

NATIONAL HOUSING AUTHORITY, PETITIONER, VS. HEIRS OF ISIDRO GUIVELONDO, REGIONAL TRIAL COURT OF CEBU CITY, BRANCH 19, AND THE COURT OF APPEALS, RESPONDENTS.*G.R. No. 166518. June 16, 2009*

Ponente: PUNO, J.

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Before us is a petition for review on certiorari under Rule 45 seeking the reversal of the Decision[1] of the Court of Appeals (CA) in CA G.R. SP No. 85807 affirming the omnibus order[2] of the Regional Trial Court (RTC), Branch 19, Cebu City, and the order[3] denying the reconsideration thereof.

This case is an offshoot of G.R. No. 154411, promulgated on June 19, 2003, entitled *National Housing Authority (NHA) v. Heirs of Guivelondo*, in which we resolved once and for all the validity of the order of expropriation issued by the RTC of Cebu City, Branch 11, condemning the properties of respondents located in Barangay Carreta, Cebu City at P11,200.00 per square meter and the propriety of the garnishment against petitioner's funds and personal properties for the payment of just compensation to respondents. Pending the final resolution of G.R. No. 154411, a writ of execution was issued on January 14, 2001 by the RTC, Branch 11 in the amount of P104,641,600.00, as computed from respondents' 9,343 square meters of land valued at P11,200.00 each. Pursuant to said writ of execution, the court sheriff of RTC, Branch 11, Mr. Pascual Abordo, commenced levy and garnishment upon NHA properties, which included bank deposits in various banks. Hence, on June 16, 2001, the Philippine National Bank (PNB) and the Land Bank of the Philippines (LBP) released the amount of P24,305,774.82 to respondents, bringing the balance of the unsatisfied just compensation to P80,335,825.18. On December 26, 2001, petitioner's account with the Philippine Veterans' Bank (PVB) was garnished in the amount of P24,305,774.82, which then brought the computed balance of unpaid just compensation to P80,299,506.72, though the PVB had yet to release said amount to respondents. On July 10, 2003, the Development Bank of the Philippines (DBP) released the garnished amount of P78,754,907.07, further bringing down the balance to P1,544,299.65. Subsequently, on July 31, 2003, upon the release by the LBP of the garnished amount of P1,474,299.65, the payment of respondents' just compensation seemed to have been fully satisfied, save for the release of the earlier garnished amount of P24,305,774.82. Finally, on August 28, 2003, the amount of P36,318.46 was remitted to respondents by the PVB, prompting Sheriff Abordo to issue a notice of lifting or discharge of levy/garnishment to the PNB, LBP, DBP, PVB and to the General Manager/Property Custodian of NHA.

On October 8, 2003, Sheriff Abordo received a letter from respondents' counsel requesting the former for the listing of the garnished and released accounts of petitioner. In his reply letter dated October 9, 2003, Sheriff Abordo summarized said garnishments and revealed that there was an unsatisfied amount of P70,300.00. Hence, in his progress report to the RTC, Branch 11, dated October 14, 2003, Sheriff Abordo informed the court to wit:

Further, undersigned Sheriff respectfully informs the Honorable Court that when he prepared his aforesaid Reply Letter and made a reconciliation of the garnished and released accounts of plaintiff, he discovered that he inaccurately reflected in his Progress Report dated July 14, 2003 a balance of P80,229,206.72 where it

should have been P80,299,206.72 which, as stated in the same report "was arrived at after deducting from the total just compensation of P104,641,600.00 the garnished and released money deposits of NHA with PNB and Landbank in the amount of P24,305,774.82 and the garnished but not yet released /claimed money deposit of NHA with" Philippine Veterans Bank in the amount of P36,618.46. In other words, by mathematical computation: $P104,641,600.00 - P24,305,774.82 - P36,618.36 = P80,299,206.72$ and not P80,229,206.72. The balance reflected in the undersigned Sheriff's Progress Report dated July 14, 2003 is short by P70,000.00, hence, this did not result to over satisfaction of the judgment of the Honorable Court.

Futhermore, undersigned Sheriff respectfully informs the Honorable Court that the amount released by Philippine Veterans Bank is only P36,318.46 albeit its letter dated December 26, 2001 stated an amount of P36,618.46 (short by P300).[4] (emphases in the original)

On November 6, 2003, seeking to claim the unsatisfied amount of P70,300.00, respondents filed with the RTC a motion for the issuance of an alias writ of execution. On November 12, 2003, respondents likewise filed a motion for payment of interest anchored on the premise that petitioner made piecemeal payments of the judgment amount, causing a 32-month delay in the full satisfaction thereof which entitled respondents to the payment of a legal interest of 12% per annum. To simplify matters, respondents confined their claim to the interest for the principal amount of P80,335,825.18 reckoned from October 31, 2000, the date the entry of judgment was issued, to July 2003, when the last garnishment took place, without including the P70,300.00 yet to be satisfied in the said principal amount.

Pursuant to a motion for inhibition filed by petitioner on August 4, 2003, the case was re-raffled to the RTC, Branch 19, which ordered petitioner to file its comment/opposition to both motions. After hearing the case, the RTC, Branch 19 issued an omnibus order dated February 16, 2004, disposing of the issues as follows:

WHEREFORE, on the Motion for Issuance of an Alias Writ of [E]xecution, the same is GRANTED. Let an Alias Writ of Execution issue to satisfy the shortage amount of Php70,300.00.

Defendants' Motion for Payment of Interest is likewise GRANTED. Plaintiff is hereby directed to pay the defendants within five (5) days from receipt hereof the amount of Php25,695,746.15 representing interest of 12% p.a. for thirty two (32) months of the unsatisfied portion of the just compensation in the amount of Php80,299,206.72. Plaintiff is futher directed to pay interest of 12% p.a. on the Php25,695,746.15 interest from the date the five-day period given by the Court expired until the same is paid.

x x x

SO ORDERED.[5]

On February 24, 2004, petitioner filed a motion for reconsideration which was denied by the RTC, Branch 19 in an order dated July 27, 2004. Aggrieved, petitioner filed a petition for review on certiorari with the CA which was denied for lack of merit in a decision dated December 16, 2004, ratiocinating thus:

We now come to the question on whether respondent judge was correct in imposing interest of 12% per annum for the delay in payment of just compensation by petitioner sans an explicit pronouncement for such provision in the decision. We rule in the affirmative on the following reasons:

- 1) A judgment is not confined to what appears on the face of the decision but also those necessarily included therein or necessary thereto. Where a legal provision exists providing for legal interest, the same not only constitute judicial notice, but by operation of law, becomes inherent in every decision.
- 2) The imposition of interest at the time the decision was rendered would be purely conjectural and speculative considering that delay in the payment could only be ascertained at the time following after the rendition of the decision. The remedy for any delay may be ventilated during the execution stage as in this case. Delay takes

the nature of a supervening event between the rendition of the decision and its due execution, and the judge may take cognizance of it not only for the purpose of expediency but also to prevent multiplicity of suits. At any rate, the judge is now familiar with the history and development of the case, and it is he who can give the most prudent assessment over an issue such as that of delay and the concomitant damages for the delay.

x x x

Conversely, [w]e also find nothing irregular in issuance of the alias writ of execution by respondent judge covering the deficiency in the actual judgment amount. The rule is that the execution must conform substantially to that ordained or decreed in the dispositive part of the decision. Therefore, upon report of the sheriff of a deficiency in the execution of the judgment amount, an alias writ of execution covering said deficiency is proper.[6]

Hence, petitioner filed the instant petition for review, where it argues that the CA gravely erred in affirming the RTC when it granted respondents' motion for issuance of an alias writ of execution and motion for payment of interest, considering that expropriation proceedings have already been terminated and that the order to pay respondents just compensation was silent on the payment of interest.

We deny the petition.

As a side issue, petitioner points out that the CA erred in ruling that RTC, Branch 19 had jurisdiction over the case, as petitioner was allegedly not notified of 1) the Order dated October 16, 2003 where the Presiding Judge of Branch 11 inhibited himself from handling the expropriation, 2) the Order of the Executive Judge of the RTC approving such inhibition, and 3) the Order re-raffling the case to RTC, Branch 11. We are not convinced. In the first place, it was petitioner which filed a Motion for Inhibition against the presiding judge of RTC, Branch 11, Hon. Isaias Dicdican, a move that precipitated the re-raffling of the case to Branch 19 of the same RTC. Hence, petitioner cannot deny that it had knowledge of moves to have the case handled by another branch. Assuming arguendo that petitioner honestly believed that the case was still pending with Branch 11, petitioner still cannot claim that it had no knowledge of the proceedings in Branch 19. It is well to remember that the court frowns upon the undesirable practice of a party submitting his case for decision and then accepting the judgment only if favorable, and attacking it for lack of jurisdiction when adverse.[7] While jurisdiction of a tribunal may be challenged at any time, sound public policy bars petitioner from doing so after having procured that jurisdiction himself, speculating on the fortunes of litigation.[8] In the instant case, the fact remains that petitioner filed motions with Branch 19 and even sought relief therefrom when it opposed the two motions subject of this petition. As such, it is estopped from attacking the jurisdiction of RTC, Branch 19 in the instant case.

Petitioner likewise contends that the trial court erred in exercising jurisdiction in resolving the two motions as the subject thereof constituted new, independent, separate, and substantial matters which are foreign to the expropriation case which had already been terminated.[9] Petitioner's contention is untenable.

It is well-settled that the jurisdiction of the court to execute its judgment continues even after the judgment had become final for the purpose of enforcement of judgment.[10] The present case is no exception. Therefore, notwithstanding the final resolution on the validity of the expropriation made by this Court on June 19, 2003 in G.R. No. 154411, the RTC, Branch 19 can still rule on the motions for the issuance of an alias writ of execution and payment of interest. As the CA correctly stated: "...the duty of the court does not end with the tender of the decision. Equal is the duty of the court to enforce said decision to the fullest of its intent, tenor and mandate. To sustain a contrary view would not only trivialize the decision, but would also render it meaningless; the justice sought by the aggrieved party and supposedly conferred by the court turned inutile." [11]

On the issue of payment of interest, we find petitioner's theory implausible. Petitioner insists that the payment of

interest to respondents is not proper since nowhere in the records-from the orders of the RTC all the way to this Court-does it state that respondents are entitled to damages.[12] As such, petitioner asserts that respondents had already waived its right to claim interest. We are not persuaded.

In support of its argument, petitioner cites *Dalmacio Urtula v. Republic of the Philippines*,[13] which ruled that:

x x x

Urtula's dilemma lies in his mistaken concept of the nature of the interest that he failed to claim in the expropriation case and which he now claims in this separate case. Said interest is not contractual, nor based on delict or quasi-delict, but one that --

runs as a matter of law and follows as a matter of course from the right of the landowner to be placed in as good a position as money can accomplish, as of the date of the taking (30 C.J.S. 230).

Understood as such, Urtula, as defendant in the expropriation case, could have raised the matter of interest before the trial court even if there had been no actual taking yet by the Republic and the said court could have included the payment of interest in its judgment but conditioned upon the actual taking, because the rate of interest upon the amount of just compensation (6%) is a known factor, and it can reasonably be expected that at some future time, the expropriator would take possession of the property, though the date be not fixed. In this way, multiple suits would be avoided. Moreover, nothing prevented appellee from calling the attention of the appellate courts (even by motion to reconsider before judgment became final) to the subsequent taking of possession by the condemnor, and asking for allowance of interest on the indemnity, since that followed the taking as a matter of course, and raised no issue requiring remand of the records to the Court of origin.

As the issue of interest could have been raised in the former case but was not raised, *res judicata* blocks the recovery of interest in the present case. It is settled that a former judgment constitutes a bar, as between the parties, not only as to matters expressly adjudged, but all matters that could have been adjudged at the time. It follows that interest upon the unrecoverable interest, which plaintiff also seeks, cannot, likewise, be granted.

It is not amiss to note that Section 3 of Rule 67 of the Revised Rules of Court, in fact, directs the defendant in an expropriation case to "present in a single motion to dismiss or for other appropriate relief, all of his objections and defenses . . ." and if not so presented "are waived." As it is, the judgment allowing the collection of interest, now under appeal in effect amends the final judgment in the expropriation case, a procedure abhorrent to orderly judicial proceedings.[14] (citations omitted)

Unfortunately for petitioner, the abovequoted doctrine is not applicable to the instant case for the simple reason that respondents herein do not ask for interest as part of the judgment in an expropriation case, but for interest which is imposed due to the delay in the payment of a money judgment. As stated above, the former is imposed in order to place the owner in a position as good as (but not better than) the position he was in before the taking occurred, while the latter is considered as legal interest, to be computed at 12% per annum from such finality until its satisfaction,[15] because the interim period is deemed to be equivalent to a forbearance of credit.[16] Consequently, the award of the former needs to be stated in the judgment, while the award of the latter need not.[17] Moreover, the former is computed from the date of possession or filing of the complaint for expropriation,[18] the latter is merely computed from the time the judgment becomes final and executory.[19] Therefore, we find no patent error in the imposition of interest on petitioner.

As to the issue of the validity of the alias writ of execution, we affirm the finding of the CA that there was no irregularity in the issuance thereof. [20] The rule is that a writ of execution must conform substantially to every essential particular of the judgment promulgated.[21] An execution which is not in harmony with the judgment is bereft of validity; it must conform particularly to that ordained in the dispositive portion of the decision.[22] In

the case at bar, the sheriff himself discovered a deficiency in the execution of the judgment in the amount of P70,300.00. Therefore, upon report of the same by the sheriff, an alias writ of execution covering said deficiency is only proper to preserve the tenor of the judgment and to ensure the faithful execution thereof.

IN VIEW WHEREOF, the instant petition is DENIED. The decision of the Court of Appeals is AFFIRMED.

SO ORDERED.

Carpio, Corona, Leonardo-De Castro, and Bersamin, JJ., concur.

[1] Promulgated on December 16, 2004.

[2] Dated February 16, 2004.

[3] Dated July 27, 2004.

[4] Rollo, p. 223.

[5] Id., pp. 50-51.

[6] Id., pp. 44-45.

[7] Tijam v. Sibonghanoy, G.R. No. L-21450, April 15, 1968, 23 SCRA 29, 36.

[8] Ong Ching v. Ramolete, G.R. No. L-35356, May 18, 1973, 51 SCRA 14, 20.

[9] Id., pp. 15-16.

[10] Natalia v. CA, G.R. No. 126462, November 12, 2002, 391 SCRA 370, 386-387.

[11] Rollo, p. 43.

[12] Id., p. 24.

[13] G.R. No. L-22061, January 31, 1968, 22 SCRA 477.

[14] Id., at 480-482.

[15] Republic v. Court of Appeals, G.R. No. 146587, July 2, 2002, 383 SCRA 611, 623.

[16] Eastern Assurance and Surety Corporation (EASCO) v. Court of Appeals, G.R. No. 127135, January 18, 2000, 322 SCRA 73, 79.

[17] Ibid.

[18] Supra note 15.

[19] Eastern Shipping Lines, Inc. v. Court of Appeals, G.R. No. 97412, July 12, 1994, 234 SCRA 78, 97.

[20] Rollo, p. 45.

[21] Separa v. Maceda, A.M. No. P-02-1546, April 18, 2002, 381 SCRA 305, 311.

[22] Ibid.

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