

HEIRS OF MAXIMINO DERLA, NAMELY: ZELDA, JUNA, GERALDINE, AIDA, ALMA, ALL SURNAMED DERLA; AND SABINA VDA. DE DERLA, ALL REPRESENTED BY THEIR ATTORNEY-IN-FACT, ZELDA DERLA, PETITI...

G.R. No. 157717. April 13, 2011

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

This Petition for Review on Certiorari[1] seeks to modify the August 30, 2002 Decision[2] and March 17, 2003 Resolution[3] of the Court of Appeals in CA-G.R. CV No. 63666, which affirmed the November 17, 1998 Order[4] of the Regional Trial Court (RTC) of Panabo, Davao, Branch 4, in Civil Case No. 97-15.

The facts, as culled from the records of the case and the November 11, 1991 Decision[5] of the Office of the President in O.P. Case No. 4732, as cited by both the petitioners and respondents, are set forth below:

The petitioners are the surviving heirs of the late Maximino Derla (Derla). With his first wife, the late Leonora Padernal, Derla had two children, Zelda and Juna. His children by his second wife and surviving widow Sabina Perlas were Geraldine, Aida, and Alma. Zelda acts as the petitioners' attorney-in-fact.

Respondent Catalina Vda. de Hipolito (Catalina) is Derla's cousin who was married to the late Ricardo Hipolito (Hipolito), having one daughter, Mae Hipolito. Except for Vina U. Casaway, the respondents, by virtue of individual sales (fishpond) patents issued by the Department of Agriculture and Natural Resources (DANR), are the registered owners of a 23.9-hectare fishpond area (the subject fishpond area) in Sitio Biyawa, Barrio Panabo, Municipality of Tagum, Davao under Original Certificates of Title (OCT) Nos. P-29095, 29096, 29098, 29099, 29100, 29101, 29102, and 29103.[6] Vina U. Casaway, being the Registrar of the Register of Deeds of Tagum, Davao Del Norte, was impleaded as a mere nominal party.

Twenty and five tenths (20.5) hectares of the subject fishpond area were originally maintained by Derla under Ordinary Fishpond Permit No. F-1080-F issued on March 2, 1950.[7] On May 8, 1950, Derla executed a Special Power of Attorney[8] in favor of Hipolito to represent him in all matters related to this fishpond area.[9] On the same date, Derla and Hipolito also executed a "Contract"[10] wherein Derla acknowledged Hipolito's rights in the 20.5-hectare fishpond area. In the "Contract," Derla stated that Hipolito owned one-half of the fishpond area, and that it was only for convenience that the permit was issued in Derla's name. The "Contract" also stated that Hipolito had been bearing all the expenses in relation to the fishpond area, subject to reimbursement once it became productive. Derla and Hipolito also stipulated therein that they could not alienate or transfer their rights to the fishpond area without the consent of the other.[11] On October 8, 1953, Derla executed a document captioned as "Transfer of Rights in Fishpond Permit" wherein he transferred all his rights in the fishpond area to Hipolito for Ten Thousand Pesos (P10,000.00).[12] Executed together with this document was Hipolito's own affidavit/promissory note wherein he stated that he agreed to buy his co-owner Derla's one-half undivided share for the initial amount of Four Thousand Five Hundred Pesos (P4,500.00) plus Five Hundred Pesos (P500.00) as

rental for the year 1952. Hipolito also promised to pay another Four Thousand Five Hundred Pesos (P4,500.00) once the conflict[13] regarding the subject fishpond area has been settled and arranged.[14]

On January 19, 1954, Hipolito filed Fishpond Application No. 11071 over the 20.5-hectare fishpond area (later reduced to 16.4 hectares due to the construction of the Biyawa Road at Panabo del Norte)[15] covered by Derla's permit. This was approved on August 10, 1956 under Ordinary Fishpond Permit (Transfer) No. F-3054-L (Hipolito's fishpond area).

On October 15, 1960, Derla filed his own Fishpond Application No. 21335 over a 7.5-hectare fishpond area adjoining Hipolito's fishpond area. On November 21, 1960, Hipolito charged Derla with Qualified Theft before the then Justice of the Peace Court of Panabo for gathering and carrying away fish from Hipolito's fishpond. Derla, in his defense, claimed that he was still part-owner of the fishpond when he harvested the fish.[16] On the strength of the "Transfer of Rights in Fishpond Permit" and Hipolito's Affidavit that he and Derla are co-owners of the fishpond and that he promised to pay Derla after the settlement of the fishpond boundary conflict, the court acquitted Derla on November 29, 1960.[17]

On March 8, 1962, the Director of Fisheries approved Derla's fishpond application. On November 6, 1967, the Secretary of Agriculture and Natural Resources (SANR), upon Hipolito's appeal, set aside the Director of Fisheries' order and declared that the 7.5-hectare fishpond area Derla applied for was included in the the area covered by Hipolito's Fishpond Permit No. F-3054-L.[18]

On December 5, 1967, Derla filed a complaint for "Declaration of Nullity of Transfer of Right in a Fishpond Permit" against Hipolito before the Court of First Instance (CFI), Branch II, Davao City.[19] This was docketed as Civil Case No. 5826 and was dismissed on December 8, 1969 on the ground of prescription and estoppel.[20] The CFI held that the prescriptive period to bring an action to annul a contract based on fraud, mistake or want of consideration should be counted from the date of discovery, and in case of public documents, the date of discovery is the date the public document was executed. The CFI held that since the Transfer of Rights in Fishpond Permit was executed in 1953, the action to annul has prescribed. As Derla claimed that he only found out about the fraudulent transfer in 1960 when Hipolito instituted a criminal case against him, the CFI maintained that even if the date of discovery were to be counted from 1960, his complaint was still filed beyond what the prescriptive period allowed. Furthermore, the CFI said that Derla could not be permitted to assail the very document he relied on to obtain his acquittal in the criminal case filed against him.[21] Derla elevated his cause to the Court of Appeals and this was docketed as CA-G.R. No. 47070-R.

Meanwhile, on October 27, 1969, the Office of the President affirmed in toto the SANR's November 6, 1967 decision. On April 20, 1970, the Commissioner of Fisheries issued Hipolito an Amended Fishpond Permit to cover a total fishpond area of 23.9 hectares, including the 7.5 hectares applied for by Derla.

On August 20, 1970, Hipolito, pursuant to Republic Act No. 5743,[22] filed Sales (Fishpond) Application No. (VIII-2) 9 with the Bureau of Lands over the subject fishpond area covered by his Fishpond Permit No. F-3054-L. The Municipality of Panabo opposed Hipolito's application on the ground that it will disrupt the development of Panabo. The SANR however, recommended the denial of this opposition as the authorities concerned had certified that the area applied for was not needed by the government for any future public improvement and that it was suitable for fishpond purposes. On February 11, 1972, the Office of the President, through then Acting Assistant Executive Secretary Ronaldo B. Zamora agreed with the SANR's position that Hipolito had already acquired a vested right over his fishpond area and the enactment of Republic Act No. 5743 could not ipso facto divest him of such right; hence, the Municipality of Panabo's opposition was dismissed and Hipolito's Fishpond Sales Application was given due course. The Municipality of Panabo filed two motions for reconsideration but

both were denied by the Office of the President on November 2, 1972 and January 24, 1973.[23]

On September 26, 1973, the Court of Appeals also dismissed Derla's appeal of the CFI's December 8, 1969 ruling in Civil Case No. 5826. The Court of Appeals, which affirmed in toto the CFI's decision, charged Derla with double costs as the appeal appeared to have been prosecuted solely for dilatory purposes.[24] Derla's petition for review on certiorari, docketed as G.R. No. L-38230, was likewise denied by this Court in a Resolution dated February 22, 1974, and this became final and executory on March 27, 1974 as certified in an Entry of Judgment dated April 18, 1974.[25]

Meanwhile, the Municipality of Panabo filed with the CFI of Tagum, Davao del Norte, Civil Case No. 45 for Certiorari with Preliminary Injunction against Hipolito, Assistant Secretary Zamora, the Acting Director of Lands and the District Lands Officer. During the pendency of the case, a Municipal Judge of Panabo, Francisco Consolacion, wrote to a certain Antonio Floirendo about Hipolito's fishpond sales application.[26] On January 27, 1974, then President Ferdinand E. Marcos wrote the following marginal note on Judge Consolacion's letter:

Sec. Tangco
Asst. Sec. Zamora:

If the land applied for by Hipolito is sold to him, it will prejudice the national interest as the land is in the middle of the national projects - a pier and warehouses.

So his sales application should be rejected subject to reimbursement of Hipolito's expenses and the land transferred to the Municipality of Panabo.

Sgd.
F.E. Marcos[27]

Consequently, the Office of the President revoked its February 11, 1972 ruling on Hipolito's application in a Letter Decision[28] dated February 5, 1974. The Office of the President ordered the transfer of the subject fishpond area to the Municipality of Panabo upon payment of the expenses incurred by Hipolito. [29] Hipolito's motion to reconsider this decision was denied on July 23, 1974.[30]

On August 19, 1974, Hipolito filed a Petition for Certiorari with the CFI of Davao, praying for the declaration of nullity of the February 5, 1974 and July 23, 1974 Decisions of the Office of the President and the reinstatement of the February 11, 1972 Decision. On March 9, 1975, the CFI issued a writ of preliminary injunction to maintain the status quo and restrain the Municipality of Panabo from performing any act in connection with the subject fishpond area.

Despite this injunction, the Municipality of Panabo, on September 12, 1985, passed Resolution No. 176 and leased 3.5 hectares each to Zelda Derla, Melencio Panes, and Lovigildo Dolor for a rental equivalent to twenty percent (20%) of the gross sales of all the produce of their leased areas.[31]

On November 3, 1975, the CFI of Davao dismissed Hipolito's petition on the belief that former President Marcos' directive was an instruction or an act promulgated, issued or done by the president which has the force and effect of law.[32] The Court of Appeals likewise dismissed Hipolito's appeal docketed as CA-G.R. No. SP-05241[33] on July 26, 1977. An Entry of Judgment having been made, this Decision became final and executory on August 26, 1977.[34]

Sometime after the EDSA Revolution, Catalina filed a petition with the Office of the President for the Revival of the Fishpond Sales Application No. (VIII-2) 9 of her late husband Hipolito. This was docketed as O.P. Case No. 4732 and in support of her petition, Catalina alleged that she was a victim of the Marcos Regime and her fishpond

was taken away from her despite a final and executory decision in her favor; that contrary to the allegations of the then mayor of Panabo, the approval of their fishpond sales application will not disrupt the municipality's development plan; that the Office of the President had already categorically ruled that Republic Act No. 5743 cannot divest Hipolito of his vested rights over the fishpond area; that the February 11 and November 2, 1972 Decisions have already lapsed into finality; and that the supposed conversion of the fishpond area into a fishery school was but a mere subterfuge to unjustly deprive the Hipolitos of their right over the fishpond area.[35]

Catalina's petition was referred to the then Ministry of Agriculture and Food (now Department of Agriculture) for an updated comment and recommendation. On April 18, 1988, the Ministry, in its return communication[36] to the Office of the President, commented that the subject fishpond area could not be fully utilized and were in excess of the Municipality of Panabo's needs as certain portions were leased out; that the amount of One Hundred Thousand Pesos (P100,000.00) paid as reimbursement to Hipolito was insufficient considering that Hipolito invested a total of Two Hundred Fifty-Eight and Six Hundred Pesos (P258,600.00) in the development and improvement of the subject fishpond area; that Catalina had not been deprived of her right to renew her late husband's fishpond permit or her right to apply for a fishpond lease contract, and that in fact, under Section 23 of Presidential Decree No. 704, public lands suitable for fishpond purposes shall be sold to applicants whose applications have been processed and approved on or before November 6, 1972. The Ministry found that based on the records, the Hipolitos were not accorded due process when they were deprived of the subject fishpond area in favor of the Municipality of Panabo, thus recommended that Catalina's petition be given due course, subject to her refund of the One Hundred Thousand Pesos (P100,000.00) she had received as reimbursement from the Municipality of Panabo.[37]

On the basis of the above findings and recommendation, the Office of the President, through then Executive Secretary Franklin M. Drilon, granted Catalina's petition in a Resolution[38] dated November 11, 1991, with the following dispositive portion:

IN VIEW OF THE FOREGOING, and in the interest of more enlightened, impartial and substantive justice, the instant petition is hereby GRANTED. Accordingly, the Bureau of Fisheries and Aquatic Resources is hereby directed to process and approve Sales (Fishpond) Application No. (VIII-2)9 of the late Ricardo Hipolito covering 23.9 hectares situated at San Vicente, Biyawa, Panabo, Davao del Norte, and thereafter issue the corresponding sales patent or certificate of title, excluding, however, therefrom a strip of one hundred (100) meters from the shoreline at high tide. It is further hereby directed that petitioner Catalina D. Hipolito refund to the Municipality of Panabo, Davao del Norte, the sum of P100,000.00 she received therefrom in consideration of the entire fishpond area.[39]

Deciding in Catalina's favor, the Office of the President held that the late Hipolito, having complied with all the terms and conditions for an award of the subject fishpond area, had already acquired a vested right therein.[40] The Office of the President also applied the doctrine of *res judicata* as its February 5, 1974 decision rejecting Hipolito's fishpond sales application was based on then President Marcos' marginal note, which it found to be legally and constitutionally suspect for having been issued after the February 11 and November 2, 1972 decisions had become final and executory. The Office of the President also ruled on the prohibition under Presidential Decree No. 43, saying that the SANR at that time directed the continuance of the processing of the pending fishpond sales application subject to a final inspection and verification.

On January 28, 1992, the petitioners filed a Motion for Reconsideration of the November 11, 1991 Resolution of the Office of the President.[41] Mesdames Profitresa Dolor (Dolor) and Amelita Panes (Panes), as lessees of portions of the subject fishpond area, also filed their Protest with Motion for Reconsideration on March 11, 1992.

On August 2, 1992, the Office of the President denied the petitioners' motion due to the fact that not only was it

filed beyond the reglementary period, but also because of petitioners' failure to timely assert their claims considering that the subject fishpond area had been a subject of a long controversy between the Hipolitos and the Municipality of Panabo. Dolor and Panes' protest with motion for reconsideration was likewise dismissed on the ground that their claims to the subject fishpond area were anchored on lease contracts which were legally questionable for having been executed by the Municipality of Panabo at a time when it was judicially restrained from allowing private persons to enter, occupy or make any kind of construction on the subject fishpond area.[42]

On September 30, 1992, the petitioners filed an unsigned "Second Motion for Reconsideration" which was denied by the Office of the President in an Order[43] dated February 26, 1993 as the November 11, 1991 Resolution sought to be reconsidered had already become final. The Order also required the records of the case to be remanded to the Bureau of Fisheries and Aquatic Resources for immediate execution/implementation of the November 11, 1991 Resolution.

Upon the Department of Environment and Natural Resources' (DENR) request, the Office of the President declared its November 11, 1991 Resolution final and executory in an Order dated April 27, 1995.[44]

On May 22, 1995, the petitioners wrote then Executive Secretary Ruben Torres, praying for the suspension of the implementation of the November 11, 1991 Resolution in O.P. Case No. 4723.[45] However, this petition was subsequently withdrawn in another letter dated June 27, 1995.[46]

On February 26, 1997, the petitioners filed a complaint for the Annulment and Cancellation of Original Certificates of Title (OCT) Nos. P-29095, 29096, 29098, 29099, 29100, 29101, 29102, and 29103 and Damages against the respondents before the RTC of Panabo, Davao. This was docketed as Civil Case No. 97-15.[47]

In an Order[48] dated November 17, 1998, the RTC dismissed the complaint on the following grounds:

WHEREFORE, on the ground of prior judgment, statute of limitations, waiver, abandonment and/or estoppel pursuant to pars. (e) and (f), Sect. 1, Rule 16 of the 1997 Rules of Civil Procedure, the complaint is hereby DISMISSED, and the motion to cite the plaintiffs in contempt of court for alleged violation of the non-forum shopping circulars of the Supreme Court is DENIED.[49]

The petitioners asked the Court of Appeals to reverse and set aside the RTC Order in their appeal docketed as CA-G.R. CV No. 63666. On August 30, 2002, the Court of Appeals dismissed the appeal on the basis of res judicata and affirmed in toto the assailed RTC decision. The petitioners' Motion for Reconsideration was likewise denied for lack of merit on March 17, 2003.[50]

On May 15, 2003, the petitioners filed before this Court a Petition for Review on Certiorari seeking the reversal of the August 30, 2002 Decision and the March 17, 2003 Resolution of the Court of Appeals on the strength of the following arguments:

I

THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT RES JUDICATA LIES IN THIS CASE, RELYING ON THE RESOLUTION OF THE OFFICE OF THE PRESIDENT IN O.P. CASE NO. 4732 DATED NOVEMBER 11, 1991, DISREGARDING THE EARLIER AND FINAL AND EXECUTORY ORDERS OF THE SAME OFFICE OF THE PRESIDENT DATED FEBRUARY 5, 1974 AND JULY 23, 1974, AS WELL AS THE COURT OF APPEALS' DECISION DATED JULY 26, 1977.

II

THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT RES JUDICATA APPLIES TO BOTH JUDICIAL AND QUASI-JUDICIAL PROCEEDINGS, OVERLOOKING THE FACT THAT THE

DOCTRINE CANNOT APPLY IN ADMINISTRATIVE PROCEEDINGS, AS IN THE INSTANT CASE.

III

THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT THE ISSUE AS TO THE AUTHENTICITY AND GENUINENESS OF THE DOCUMENTS CONSISTING OF A SPECIAL POWER OF ATTORNEY, A CONTRACT DATED MAY 8, 1950, TRANSFER OF RIGHTS IN FISHPOND PERMIT AND PROMISSORY NOTE WHICH WERE ALLEGED BY PETITIONERS AS HAVING BEEN FRAUDULENTLY EXECUTED, HAD BEEN LAID TO REST IN CIVIL CASE NO. 5826 (FOR DECLARATION OF NULLITY OF A TRANSFER OF RIGHT IN A FISHPOND PERMIT FILED BY MAXIMINO DERLA AGAINST RICARDO HIPOLITO BEFORE THE CFI OF DAVAO, BRANCH II, WHICH WAS DISMISSED BY SAID COURT, AND AFFIRMED BY THE COURT OF APPEALS AND THE SUPREME COURT).

IV

THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT THE MATERIAL FACTS PRESENTED BY PETITIONERS IN THEIR COMPLAINT BELOW, DOCKETED AS CIVIL CASE NO. 97-15, FOR ANNULMENT AND CANCELLATION OF ORIGINAL CERTIFICATES OF TITLES AND FOR DAMAGES WERE THE SAME MATERIAL FACTS DETERMINED AND RESOLVED LONG BEFORE IN O.P. CASE NO. 4732 THROUGH THE RESOLUTION DATED NOVEMBER 11, 1991, HENCE, THE PRINCIPLE OF RES JUDICATA OBTAINED IN THE CASE AT BAR.

V

THE HONORABLE COURT OF APPEALS ERRED IN HOLDING THAT PETITIONERS' CLAIM THAT THE ISSUE OF DENIAL OF THE MOTION FOR RECONSIDERATION FILED BY RICARDO HIPOLITO THROUGH THE RESOLUTION OF THE OFFICE OF THE PRESIDENT DATED JULY 23, 1974 CONSTITUTE RES JUDICATA AGAINST THE GRANTING OF THE SALES (FISHPOND) APPLICATION OF HIPOLITO, HENCE THE ISSUANCE OF ORIGINAL CERTIFICATES OF TITLES OVER THE FISHPOND AREA IN QUESTION, WAS A REPETITIVE PROTEST BY PETITIONERS WHICH HAD ALREADY BEEN EXPLAINED IN THE RESOLUTION OF NOVEMBER 11, 1991.

VI

THE DOCUMENTS ATTACHED TO PRIVATE RESPONDENTS' MOTION TO DISMISS THE COMPLAINT AT BAR CANNOT AFFECT THE SUBSTANTIAL RIGHTS OF PETITIONER OVER THE SUBJECT PROPERTY.^[51]

This petition had already been denied by this Court in a resolution dated August 23, 2004 for petitioners' failure to sufficiently show that the Court of Appeals committed any reversible error to warrant the exercise of this Court of its discretionary appellate jurisdiction.^[52] However, due to petitioners' insistence that their petition be given reconsideration, this Court reinstated their petition and chose to resolve this decades-long controversy once and for all.^[53]

Both the RTC and Court of Appeals denied the petitioners' claims on the ground of res judicata. The lower courts have similarly held that the annulment of the titles, as sought by the petitioners, relied on the same facts and evidence that were already presented and passed upon in the earlier O.P. Case No. 4732; thus, barred by the doctrine of res judicata.

To resolve this issue, it would be instructive to revisit the concept of res judicata. Literally, res judicata means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment."^[54] It lays the rule that an existing final judgment or decree rendered on the merits, without fraud or collusion, by a court of

competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit.[55]

In *Villanueva v. Court of Appeals*,[56] we enumerated the elements of *res judicata* as follows:

- a) The former judgment or order must be final;
- b) It must be a judgment or order on the merits, that is, it was rendered after a consideration of the evidence or stipulations submitted by the parties at the trial of the case;
- c) It must have been rendered by a court having jurisdiction over the subject matter and the parties; and
- d) There must be, between the first and second actions, identity of parties, of subject matter and of cause of action. This requisite is satisfied if the two (2) actions are substantially between the same parties.[57]

The petitioners assert that there can be no *res judicata* as the November 11, 1991 decision in O.P. Case No. 4732 is null and void for having overturned an earlier final and executory decision and for not giving them an opportunity to be heard. Instead of explaining to this Court why the elements of *res judicata* are not present in this case, the petitioners decided to once again reiterate their worn-out arguments, discussed above, on why the November 11, 1991 decision should not be accorded validity.

We are not convinced.

The November 11, 1991 Decision in O.P. Case No. 4732 has attained finality twenty (20) years ago. It is valid and binding. In fact, on April 27, 1995, the Office of the President issued an Order[58] for the sole purpose of declaring its November 11, 1991 decision final and executory.

This Court has held time and again that a final and executory judgment, no matter how erroneous, cannot be changed even by this Court:

Nothing is more settled in law than that once a judgment attains finality it thereby becomes immutable and unalterable. It may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land. x x x.[59]

There can be no mistake as to the presence of all the elements of *res judicata* in this case. The parties, although later substituted by their respective successors-in-interest, have been the same from the very beginning and in all the proceedings affecting the subject fishpond area. The concerned agencies and the lower courts have validly ruled on the rights to the subject fishpond area, the validity of the documents covering it, and even the actions associated and related to it. The subject fishpond area is undoubtedly the same subject matter involved in O.P. Case No. 4732 and the petition now before us. With regard to the identity of the causes of action, this Court, in *Mendiola v. Court of Appeals*[60] held that:

The test of identity of causes of action lies not in the form of an action but on whether the same evidence would support and establish the former and the present causes of action. The difference of actions in the aforesaid cases is of no moment. x x x.[61]

The similarity between the two causes of action cannot be impugned. The facts and evidence which supported Catalina's petition for revival of Hipolito's fishpond sales application in O.P. Case No. 4732 are the same facts and evidence now before us; hence, the difference of actions in the two cases is of no moment. In O.P. Case No. 4732, the action was to revive Hipolito's fishpond sales application, which, when granted, gave the respondents the right to the subject fishpond area, eventually leading to their ownership over the same. The action in Civil Case No.

97-15, the case that was elevated to become this petition, is for the nullification of the respondents' respective titles to the subject fishpond area on the ground that the respondents have no right thereto. If we allow the nullification of these titles on the ground presented by the petitioners, then we would also be nullifying the decision in O.P. Case No. 4732, because it is the decision in that case which gave the respondents the right to the subject fishpond area.

Notwithstanding the difference in the forms of the two actions, the doctrine of res judicata still applies considering that the parties were litigating over the same subject fishpond area. More importantly, the same contentions and evidence as advanced by the petitioners in this case were already used to support their arguments in the previous cause of action.

The petitioners argue that res judicata cannot apply to this case because O.P. Case No. 4732 is an administrative case.

While it is true that this Court has declared that the doctrine of res judicata applies only to judicial or quasi-judicial proceedings, and not to the exercise of administrative powers,[62] we have also limited the latter to proceedings purely administrative in nature.[63] Therefore, when the administrative proceedings take on an adversary character, the doctrine of res judicata certainly applies.[64] As this Court held in *Fortich v. Corona*[65]:

The rule of res judicata which forbids the reopening of a matter once judicially determined by competent authority applies as well to the judicial and quasi-judicial acts of public, executive or administrative officers and boards acting within their jurisdiction as to the judgments of courts having general judicial powers.[66] (Emphasis ours.)

The petitioners cannot deny the fact that though initially, they were not able to participate in O.P. Case No. 4732, the fact that they were able to file a motion for reconsideration not once, but twice, and these motions were resolved by the Office of the President, meant that they were given ample opportunity to be heard. Moreover, a careful reading of the November 11, 1991 Resolution in O.P. Case No. 4732 itself will show that in resolving Catalina's petition to revive her late husband's fishpond sales application, the Office of the President, through then Executive Secretary Franklin M. Drilon, had carefully studied the antecedent facts of the case, and passed upon the rights of all the parties involved, including those of the petitioners, even before they participated in the said case.

The petitioners' complaint in Civil Case No. 97-15, the very same case subject of this petition, is one for declaration of nullity and cancellation of the original certificates of title of the respondents to the very same fishpond area subject of the respondents' petition in O.P. Case No. 4732. To grant petitioners' prayer now would be to nullify the final and executory decision of the Office of the President in O.P. Case No. 4732.

The petitioners also argue that if res judicata is to be applied in this case, then it should be applied to bar O.P. Case No. 4732 as it overturned the final and executory decisions of the same office dated February 5 and July 23, 1974. The petitioners are forgetting the fact that before these 1974 decisions were made, the February 11, 1972 decision of the same Office of the President had already become final and executory and the rights conferred to Hipolito by virtue of that final and executory decision had already become vested in him. To follow the petitioners' line of argument therefore, would lead us to the conclusion that if there is any one decision that should be retained, then it should be the first decision that had attained finality. This reasoning finds support in *Collantes v. Court of Appeals*,[67] where we held that when faced with two conflicting final and executory decisions, one of the options the Court can take is to determine which judgment came first. The first judgment to become final and executory is the February 11, 1972 decision of the Office of the President, which is still in favor of Hipolito and the respondents, as Hipolito's successors-in-interest.

To nullify however the November 11, 1991 decision to give way to the reinstatement of the February 11, 1972 decision, would not in any way help in resolving this tedious and protracted debate. The almost 20-year old November 11, 1991 decision in O.P. Case No. 4732 is a well-written decision filled with details and factual antecedents that clearly spell out each of the parties' respective rights in the subject fishpond area. Moreover, it also explained its rationale for revoking or overturning its own decisions rendered on February 5 and July 23, 1974. Lastly, it is essentially a repeat of the 1972 decision as it confers the same rights and privileges to Hipolito. Thus, the most prudent thing to do is to retain the more exhaustive and factually updated version of the decision of the Office of the President, which is the November 11, 1991 Decision in O.P. Case No. 4732.

Assuming arguendo that the finality of O.P. Case No. 4732 will not trigger the application of the doctrine of res judicata to bar the petition now before us, the petitioners' cause must still fail because the petitioners hinge their claim on the alleged fraudulent transfer to Hipolito of their father Derla's right to the Fishpond Permit No. F-1080-F. It must be remembered that this has also been the subject of a separate complaint in Civil Case No. 5826, wherein the RTC ruled that aside from the action being filed beyond the prescriptive period, Derla was estopped from disputing the authenticity of the transfer as he used the very same document to defend himself in the criminal case filed against him by Hipolito. In fact, the RTC acquitted him on the basis of that same document he had disputed and which his heirs are now disputing. The RTC's denial of Derla's petition to nullify the transfer of fishpond rights was affirmed by the Court of Appeals in CA-G.R. No. 47070-R and then by this Court in G.R. No. L-38230 in a Resolution dated February 22, 1974. The ruling in that case thus became final on March 27, 1974.[68]

The controversy over the subject fishpond area has long been debated in many actions and in various forums. The Court puts all the issues in this case to rest, with finality, in this Decision.

WHEREFORE, the instant petition is DENIED. The August 30, 2002 Decision and March 17, 2003 Resolution of the Court of Appeals in CA-G.R. CV No. 63666 are AFFIRMED.

SO ORDERED.

Velasco, Jr., (Acting Chairperson), Del Castillo, Abad[*], and Perez, JJ., concur.

[*] Per Raffle dated April 11, 2011.

[1] Rule 45 of the 1997 Rules of Civil Procedure.

[2] Rollo, pp. 50-66; penned by Associate Justice B.A. Adefuin-De la Cruz with Associate Justices Wenceslao I. Agnir, Jr. and Regalado E. Maambong concurring.

[3] Rollo, pp. 67-68; penned by Associate Justice B.A. Adefuin-De la Cruz with Associate Justices Eubulo G. Verzola and Regalado E. Maambong, concurring.

[4] Id. at 469-484.

[5] Id. at 536-549.

[6] Records, pp. 31-46.

[7] Id. at 49.

[8] Rollo, p. 69.

[9] Id.

[10] Records, p. 51.

[11] Id.

[12] Id. at 52.

[13] This conflict was about the total areas of fishpond granted to three permittees: Maximino Derla, Glicerio Dondoy, and Gerardo Carisma. The fishpond areas granted in their permits overlapped each other's areas. On November 5, 1954, the Department of Agriculture and Natural Resources awarded the 20 hectares (later on corrected to 20.5 as originally stated in Derla's Fishpond Permit; records, p. 58) to Derla, the area of six hectares north of Derla to Dondoy, and all the areas north of Dondoy to Carisma. (Records, pp. 55-57.)

[14] Records, p. 53.

[15] Rollo, p. 53.

[16] Id. at 425.

[17] Id. at 262.

[18] Id. at 537.

[19] Id. at 257.

[20] Id. at 257, 264-266.

[21] Id. at 265-266.

[22] An Act Declaring Certain Parcels of Land in the Municipality of Panabo, Province of Davao, As Agricultural and Alienable Lands and for Other Purposes, June 21, 1969.

[23] Rollo, pp. 538-539.

[24] Id. at 270.

[25] Id. at 255.

[26] Id. at 540.

[27] Id. at 56.

[28] Id. at. 541

[29] Id. at 427-428.

[30] CA rollo, p. 326.

[31] Rollo, p. 542.

[32] Id. at 528.

[33] Id. at 521-532.

[34] CA rollo, p. 240.

[35] Rollo, p. 430.

[36] Id. at 543.

[37] Id. at 543-544.

[38] Id. at 536-549.

[39] Id. at 549.

[40] Id. at 545.

[41] Id. at 550.

[42] Id. at 550-554.

[43] Id. at 555-556.

[44] Id. at 271-277.

[45] Id. at 564-566.

[46] Id. at 567-568.

[47] Id. at. 572-574.

[48] Id. at 469-484.

[49] Id. at 484.

[50] Id. at 503.

[51] Id. at 19-21.

[52] Id. at 189.

[53] Id. at 222.

[54] Republic of the Philippines (Civil Aeronautics Administration) v. Yu, G.R. No. 157557, March 10, 2006, 484 SCRA 416, 420.

[55] Id.

[56] 349 Phil. 99 (1998).

[57] Id. at 109.

[58] Rollo, pp. 271-277.

[59] Dapar v. Biascan, 482 Phil. 385, 405 (2004).

[60] 327 Phil. 1156 (1996).

[61] Id. at 1166.

[62] Montemayor v. Bundalian, 453 Phil. 158, 169 (2003).

[63] Id.

[64] United Pepsi-Cola Supervisory Union (UPSU) v. Laguesma, 351 Phil. 244, 260 (1998).

[65] 352 Phil. 461 (1998).

[66] Id. at 486.

[67] G.R. No. 169604, March 6, 2007, 517 SCRA 561, 576.

[68] Rollo, p. 255.

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