Bardillon v. Barangay Masili of Calamba, Laguna*, G.R. No. 146886, 30 April, 2003; *Oropeza Marketing Corporation, et al. v. Allied Banking Corporation*, G.R. No. 129788, 3 December 2002.
- [12] *Firestone Ceramics, Inc. v. Court of Appeals*, 372 Phil. 401 (1999).
- [13] G.R. No. 139020, 11 October 2000, 342 SCRA 576.
- [14] *Rovels Enterprises, Inc. v. Ocampo*, G.R. No. 136821, 17 October 2002, 391 SCRA 176; *Quezon Province v. Hon. Marte*, 420 Phil. 177 (2001).
- [15] *Development Bank of the Philippines v. Court of Appeals*, G.R. No. 110203, 9 May 2001, 357 SCRA 626.
- [16] *Sendon v. Ruiz*, 415 Phil. 376 (2001).
- [17] *Rollo*, pp. 226-227, 229.
- [18] *Heirs of Manuel A. Roxas v. Court of Appeals*, 337 Phil. 41 (1997).
- [19] *Development Bank of the Phils. v. CA*, 387 Phil. 283 (2000).
- [20] 382 Phil. 222, 255-256 (2000), citing *Seveses v. Court of Appeals*, 375 Phil. 64, 72 (1999).
- [21] *Liu v. Loy*, G.R. No. 145982, 3 July 2003, citing *Toledo-Banaga v. Court of Appeals*, G.R. No. 127941, 28 January 1999, 302 SCRA 331.
- [22] *Domingo v. Roces*, G.R. No. 147468, 9 April 2003; *Development Bank of the Phils. v. CA*, 387 Phil. 283 (2000).
- [23] *Rollo*, pp. 32-33, 63.
- [24] 17 C.J.S. Contempt § 34 (1963).
- [25] In *Ang Bagong Bayani-OFW Labor Party v. COMELEC* (G.R. Nos. 147589 & 147613, 18 February 2003), the Court found the COMELEC members guilty of contempt for (1) issuing three Resolutions which are outside the jurisdiction of the COMELEC, (2) for degrading the dignity of this Court, (3) for brazen disobedience to this Court's lawful directives, and (4) for delaying the ultimate resolution of the many incidents of the party-list case, to the prejudice of the litigants and of the country. The COMELEC Chairman and four COMELEC Commissioners were each fined P20,000 while the two remaining Commissioners, whose actions were less serious in degree than their colleagues, were each fined P5,000. In *Gamido v. New Bilibid Prison* (G.R. No. 146783, 29 July 2002, 385 SCRA 325), the Court sentenced the petitioner to pay a fine of P10,000 or suffer imprisonment for a period of one month and one day, for appearing as counsel in the case without license to practice law. In *In Re: Published Alleged Threats Against Members of the Court in the Plunder Law Case Hurlled by Atty. Leonardo De Vera* (A.M. No. 01-12-03-SC, 29 July 2002, 385 SCRA 285), respondent lawyer was fined P20,000 for uttering statements aimed at influencing and threatening the Court in deciding in favor of the constitutionality of the Plunder Law. In *United BF Homeowners v. Sandoval-Gutierrez* (A.M. No. CA-99-30, 16 October 2000, 343 SCRA 162), the Court imposed a fine of P10,000 on one of the complainants whose scurrilous attacks on the honor and integrity of two justices as well as that of the members of this Court, undermined the Court's capacity to render justice.

[26] United Special Watchman Agency v. Court of Appeals, G.R. No. 152476, 8 July 2003; Santos v. Commission on Elections (First Division), G.R. No. 155618, 26 March 2003; New Sampaguita Builders Construction, Inc. v. The Estate of Fermina Canoso, G.R. No. 151447, 14 February 2003.

[27] Rollo, p. 63.

[28] See Request for Consolidation of Civil Case Nos. R-1169 & 3640, 416 Phil. 562 (2001).

[29] 17 Am. Jur. 2d Contempt § 60 (1990).

[30] Under Rule 71 of the Rules of Court, direct contempt may be punished summarily while indirect contempt requires a written charge and due hearing. Thus, although Meycauayan cannot be held guilty of indirect contempt because only the officers of Meycauayan were included in the charge for indirect contempt, Meycauayan can still be held guilty for direct contempt.

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