

**ZAMBOANGA BARTER TRADERS KILUSANG BAYAN, INC.
REPRESENTED BY ITS PRESIDENT, ATTY. HASAN G. ALAM,
PETITIONER, VS. HON. JULIUS RHETT J. PLAGATA, IN HIS CAPACITY
AS EXECUTIVE LABOR...**

G.R. No. 148433. September 30, 2008

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before Us is a Petition for Review on Certiorari under Rule 45 of the 1997 Rules of Civil Procedure which seeks to set aside the decision[1] of the Court of Appeals dated 20 November 2000 and its (2) Resolution[2] dated 31 May 2001 denying petitioner's motion for reconsideration. It likewise asks that the second alias writ of execution issued by Hon. Julius Rhett J. Plagata, Executive Labor Arbiter of NLRC-RAB IX, be annulled and declared without any legal effect, as well as the ensuing levy, sale on execution of the subject property and the writ of possession all issued and conducted pursuant thereto.

The Court of Appeals dismissed petitioner Zamboanga Barter Traders Kilusang Bayan, Inc.'s (ZBTKBI's)[3] petition for certiorari, which assailed public respondent Hon. Julius Rhett J. Plagata's orders dated 5 May 2000 and 7 June 2000 and the 23 May 2000 writ of possession he issued in NLRC Case No. RABIX-0133-81. The order dated 5 May 2000 granted private respondent Teopisto Mendoza's petition for the issuance of a writ of possession over the parcel of land subject of this case. Pursuant to the first order, the writ of possession was issued on 23 May 2000. The second order dated 7 June 2000 denied petitioner's motion for reconsideration of the first order.

The antecedents are as follows:

On 9 January 1973, President Ferdinand E. Marcos issued Presidential Decree No. 93[4] which legalized barter trading in the Sulu Archipelago and adjacent areas, and empowered the Commander of the Southwest Command of the Armed Forces of the Philippines (AFP) to coordinate all activities and to undertake all measures for the implementation of said decree.

On 17 June 1981, ZBTKBI, thru its President, Atty. Hassan G. Alam, and the Republic of the Philippines, represented by Maj. Gen. Delfin C. Castro, Commander, Southern Command of the AFP, and Chairman, Executive Committee for Barter Trade, entered into a Deed of Donation whereby ZBTKBI donated to the Republic a parcel of land covered by Certificate of Title (CTC) No. T-61,628 of the Registry of Deeds of Zamboanga City, identified as Lot No. 6 of consolidation subdivision plan Pcs-09-000184, situated in the Barrio of Canelar, City of Zamboanga, containing an area of thirteen thousand six hundred forty-three (13,643) square meters, more or less.[5] The Republic accepted the donation which contained the following conditions:

- That upon the effectivity or acceptance hereof the DONEE shall, thru the authorized agency/ministry, construct a P5 Million Barter Trade market building at the afore-described parcel of land;

- That the aforesaid Barter Trade Market building shall accommodate at least 1,000 stalls, the allocation of which shall be determined by the Executive Committee for Barter Trade in coordination with the Officers and Board of Directors the Zamboanga Barter Traders' Kilusang Bayan, Inc., provided, however, that each member of the DONOR shall be given priority;
- That the said Barter Trade Market building to be constructed as above-stated, shall be to the strict exclusion of any other building for barter trading in Zamboanga City, Philippines;
- That in the event barter trading shall be phased out, prohibited, or suspended for more than one (1) year in Zamboanga City, Philippines, the afore-described parcel of land shall revert back to the DONOR without need of any further formality or documentation, and the DONOR shall have the first option to purchase the building and improvements thereon.
- That the DONEE hereby accepts this donation made in its favor by the DONOR, together with the conditions therein provided.[6]

With the acceptance of the donation, TCT No. T-61,628[7] in the name of ZBTKBI was cancelled and, in lieu thereof, TCT. No. T-66,696[8] covering the same property was issued in the name of the Republic of the Philippines (Republic).

Pursuant to condition No. 1 of the Deed of Donation, the Government and Regional Office No. IX of the Department of Public Works and Highways (DPWH) constructed a Barter Trade Market Building worth P5,000,000.00 at the said Lot No. 6. The building was completed on 30 March 1983 and was occupied by members of ZBTKBI, as well as by other persons engaged in barter trade.[9]

Prior to said donation, on 16 March 1977, private respondent Teopisto Mendoza (Mendoza) was hired by ZBTKBI as clerk. Subsequently, in a letter dated 1 April 1981, ZBTKBI, through its President, Atty. Hasan G. Alam, informed Mendoza that his services were being terminated on the ground of abandonment of work.[10]

For this reason, Mendoza filed on 29 July 1981 before the Department of Labor Employment (DOLE), Regional Office No. 9, Zamboanga City, a Complaint for Illegal Dismissal with payment of backwages and separation pay. The complaint was docketed as RDO-STF Case No. 473-81. On 23 September 1981, the case was re-docketed as NLRC Case No. RAB IX-0133-81 and assigned to Executive Labor Arbiter Hakim S. Abdulwahid.[11]

On 31 May, 1983, Executive Labor Arbiter Abdulwahid rendered his decision finding the dismissal of Mendoza illegal and ordered ZBTKBI to reinstate Mendoza to his former position or any equivalent position, and to pay him backwages.[12] The decretal portion of the decision reads:

Wherefore, in view of the foregoing consideration, judgment is hereby rendered, ordering the respondent Zamboanga Barter Traders Kilusang Bayan, Inc. thru its president or authorized representative to reinstate complainant Teopisto Mendoza in his former position or any substantially equivalent position without loss of seniority rights and other privileges and with backwages to be computed at the rate of P866.00 a month from April 2, 1981 up to the time he is reinstated.

On 17 June 1983, ZBTKBI filed a Notice of Appeal[13] with the National Labor Relations Commission (NLRC). On 13 July 1983, Mendoza filed with the NLRC a Manifestation with Motion for Execution praying that petitioner's appeal not be given due course, and that a writ of execution enforcing the decision of the Labor Arbiter be issued.[14]

On 15 November 1983, the NLRC dismissed the appeal for lack of merit.[15] The decision, in part, reads:

It appears on record that this case had been set for hearing several times but for many occasions, the same had been postponed upon the instance of the respondent. On May 2, 1983, the counsel for the respondent sent a

note to the Executive Labor Arbiter requesting the cancellation of the May 2 hearing on the ground that he is no longer the legal counsel of the respondent and that all subsequent notices regarding the instant case should be addressed directly to the respondent. In compliance with the said request, the Executive Labor Arbiter sent a notice of hearing to the respondent advising the latter that the case is set for another hearing on May 30, 1983 at 9:00 a.m. with a warning that no postponement shall be allowed. But despite proper receipt of the notice, respondent deliberately failed to appear. Neither did it submit any position paper or documentary evidence to controvert the claim of the complainant. From the foregoing set of facts, it is clear that the respondent was given all the opportunity to be heard but deliberately chose to ignore the summons and warning of the Executive Labor Arbiter. Respondent is now deemed to have waived all its rights to present evidence and must now suffer the consequences of its own acts. Its claim of lack of due process certainly fails.[16]

On 3 January 1984, counsel for petitioner received a copy of the NLRC decision.[17] There being no appeal therefrom, the decision became final and executory on 18 January 1984.[18]

On 7 June 1984, the records of the case were returned to Executive Labor Arbiter Abdulwahid.[19]

On 2 July 1984, a Writ of Execution[20] was issued by Executive Labor Arbiter Abdulwahid.[21] Per Sheriff's Return,[22] dated 15 October 1984, the writ of execution was returned unsatisfied.[23] The Sheriff's Return reads:

On October 9, 1984 the undersigned sheriff went to the Office of Zamboanga Barter Traders, Kilusang Bayan, Incorporation at Pitit-Barack in this city to serve the Writ of Execution issued in NLRC Case No. RAB IX-0133-81; entitled Teopisto Mendoza versus Zamboanga Barter Traders, Kilusang Bayan, Incorporation. When in the said office I handed the said writ but the personnel refused to receive it. The undersigned proceeded to the Office of Atty. Alam, president of said incorporation accompanied by one of the employee assigned at Pitit-Barack Office, while in the office of the president the undersigned again handed the writ to the secretary of the president and asked her favor to receive the writ. She refused instead, said secretary presented the herein attached Writ of Execution to the president, Atty. Alam. The attention of the undersigned was called to enter the room of the president, without asking any question thrown back to the undersigned the said writ. The undersigned told the president that we are performing our duties and we can not deviate from doing it. Then, the president repeatedly uttered the statement please inform Atty. Hakim S. Abdulwahid to advise his sheriff when go there to the Zamboanga Barter Traders Store and attach the goods there to cloth with an iron shirt. The president also informed the undersigned that the incorporation has no money or saving, even to pay the salary of their employees are not enough. The undersigned has already done his best in order the respondent pay the award to satisfy the judgment in the herein mentioned case but he was threatened.

NOW THEREFORE, in view of the foregoing, the Writ of Execution is hereby returned unsatisfied.[24] (Emphasis supplied.)

On 25 October 1984, Mendoza filed an Ex Parte Motion for Issuance of an Alias Writ of Execution dated 23 October 1984.[25] An Alias Writ of Execution addressed to the Commanding Officer (or his duly authorized representative) of the Philippine Constabulary, Recom IX, Zamboanga City, was issued by Executive Labor Arbiter Abdulwahid on 19 November 1984.[26] Said writ remained unsatisfied.

On 17 June 1988, the Office of the President issued Memorandum Circular No. 1 which totally phased out the Zamboanga City barter trade area effective 1 October 1988.[27]

On 18 December 1989, Mendoza filed a Motion for Issuance of (Second) Alias Writ of Execution,[28] which public respondent Executive Labor Arbiter Julius Rhett J. Plagata issued on 2 January 1990.[29] The Second Alias Writ of Execution reads in part:

NOW, THEREFORE, you are hereby ordered to go to the premises of the respondent Zamboanga Barter Traders Kilusang Bayan, Inc. located at Canelar, Zamboanga City to reinstate complainant Teopisto Mendoza

in his former position and to collect from said respondent through its president or any authorized representative the amount of P90,930.00 representing complainant's backwages plus additional backwages to be computed at the rate of P866.00 per month from January 2, 1990 up to the time complainant is reinstated in his former position and thereafter to turn over said amount to this Regional Arbitration Branch for further disposition. Should you fail to collect said amount in cash, you are hereby directed to cause the satisfaction of the same on movable or immovable properties of the respondent not other (sic) exempt from execution. You are further directed to return this writ of execution within sixty (60) days from receipt hereof, together with your report thereon. You may collect your legal fee from the respondent in accordance with the Revised Rules of the NLRC.[30]

On 1 March 1990, in compliance with the Second Alias Writ of Execution, Sheriff Anthony B. Gaviola levied[31] whatever interest, share, right, claim and/or participation of ZBTKBI had over a parcel of land, together with all the buildings and improvements existing thereon, covered by Transfer Certificate of Title (TCT) No. 66,696 (formerly TCT No. 61,628).[32]

On 13 June 1990, the afore-described property was sold at public auction for P96,443.53, with Mendoza as the sole highest bidder.[33] The property was not redeemed. As a consequence, Sheriff Gaviola issued on 25 June 1991 a Sheriff's Final Certificate of Sale[34] in favor of Mendoza over whatever interest, share, right, claim and/or participation ZBTKBI had over the parcel of land.

Having failed to take possession of the land in question, Mendoza filed a Petition (for Issuance of Writ of Possession) on 14 February 2000,[35] praying that the same be issued ordering that actual possession over the real property, together with all the buildings and improvements thereon, covered by TCT No. 66,696, be given/delivered to him; and that ZBTKBI be ordered to reimburse and/or refund to him all rents, earnings and income from said properties from 13 June 1991 until he would be placed in actual possession thereof.[36]

In an Order dated 5 May 2000, Executive Labor Arbiter Plagata granted the petition.[37] The decretal portion of the order reads:

WHEREFORE, premises considered, complainant's petition dated 07 February 2000 for issuance of a writ of possession is hereby granted.

Accordingly, let a writ of possession be so issued to place the complainant in possession (of) the rights, interests, shares, claims, and participations of Zamboanga Barter Traders Kilusan Bayan, Inc. in that parcel of land covered by Transfer Certificate of Title No. T-66,696 of the Registry of Deeds for Zamboanga City, which were sold on execution to the complainant on 13 June 1990, and in whose favor a final certificate of sale for such rights, interests, shares, claims, and/or participation was executed and issued on 25 June 1991.[38]

Pursuant to said Order, a Writ of Possession was issued by Executive Labor Arbiter Plagata on 23 May 2000.[39]

A Notice dated 1 June 2000 informing ZBTKBI of the writ of possession was personally served by NLRC-RAB Branch No. IX Sheriff Danilo P. Tejada, but the same was not accepted.[40]

ZBTKBI filed on 5 June 2000 a Motion for Reconsideration of the order granting the writ of possession.[41] The motion was denied in an order dated 7 June 2000.[42]

Sheriff Tejada submitted a Sheriff's Service Report dated 22 June 2000 informing Executive Labor Arbiter Plagata that the writ of possession was returned duly served and fully satisfied.[43] On the same date, Mendoza, thru a letter, acknowledged that the writ of possession had been satisfied and implemented.[44]

On 5 July 2000, ZBTKBI filed a Petition for Certiorari and Prohibition, with Prayer for Injunction and/or Restraining Order before the Court of Appeals.[45] It raised the following issues:

- PUBLIC RESPONDENT AND SHERIFF TEJADA GRAVELY ABUSED THEIR DISCRETION WHEN THEY CAUSED THE LEVY ON THE PARCEL OF LAND BELONGING TO THE REPUBLIC, WITHOUT PRIOR NOTICE AND AFTER THE LAPSE OF FIVE YEARS FROM THE FINALITY OF JUDGMENT.
- PETITIONER RESPECTFULLY SUBMITS THAT THE PROCEEDINGS THAT FOLLOWED THE LEVY, SUCH AS THE SALE, AUCTION AND THE ISSUANCE OF WRIT OF POSSESSION, ARE VOID AB INITIO.
- PETITIONER RESPECTFULLY SUBMITS THAT THERE EXISTS NO LEGAL GROUND TO ALLOW RESPONDENT MENDOZA TO CONTINUOUSLY POSSESS THE PROPERTY BELONGING TO THE REPUBLIC.
- THE SALE OF THE PROPERTY TO MENDOZA BY THE NLRC-RAB 9 SHERIFF FOR P90, 930, BEING SO SCANDALOUSLY LOW AND SHOCKING TO THE CONSCIENCE, AMOUNTED TO GRAVE ABUSE OF DISCRETION.[46]

On 14 August 2000, the Office of the Solicitor General manifested that it be excused from filing a Comment on the petition.[47]

On 20 November 2000, the Court of Appeals promulgated a decision[48] denying the petition of ZBTKBI. In doing so, it ruled that based on the documents, the owner of the subject property was ZBTKBI and not the Republic. Since the Republic was not the owner of the property involved, there was no need to give it notice of the levy and subsequent sale. It said that the Office of the Solicitor General had declared that the Government had no interest in the instant case. It added that the sale of the property and the confirmation of Mendoza's ownership could not be annulled simply because the winning bid of P90,960.00 was scandalously low and shocking. It explained that it was for the benefit of the judgment debtor that the winning bid was low, for this gives him the opportunity to easily redeem the property.

ZBTKBI filed a Motion for Reconsideration,[49] which the Court of Appeals denied per resolution dated 31 May 2001.[50]

Hence, this petition for review on certiorari filed on 27 June 2001.

On 15 August 2001, this Court denied the petition for failure to show that a reversible error had been committed by the Court of Appeals.[51] Petitioner filed a motion for reconsideration[52] on 8 September 2001, which Mendoza opposed.[53]

On 12 November 2001, the Canelar Trading Center Stallholders,[54] represented by Atty. Amoran Batara, filed a Motion to Admit Intervention with Motion for Reconsideration of the Court's resolution dated 15 August 2001.[55] They asked the Court to declare the levy and public sale of the land covered by TCT No. T-66,696 as void ab initio and to allow them to pay the P96,000 plus legal interest from 30 June 1990 to Mendoza[56] to answer for the awards given him by the NLRC, and to order the Register of Deeds of Zamboanga City to cancel TCT No. T-66,696 and re-title the same in their names.

On 7 December 2001, Mendoza filed his Comment on petitioner's motion for reconsideration.[57]

On 14 January 2002, the Court granted petitioner's motion for reconsideration. The resolution of 15 August 2001 was set aside and the petition reinstated.[58] Mendoza was required to comment on the petition.

On 6 February 2002, the Committee on Good Government of the House of Representatives conducted a hearing regarding Hon. Benasing Macarambon, Jr.'s privilege speech concerning the alleged dubious awards of real

properties jointly owned by ZBTKBI and the Republic to Mendoza.[59] From said hearing, it appeared that Executive Labor Arbiter Rhett Julius J. Plagata admitted violating the Rules of Court and the Labor Code when he ordered the execution of his judgment by mere motion after five years from its finality.[60]

On 19 March 2002, the Court received Mendoza's Comment on the petition.[61]

On 14 March 2002, intervenors Canelar Trading Center Stallholders filed an Ex Parte Motion to Admit Additional Evidence consisting of the testimony of Executive Labor Arbiter Rhett Julius J. Plagata in the Congressional Hearing held on 6 February 2002.[62] ZBTKBI adopted said motion filed by the intervenors.[63]

On 12 July 2002, the Office of the Solicitor General, by way of Manifestation, declared that even assuming arguendo that the conditions for the reversion of the parcel of land donated by ZBTKBI to the Republic may have accrued at the time of the levy, the Republic had neither lost its title and right to the buildings and improvements it constructed on the subject land worth P5M, nor waived its right to exercise ownership over them.[64]

In a Manifestation dated 25 March 2003, intervenors informed the Court that a case in the RTC of Zamboanga City, docketed as Civil Case No. 5232, had been filed for the cancellation of TCT No. T-158,724 issued on 21 September 2001, regarding the subject lot, in the name of private respondent Teopisto Mendoza.[65]

The OSG was required to file its comment on the instant petition considering that government property was involved in this case.[66] It filed its Comment on 2 November 2006.

The instant petition raises the following issues:

- THE HONORABLE COURT OF APPELAS ERRED IN NOT PASSING UPON THE ISSUE OF THE NULLITY OF THE LEVY, IT HAVING BEEN MADE WITHOUT PRIOR NOTICE TO THE REPUBLIC.
- THE HONORABLE COURT OF APPEALS ERRED IN NOT DECLARING THAT ALL THE PROCEEDINGS SUBSEQUENT TO THE INVALID LEVY, SUCH AS THE AUCTION, THE CERTIFICATE OF SALE AND THE ISSUANCE OF THE WRIT OF POSSESSION, ARE VOID AB INITIO.
- THE HONORABLE COURT OF APPELAS ERRED IN NOT DECLARING THE EXECUTION SALE OF THE SUBJECT LOT AS VOID AB INITIO CONSIDERING THAT THE SHERIFF COMMITTED GRAVE ABUSE OF DISCRETION IN CAUSING AN OVER-LEVY ON A P100 MILLION PROPERTY FOR A JUDGMENT FOR SUM OF MONEY IN THE AMOUNT OF P96,433.53.
- THE HONORABLE COURT OF APPEALS ERRED IN NOT PASSING UPON THE ISSUE THAT THE JUDGMENT A QUO MAY NO LONGER BE EXECUTED BY MERE MOTION UNDER SECTION 6, RULE 39 OF THE RULES OF COURT (NOW 1997 RULES OF CIVIL PROCEDURE).
- THE HONORABLE COURT OF APPEALS ERRED IN CONCLUDING THAT THE DONATED PROPERTY HAS ALREADY REVERTED TO THE PETITIONER KILUSAN.[67]

In resolving this case, we first rule on the issue of ownership over the 13,643 square meters of land located at Barrio Canelar, City of Zamboanga.

Petitioner argues that the Court of Appeals erred in ruling that the donated property was no longer owned by the Republic of the Philippines because ownership thereof had already reverted to it (petitioner).

From the records, the subject property was donated by petitioner (donor) to the Republic (donee) with the following conditions already adverted heretofore but are being reiterated for emphasis:

- That upon the effectivity or acceptance hereof the DONEE shall, thru the authorized agency/ministry,

construct a P5 Million Barter Trade market building at the afore-described parcel of land;

- That the aforesaid Barter Trade Market building shall accommodate at least 1,000 stalls, the allocation of which shall be determined by the Executive Committee for Barter Trade in coordination with the Officers and Board of Directors the Zamboanga Barter Traders' Kilusang Bayan, Inc., provided, however, that each member of the DONOR shall be given priority;
- That the said Barter Trade Market building to be constructed as above-stated, shall be to the strict exclusion of any other building for barter trading in Zamboanga City, Philippines;
- That in the event barter trading shall be phased out, prohibited, or suspended for more than one (1) year in Zamboanga City, Philippines, the afore-described parcel of land shall revert back to the DONOR without need of any further formality or documentation, and the DONOR shall have the first option to purchase the building and improvements thereon.
- That the DONEE hereby accepts this donation made in its favor by the DONOR, together with the conditions therein provided. (Underscoring supplied)

It is clear from condition number 4 that the property donated to the Republic, in the event that barter trading was phased out, prohibited or suspended for more than one year in Zamboanga City, shall revert to the donor without need of any further formality or documentation. Effective 1 October 1988, per Memorandum Circular No. 1 of the Office of the President dated 17 June 1988, barter trade in Zamboanga City was totally phased out. Following the condition contained in the Deed of Donation, the donated land shall revert to the petitioner without further formality or documentation. It follows that upon the phase-out of barter trade, petitioner again became the owner of the subject land. As found by the Court of Appeals, Atty. Hasan G. Alam subscribed to the legal reality that ZBTKBI was the owner of the subject land when he wrote Lt. Gen. Ruperto A. Ambil, Jr. of the Southern Command on 6 February 1996, requesting the return of the original TCT covering the property.[68] Thus, when the property was levied and sold on 1 March 1990 and 13 June 1990, respectively, it was already petitioner that owned the same. It should be clear that reversion applied only to the land and not to the building and improvements made by the Republic on the land worth P5,000,000.00.

Petitioner further claims that the Court of Appeals erred in ruling that there was automatic reversion of the land, because it put the Republic in a disadvantageous situation when it had a P5 million building on a land owned by another.

This claim is untenable. The Court of Appeals merely enforced or applied the conditions contained in the deed of donation. The Republic accepted the donation subject to conditions imposed by the donor. In condition number 4, the Republic is given the right to sell the building it constructed on the land and the improvements thereon. If ever such condition is disadvantageous to the Republic, there is nothing that can be done about it, since it is one of the conditions that are contained in the donation which it accepted. There being nothing ambiguous in the contents of the document, there is no room for interpretation but only simple application thereof.

We likewise find to be without basis petitioner's claim that the Republic should be reimbursed of the cost of the construction of the barter trade building pursuant to condition number 4. There is nothing there that shows that the Republic will be reimbursed. What is stated there is that petitioner has the first option to purchase the buildings and improvements thereon. In other words, the Republic can sell the buildings and improvements that it made or built.

Petitioner's statement that neither party to the donation has expressly rescinded the contract is flawed. As above ruled, the deed of donation contains a stipulation that allows automatic reversion. Such stipulation, not being contrary to law, morals, good customs, public order or public policy, is valid and binding on the parties to the

donation. As held in *Dolar v. Barangay Lublub (Now P.D. Monfort North) Municipality of Dumangas*,^[69] citing *Roman Catholic Archbishop of Manila v. Court of Appeals*^[70]:

The rationale for the foregoing is that in contracts providing for automatic revocation, judicial intervention is necessary not for purposes of obtaining a judicial declaration rescinding a contract already deemed rescinded by virtue of an agreement providing for rescission even without judicial intervention, but in order to determine whether or not the rescission was proper.

When a deed of donation, . . . expressly provides for automatic revocation and reversion of the property donated, the rules on contract and the general rules on prescription should apply, and not Article 764 of the Civil Code. Since Article 1306 of said Code authorizes the parties to a contract to establish such stipulations, . . . not contrary to law, . . . public order or public policy, we are of the opinion that, at the very least, that stipulation of the parties providing for automatic revocation of the deed of donation, without prior judicial action for that purpose, is valid subject to the determination of the propriety of the rescission sought. Where such propriety is sustained, the decision of the court will be merely declaratory of the revocation, but it is not in itself the revocatory act.

The automatic reversion of the subject land to the donor upon phase out of barter trading in Zamboanga City cannot be doubted. Said automatic reversion cannot be averted, merely because petitioner-donor has not yet exercised its option to purchase the buildings and improvements made and introduced on the land by the Republic; or because the Republic has not yet sold the same to other interested buyers. Otherwise, there would be gross violation of the clear import of the conditions set forth in the deed of donation.

Petitioner maintains that the Court of Appeals erred in not passing upon the issue that the judgment a quo may no longer be executed by mere motion under Section 6, Rule 39 of the Revised Rules of Court.

Looking over the decision of the Court of Appeals, it appears that said issue was, indeed, skirted by the appellate court. Be that as it may, we shall rule on the same.

Petitioner contends that the decision of the NLRC dated 15 November 1983, which became final and executory on 18 January 1984, can no longer be executed by mere motion beyond five years after its finality during the first week of December 1983, but by independent action. It adds that the levy, which was made on the strength of a (second alias) writ of execution that was issued upon a mere motion by Mendoza filed after five years from the finality of the NLRC decision, was invalid. This being so, all proceedings subsequent to the levy, petitioner claims, are likewise void. To further support its contention, it submitted to the Court the transcript of stenographic notes of the Congressional Hearing of the Committee on Good Government of the House of Representatives wherein Executive Labor Arbiter Rhett Julius J. Plagata allegedly admitted that he violated the Rules of Court and the Labor Code when he ordered the execution of his judgment by mere motion after five years from its finality.

Was public respondent Labor Arbiter justified in issuing the second alias writ of execution when the motion asking for the same was filed on 18 December 1989 beyond five years after the decision of the NLRC became final and executory on 18 January 1984?

We believe so.

We find that private respondent Mendoza need not file an independent action to enforce the NLRC decision. The motion he filed on 18 December 1989 to execute the judgment is sufficient in light of his two prior motions^[71] filed within the five-year period and the non-satisfaction of the judgment for causes beyond his control.

Section 6 of Rule 39^[72] of the Rules of Court provides:

Sec. 6. Execution by motion or by independent action. - A judgment may be executed on motion within five

(5) years from the date of its entry or from the date it becomes final and executory. After the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action.

The purpose of the law (or rule) in prescribing time limitations for enforcing judgments or actions is to prevent obligors from sleeping on their rights.[73]

It is clear from the above rule that a judgment may be executed on motion within five years from the date of its entry or from the date it becomes final and executory. After the lapse of such time, and before it is barred by the statute of limitations, a judgment may be enforced by action.[74] If the prevailing party fails to have the decision enforced by a mere motion after the lapse of five years from the date of its entry (or from the date it becomes final and executory), the said judgment is reduced to a mere right of action in favor of the person whom it favors and must be enforced, as are all ordinary actions, by the institution of a complaint in a regular form.[75] However, there are instances in which this Court allowed execution by motion even after the lapse of five years upon meritorious grounds.[76] In *Lancita v. Magbanua*,[77] the Court declared:

In computing the time limited for suing out an execution, although there is authority to the contrary, the general rule is that there should not be included the time when execution is stayed, either by agreement of the parties for a definite time, by injunction, by the taking of an appeal or writ of error so as to operate as a supersedeas, by the death of a party, or otherwise. Any interruption or delay occasioned by the debtor will extend the time within which the writ may be issued without scire facias.

In *Republic v. Court of Appeals*,[78] we ruled:

To be sure, there had been many instances where this Court allowed execution by motion even after the lapse of five years, upon meritorious grounds. These exceptions have one common denominator, and that is: the delay is caused or occasioned by actions of the judgment debtor and/or is incurred for his benefit or advantage.

In *Gonzales v. Court of Appeals*,[79] we emphasized that if the delays were through no fault of the prevailing party, the same should not be included in computing the 5-year period to execute a judgment by motion.

In the case under consideration, the decision of the NLRC was promulgated on 15 November 1983, and it became final and executory on 18 January 1984 (not December 1983 as ruled by the Court of Appeals). On 2 July 1984, a writ of execution was issued by Executive Labor Arbiter Abdulwahid. Said writ was returned unsatisfied. From the return of the sheriff, there is no doubt that he was threatened by Atty. Hasan G. Alam, President of ZBTKBI, who told him to "clad himself with iron dress" if he would enforce the writ. Thereafter a motion for issuance of an alias writ of execution dated 23 October 1984 was filed by Mendoza, because the lifespan of the first writ of execution expired without being satisfied. Consequently, an Alias Writ of Execution was issued on 19 November 1984. The writ remained unsatisfied. At this point, two writs of execution were already issued but were not satisfied. On 18 December 1989, Mendoza filed a Motion for Issuance of (Second) Alias Writ of Execution, which public respondent Executive Labor Arbiter Rhett Julius J. Plagata issued on 2 January 1990.

It cannot be disputed that Mendoza had not slept on his rights. In fact, he filed three motions so that the judgment in his favor could be executed and satisfied. The judgment was satisfied by virtue of the second alias writ of execution, which was issued upon a motion filed beyond the five-year period. The satisfaction of the judgment was not successful during the first two writs of execution. The delay in the enforcement of the two writs was clearly caused by petitioner through its President, Atty. Alam. Said delay was indeed beneficial and advantageous to petitioner, because the judgment against it, at that time, was yet to be implemented. It is very clear that if not for the threats received by the sheriff tasked to implement the writs of execution, the satisfaction of judgment would not have been delayed.

Under the circumstances obtaining, we hold that the five-year period allowed for enforcement of a judgment by

motion was deemed to have been interrupted by petitioner. The prevention of the satisfaction of the judgment on the first two writs of execution cannot be blamed on Mendoza. The satisfaction of the judgment was already beyond his control. He did what he was supposed to do - file the requisite motions so that writs of execution would be issued. In view of the foregoing and for reasons of equity, we deem that the Motion for Issuance of Alias Writ of Execution filed by Mendoza on 18 December 1989 has been filed within the five-year period.

Petitioner argues that the levy made by Sheriff Anthony B. Gaviola on 1 March 1990 over the land subject of this case was void, there being no notice to its owner - the Republic. As a result, the Republic was deprived of its property without due process. It further argues that since the levy was invalid, all proceedings subsequent thereto -- such as the auction, the Final Certificate of Sale, and the issuance of the Writ of Possession -- are void ab initio.

We are not persuaded. The arguments advanced by petitioner, which are all premised on the assumption that the Republic was still the owner of the land when the levy was made, have no leg to stand on. As ruled above, the land reverted to petitioner without need of any further formality or documentation when barter trading was phased out in Zamboanga City. Not being the owner of the land when the levy was made, the Republic need not have been notified anymore. It cannot be deprived of a piece of land of which it is no longer the owner. If the Republic is still in possession of the TCT over the subject land, it must surrender the same to the proper authorities. The fact that the Republic is no longer the owner of the subject land does not mean that it no longer owns the buildings, structures and improvements it made and introduced on the subject land. Control and possession over said buildings, structures and improvements shall be returned to the Republic. The Republic, pursuant to condition No. 4 of the Deed of Donation, can sell the buildings, structures and improvements to interested buyers, with petitioner being the first in line.

Petitioner claims that the execution/auction sale of the subject land was void ab initio, considering that the sheriff made an over-levy when he levied the subject property allegedly worth P100 million pesos for a judgment claim worth P96, 433.53. It added that the price for which the subject land was sold at the auction sale was so scandalously low and shocking to the conscience. Moreover, it said that it should not be faulted for not redeeming the property within the allowable period.

The relevant section as to what a sheriff should levy upon in the enforcement of an execution of a money judgment is Section 15,[80] Rule 39 of the Rules of Court which provides:

Sec. 15. Execution of money judgments. - The officer must enforce an execution of a money judgment by levying on all the property, real and personal of every name and nature whatsoever, and which may be disposed of for value, of the judgment debtor not exempt from execution, or on a sufficient amount of such property, if there be sufficient, and selling the same, and paying to the judgment creditor, or his attorney, so much of the proceeds as will satisfy the judgment. Any excess in the proceeds over the judgment and accruing costs must be delivered to the judgment debtor, unless otherwise directed by the judgment or order of the court. When there is more property of the judgment debtor than is sufficient to satisfy the judgment and accruing costs, within the view of the officer, he must levy only on such part of the property as is amply sufficient to satisfy the judgment and costs.

Real property, stocks, shares, debts, credits, and other personal property, or any interest in either real or personal property may be levied on in like manner and with like effect as under a writ of attachment.

From said section, it is clear that a sheriff must levy upon and sell only such property, personal or real, as is amply sufficient to satisfy the judgment and costs. Petitioner faults the sheriff for levying on the subject property, the value of which is so much more than the money judgment.

Can the sheriff be faulted for levying on the subject land?

The answer is no. It must be remembered that the sheriff tried to satisfy the money judgment when he went to Atty. Alam, President of ZBTKBI. Instead of cooperating and satisfying the judgment, Atty. Alam did not comply with the money judgment. Instead, he threatened the sheriff, saying that if the latter insisted on enforcing the writ of execution, he should wear an iron dress. The actuation of Atty. Alam was clear defiance of the executory judgment. Petitioner had no intention of satisfying the judgment. Two writs of execution were issued, but they were not satisfied. If petitioner were truly willing to cooperate in the satisfaction of the judgment, the levy of the subject property could have been prevented if only petitioner handed over to, or informed, the sheriff any of its properties sufficient to satisfy the judgment. It did not. Knowing the risk and difficulty of levying on any of the properties of petitioner, the sheriff thus levied upon any property that he could get hold of - the subject property.

Petitioner insists that the auction sale of the subject property should be voided, because the winning bid was so scandalously low and shocking to the conscience.

We do not agree. It is settled that when there is a right to redeem, inadequacy of price is of no moment, for the reason that the judgment debtor always has the chance to redeem and reacquire the property. In fact, the property may be sold for less than its fair market value, precisely because the lesser the price, the easier for the owner to effect a redemption.[81] In *Hulst v. PR Builders, Inc.*, [82] the Court ruled:

[G]ross inadequacy of price does not nullify an execution sale. In an ordinary sale, for reason of equity, a transaction may be invalidated on the ground of inadequacy of price, or when such inadequacy shocks one's conscience as to justify the courts to interfere; such does not follow when the law gives the owner the right to redeem as when a sale is made at public auction, upon the theory that the lesser the price, the easier it is for the owner to effect redemption. When there is a right to redeem, inadequacy of price should not be material because the judgment debtor may re-acquire the property or else sell his right to redeem and thus recover any loss he claims to have suffered by reason of the price obtained at the execution sale. Thus, respondent stood to gain rather than be harmed by the low sale value of the auctioned properties because it possesses the right of redemption. x x x.

In the instant case, as stated in the Sheriff's Final Certificate of Sale, petitioner had the right to redeem, but it failed to exercise such right. In ruling on this matter, the Court of Appeals explained:

It works naturally for the benefit of the judgment debtor that the winning bid was low, for this gives him the opportunity to easily redeem his property through means easily within his grasp, provided he exercises a minimum of effort. When he foregoes such opportunity to redeem, he runs the risk of totally losing his property to the judgment creditor. He cannot later be heard in objection to the sale, claiming that the winning bid was too low. x x x Furthermore, it appears that petitioner was never deprived of its opportunity to recover the property it claims to have been unlawfully sold. It cannot claim that it is the Republic that is the real owner and was deprived of due process, it appearing that such is not the case, as previously explained.[83]

To show that it should not be faulted for its failure to exercise its right to redeem, petitioner explains as follows:

5.1. True, petitioner may have failed to redeem the property sold on execution within the allowable period, on the assumption that the prior levy and the auction sale were valid. The failure of the petitioner to do so, however, is not deliberate and made without any compelling reason. It appears that from the 2nd quarter of 1989 up to December 1995, the administration and operation of the petitioner-cooperative were entrusted by its President, Atty. Hasan G. Alam, to Treasurer, Mr. Hadji Muhaimin Alshibli, for reasons apparently personal to the president. It likewise appears that during the period when Mr. Alshibli was the caretaker of the petitioner-cooperative, he never convened or called the board to any meeting.

5.2. For reasons personal to him, he opted to administer and operate the cooperative in his own way. Admittedly, no member of the cooperative ever questioned the manner with which Mr. Alshibli was running the petitioner-cooperative. This being the case, neither the president nor any member of the board was aware

that the land used by the cooperative had been accordingly sold on execution and that the period to redeem it had already lapsed. Viewed in the light of this factual consideration, it would be highly prejudicial to the majority of the cooperative members if they are deemed to have permanently lost their own property just because of the failure of Mr. Alshibli to redeem the property for reasons purely personal to him.[84]

The foregoing explanation will not help petitioner escape the predicament it is in. It cannot pass the blame to others for having failed to exercise its right of redemption. Petitioner has no one to blame but its officers who failed to look after its interests and members. It could have redeemed the property but it failed to do so. It is now too late in the day for petitioner, considering that the ownership of the subject property was validly and legally transferred to Teopisto Mendoza when he bought said land at the auction sale without petitioner redeeming the same at the proper time.

WHEREFORE, all the foregoing considered, the instant petition is DENIED. The decision of the Court of Appeals dated 20 November 2000 in CA-G.R. SP No. 59520 is AFFIRMED.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Nachura and Reyes, JJ., concur.

[1] Penned by Associate Justice Rodrigo V. Cosico with Associate Justices Ramon A. Barcelona and Bienvenido L. Reyes, concurring. CA rollo, pp. 193-201.

[2] CA rollo, pp. 266-267.

[3] ZBTKBI is a cooperative duly registered with the Cooperative Development Authority on 16 July 1991 with address at Canelar, Zamboanga City. (CA rollo, p. 26.)

[4] Establishing Guidelines for Liberalizing Traditional Trade for the Sulu Archipelago and Adjacent Areas.

[5] CA rollo, pp. 48-50.

[6] Id. at 49.

[7] Id. at 51.

[8] Id. at 52.

[9] Rollo, p. 445.

[10] Records, p. 12.

[11] Id. at 14.

[12] Id. at 80-83.

[13] Id. at 89.

[14] Id. at 95-97.

[15] Id. at 98-99

[16] Id. at 100-101.

[17] Id. at 105.

[18] At that time, there was no appellate review from decisions of the NLRC except by Special Civil Action of Certiorari under Rule 65. In order to avail of such remedy, a motion for reconsideration was a precondition for any further or subsequent remedy. (*St. Martin Funeral Home v. NLRC*, G.R. No. 130866, 16 September 1998, 295 SCRA 494, 500-501.) In the instant case, there being no motion for reconsideration filed by petitioner, the NLRC decision became final and executory fifteen days after its receipt of the NLRC decision.

[19] Records, p. 107.

[20] *Id.* at 113.

[21] ART. 224. Execution of decisions, orders or awards. - (a) The Secretary of Labor, the Commission or any Labor Arbiter or med-arbiter may, upon his own initiative or on motion of any interested party, issue a writ of execution requiring the sheriff or a proper officer to execute final decisions, orders or awards of the Commission, the Labor Arbiter, or compulsory arbitrators or voluntary arbitrator. (Labor Code of the Phils..)

[22] NLRC Sheriff Omar S. Alibasa.

[23] Records, p. 114.

[24] *Id.*

[25] *Id.* at 119.

[26] *Id.* at 130.

[27] CA rollo, p. 112.

[28] Records, p. 137-138.

[29] *Id.* at 141-142.

[30] *Id.*

[31] Notice of Levy dated 28 February 1990; rollo, p. 161.

[32] Records, p. 145.

[33] *Ibid.*; See also CA rollo, p. 52.

[34] Records, pp. 145-146.

[35] *Id.* at 152-158.

[36] *Id.* at 152-158.

[37] *Id.* at 200-207.

[38] *Id.* at 204.

[39] *Id.* at 210-212.

[40] *Id.* at 214.

[41] *Id.* at 217-228.

[42] *Id.* at 250-251.

[43] *Id.* at 256-257.

[44] Id. at 260.

[45] CA rollo, pp. 2-25.

[46] Id. at 10.

[47] Id. at 91-92.

[48] Id. at 193-201.

[49] Id. at 214-247.

[50] Id. at 266-267.

[51] Rollo, p. 194.

[52] Id. at 204-218.

[53] Id. at 305-310.

[54] 99 individuals who are members and incorporators of ZBTKBI and are the present occupants and stall holders of the former Barter Trade site, which is now called and used as the "Canelar Trading Center.

[55] Rollo, pp. 395-421.

[56] Id. at. 418.

[57] Id. at 545-551.

[58] Id. at 589-a to 589-b.

[59] Id. at 598-793.

[60] Id. at 951-1111

[61] Id. at 1283-1291.

[62] Id. at 1293-1301.

[63] Id. at 1450-1454.

[64] Id. at 1468-1472.

[65] Id. at 2416-2418.

[66] Id. at 2885.

[67] Id. at 27-28.

[68] CA rollo, pp. 70, 113-114.

[69] G.R. No. 152663, 18 November 2005, 475 SCRA 458, 470.

[70] G.R. Nos. 77425 and 77450, 19 June 1991, 198 SCRA 300, 308-309.

[71] One was filed on 13 July 1983 even prior to the decision becoming final and executory.

[72] Prior to 1997 Rules of Civil Procedure.

[73] *Francisco Motors Corporation v. Court of Appeals*, G.R. Nos. 117622-23, 23 October 2006, 505 SCRA 8, 26.

[74] Camacho v. Court of Appeals, 351 Phil. 108, 113.

[75] Macias v. Lim, G.R. No. 139284, 4 June 2004, 431 SCRA 20, 39.

[76] Yau v. Silverio, Sr., G.R. Nos. 158848 and 171994, 4 February 2008, 543 SCRA 520, 529.

[77] 117 Phil. 39, 44-45 (1963).

[78] 329 Phil. 115, 121-122 (1996).

[79] G.R. No. 62556, 13 August 1992, 212 SCRA 595.

[80] Prior to the 1997 Rules of Civil Procedure.

[81] Valmonte v. Court of Appeals, 362 Phil. 616, 627 (1999).

[82] G.R. No. 156364, 3 September 2007, 532 SCRA 74, 103-104.

[83] CA rollo, p. 201.

[84] Rollo, pp. 41-42.

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