

**GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), PETITIONER,
VS. GROUP MANAGEMENT CORPORATION (GMC) AND LAPU-LAPU
DEVELOPMENT & #038; HOUSING CORPORATION (LLDHC),
RESPONDENTS.**

G.R. No. 167000. June 08, 2011

Ponente: LEONARDO-DE CASTRO, J.

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LEONARDO-DE CASTRO, J.:

At bar are two consolidated Petitions for Review on Certiorari concerning 78 parcels of land located in Barrio Marigondon, Lapu-Lapu City. The parties in both cases have been in litigation over these lots for the last two decades in what seems to be an endless exercise of filing repetitious suits before the Court of Appeals and even this Court, questioning the various decisions and resolutions issued by the two separate trial courts involved. With this decision, it is intended that all legal disputes among the parties concerned, particularly over all the issues involved in these cases, will finally come to an end

In the Petition in G.R. No. 167000, the Government Service Insurance System (GSIS) seeks to reverse and set aside the November 25, 2004 Decision [1] and January 20, 2005 Resolution [2] of the Twentieth Division of the Court of Appeals in CA-G.R. SP No. 85096 and to annul and set aside the March 11, 2004 [3] and May 7, 2004 [4] Orders of the Regional Trial Court (RTC) of Lapu-Lapu City (Lapu-Lapu RTC) in Civil Case No. 2203-L.

In the Petition in G.R. No. 169971, Group Management Corporation (GMC) seeks to reverse and set aside the September 23, 2005 Decision [5] in CA-G.R. SP No. 84382 wherein the Special Nineteenth Division of the Court of Appeals annulled and set aside the March 11, 2004 Order of the Lapu-Lapu RTC in Civil Case No. 2203-L.

Both these cases stem from the same undisputed factual antecedents as follows:

Lapu-Lapu Development & Housing Corporation[6] (LLDHC) was the registered owner of seventy-eight (78) lots (subject lots), situated in Barrio Marigondon, Lapu-Lapu City.

On February 4, 1974, LLDHC and the GSIS entered into a Project and Loan Agreement for the development of the subject lots. GSIS agreed to extend a Twenty-Five Million Peso-loan (P25,000,000.00) to LLDHC, and in return, LLDHC will develop, subdivide, and sell its lots to GSIS members. To secure the payment of the loan, LLDHC executed a real estate mortgage over the subject lots in favor of GSIS.

For LLDHC's failure to fulfill its obligations, GSIS foreclosed the mortgage. As the lone bidder in the public auction sale, GSIS acquired the subject lots, and eventually was able to consolidate its ownership over the subject lots with the corresponding transfer certificates of title (TCTs) issued in its name.

On November 19, 1979, GMC offered to purchase on installments the subject lots from GSIS for a total price of One Million One Hundred Thousand Pesos (P1,100,000.00), with the aggregate area specified as 423,177 square meters. GSIS accepted the offer and on February 26, 1980, executed a Deed of Conditional Sale over the subject

lots. However, when GMC discovered that the total area of the subject lots was only 298,504 square meters, it wrote GSIS and proposed to proportionately reduce the purchase price to conform to the actual total area of the subject lots. GSIS approved this proposal and an Amendment to the Deed of Conditional Sale was executed to reflect the final sales agreement between GSIS and GMC.

On April 23, 1980, LLDHC filed a complaint for Annulment of Foreclosure with Writ of Mandatory Injunction against GSIS before the RTC of Manila (Manila RTC). This became Civil Case No. R-82-3429[7] and was assigned to Branch 38.

On November 3, 1989, GMC filed its own complaint against GSIS for Specific Performance with Damages before the Lapu-Lapu RTC. The complaint was docketed as Civil Case No. 2203-L and it sought to compel GSIS to execute a Final Deed of Sale over the subject lots since the purchase price had already been fully paid by GMC. GSIS, in defense, submitted to the court a Commission on Audit (COA) Memorandum dated April 3, 1989, purportedly disallowing in audit the sale of the subject lots for "apparent inherent irregularities," the sale price to GMC being lower than GSIS's purchase price at the public auction. LLDHC, having been allowed to intervene, filed a Motion to Dismiss GMC's complaint. When this motion was denied, LLDHC filed its Answer-in-Intervention and participated in the ensuing proceedings as an intervenor.

GMC, on February 1, 1992, filed its own Motion to Intervene with a Complaint-in-Intervention in Civil Case No. R-82-3429. This was dismissed on February 17, 1992 and finally denied on March 23, 1992 by the Manila RTC on the ground that GMC can protect its interest in another proceeding. [8]

On February 24, 1992, after a full-blown trial, the Lapu-Lapu RTC rendered its Decision [9] in Civil Case No. 2203-L, the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered ordering defendant to:

1. Execute the final deed of absolute sale and deliver the seventy-eight (78) certificates of title covering said seventy-eight (78) parcels of land to the [Group Management Corporation (GMC)];
2. Pay [GMC] actual damages, plus attorney's fees and expenses of litigation, in the amount of P285,638.88 and P100,000.00 exemplary damages;
3. [D]ismissing in toto intervenor's complaint-in-intervention for lack of evidence of legal standing and legal interest in the suit, as well as failure to substantiate any cause of action against either [GMC] or [GSIS]. [10]

In deciding in favor of GMC, the Lapu-Lapu RTC held that there existed a valid and binding sales contract between GSIS and GMC, which GSIS could not continue to ignore without any justifiable reason especially since GMC had already fully complied with its obligations. [11]

The Lapu-Lapu RTC found GSIS's invocation of COA's alleged disapproval of the sale belated and self-serving. The Lapu-Lapu RTC said that COA, in disapproving GSIS's sale of the subject lots to GMC, violated its own circular which excludes the disposal by a government owned and/or controlled corporation of its "acquired assets" (e.g., foreclosed assets or collaterals acquired in the regular course of business).[12] The Lapu-Lapu RTC also held that COA may not intrude into GSIS's charter-granted power to dispose of its acquired assets within five years from acquisition by "preventing/aborting the sale in question by refusing to pass it in audit." [13] Moreover, the Lapu-Lapu RTC held that the GSIS-proffered COA Memorandum was inadmissible in evidence not only because as a mere photocopy it failed to measure up to the "best evidence" rule under the Revised Rules of Court, but also because no one from COA, not even the auditor who supposedly prepared it, was ever presented to testify to the veracity of its contents or its due execution. [14]

In dismissing LLDHC's complaint-in-intervention, the Lapu-Lapu RTC held that LLDHC failed to prove its legal personality as a party-intervenor and all it was able to establish was a "suggestion of right for [GSIS] to renege [on] the sale for reasons peculiar to [GSIS] but not transmissible nor subject to invocation by [LLDHC]." [15]

LLDHC and GSIS filed their separate Notices of Appeal but these were dismissed by the Lapu-Lapu RTC on December 6, 1993.[16]

On May 10, 1994, the Manila RTC rendered a Decision[17] in Civil Case No. R-82-3429. The Manila RTC held that GSIS was unable to prove the alleged violations committed by LLDHC to warrant the foreclosure of the mortgage over the subject lots. Thus, the Manila RTC annulled the foreclosure made by GSIS and ordered LLDHC to pay GSIS the balance of its loan with interest, to wit:

WHEREFORE, judgment is hereby rendered:

1. ANNULING the foreclosure by the defendant GSIS of the mortgage over the seventy-eight (78) parcels of land here involved;
2. CANCELLING the consolidated certificates of [title] issued in the name of GSIS and directing the Register of Deeds of Lapu-Lapu City to issue new certificates of [title] over those seventy-eight (78) parcels of land in the name of the plaintiff, in exactly the same condition as they were before the foreclosure;
3. ORDERING the plaintiff to pay the GSIS the amount of P9,200,000.00 with interest thereon at the rate of twelve (12%) percent per annum commencing from October 12, 1989 until fully paid; and
4. ORDERING defendant GSIS to execute a properly registrable release of discharge of mortgage over the parcels of land here involved after full payment of such amount by the plaintiff.

All claims and counterclaims by the parties as against each other are hereby dismissed.

No pronouncement as to costs. [18]

Armed with the Manila RTC decision, LLDHC, on July 27, 1994, filed before the Court of Appeals a Petition for Annulment of Judgment of the Lapu-Lapu RTC Decision in Civil Case No. 2203-L. [19] LLDHC alleged that the Manila RTC decision nullified the sale of the subject lots to GMC and consequently, the Lapu-Lapu RTC decision was also nullified.

This petition, docketed as CA-G.R. SP No. 34696, was dismissed by the Court of Appeals on December 29, 1994. [20] The Court of Appeals, in finding that the grounds LLDHC relied on were without merit, said:

In fine, there being no showing from the allegations of the petition that the respondent court is without jurisdiction over the subject matter and of the parties in Civil Case No. 2309 [2203-L], petitioner has no cause of action for the annulment of judgment. The complaint must allege ultimate facts for the annulment of the decision (*Avendana v. Bautista*, 142 SCRA 41). We find none in this case. [21]

No appeal having been taken by LLDHC, the decision of the Court of Appeals in CA-G.R. SP No. 34696 became final and executory on January 28, 1995, as stated in the Entry of Final Judgment dated August 18, 1995. [22]

On February 2, 1995, LLDHC filed before this Court a Petition for Certiorari [23] docketed as G.R. No. 118633. LLDHC, in seeking to annul the February 24, 1992 Decision of the Lapu-Lapu RTC, again alleged that the Manila RTC Decision nullified the Lapu-Lapu RTC Decision.

Finding the petition a mere reproduction of the Petition for Annulment filed before the Court of Appeals in CA-G.R. SP No. 34696, this Court, in a Resolution [24] dated September 6, 1996, dismissed the petition in this wise:

In a last ditch attempt to annul the February 24, 1992 Decision of the respondent court, this petition was brought before us on February 2, 1995.

Dismissal of this petition is inevitable.

The instant petition which is captioned, For: Certiorari With Preliminary Injunction, is actually another Petition for Annulment of Judgment of the February 24, 1992 Decision of the respondent Regional Trial Court of Lapu-lapu City, Branch 27 in Civil Case No. 2203-L. A close perusal of this petition as well as the Petition for Annulment of Judgment brought by the petitioner before the Court of Appeals in CA-G.R. SP No. 34696 reveals that the instant petition is a mere reproduction of the petition/complaint filed before the appellate tribunal for annulment of judgment. Paragraphs two (2) to eighteen (18) of this petition were copied verbatim from the Petition for Annulment of Judgment earlier filed in the court a quo, except for the designation of the parties thereto, i.e., plaintiff was changed to petitioner, defendant to respondent. In fact, even the prayer in this petition is the same prayer in the Petition for Annulment of Judgment dismissed by the Court of Appeals, x x x.

x x x x

Under Section 9(2) of Batas Pambansa Blg. 129, otherwise known as "The Judiciary Reorganization Act of 1980," it is the Court of Appeals (then the Intermediate Appellate Court), and not this Court, which has jurisdiction to annul judgments of Regional Trial Courts, viz:

SEC. 9. Jurisdiction -- The Intermediate Appellate Court shall exercise:

x x x x

(2) Exclusive original jurisdiction over actions for annulment of judgments of Regional Trial Courts; and

x x x x

Thus, this Court apparently has no jurisdiction to entertain a petition which is evidently another petition to annul the February 24, 1992 Decision of the respondent Branch 27, Regional Trial Court of Lapu-lapu City, it appearing that jurisdiction thereto properly pertains to the Court of Appeals. Such a petition was brought before the appellate court, but due to petitioner's failure to nullify Judge Risos' Decision in said forum, LLDHC, apparently at a loss as to what legal remedy to take, brought the instant petition under the guise of a petition for certiorari under Rule 65 seeking once again to annul the judgment of Branch 27.

Instead of filing this petition for certiorari under Rule 65, which is essentially another Petition to Annul Judgment, petitioner LLDHC should have filed a timely Petition for Review under Rule 45 of the Revised Rules of Court of the decision of the Court of Appeals, dated December 29, 1994, dismissing the Petition for Annulment of Judgment filed by the petitioner LLDHC before the court a quo. But, this is all academic now. The appellate court's decision had become final and executory on January 28, 1995. [25]

Despite such pronouncements, this Court, nevertheless, passed upon the merits of LLDHC's Petition for Certiorari in G.R. No. 118633. This Court said that the petition, "which was truly for annulment of judgment," [26] cannot prosper because the two grounds on which a judgment may be annulled were not present in the case. [27] Going further, this Court held that even if the petition were to be given due course as a petition for certiorari under Rule 65 of the Revised Rules of Court, it would still be dismissible for not being brought within a reasonable period of time as it took LLDHC almost three years from the time it received the February 24, 1992 decision until the time it brought this action. [28]

LLDHC's motion for reconsideration was denied with finality[29] on November 18, 1996, and on February 18, 1997, an Entry of Judgment[30] was made certifying that the September 6, 1996 Resolution of this Court in G.R. No. 118633 had become final and executory on December 23, 1996.

Consequently, on November 28, 1996, the Lapu-Lapu RTC issued an Order[31] directing the execution of the judgment in Civil Case No. 2203-L. A corresponding Writ of Execution[32] was issued on December 17, 1996. The Motions to Stay Execution filed by LLDHC and GSIS were denied by the Lapu-Lapu RTC on February 19, 1997.[33]

Meanwhile, on December 27, 1996, the Court of Appeals rendered a Decision[34] in the separate appeals taken by GSIS and LLDHC from the May 10, 1994 Manila RTC Decision in Civil Case No. R-82-3429. This case, docketed as CA-G.R. CV No. 49117, affirmed the Manila RTC decision with modification insofar as awarding LLDHC attorney's fees and litigation expenses.

On March 3, 1997, GSIS came to this Court on a Petition for Review of the Court of Appeals' decision in CA-G.R. CV No. 49117. This was docketed as G.R. No. 127732 and was dismissed on April 14, 1997[35] due to late filing, the due date being January 31, 1997. This dismissal became final and executory on May 30, 1997.[36]

On March 8, 1997, LLDHC filed a Petition for Certiorari with preliminary injunction before the Court of Appeals, praying that GMC and the Lapu-Lapu RTC be ordered to cease and desist from proceeding with the execution of its Decision in Civil Case No. 2203-L, on the theory that the Manila RTC decision was a supervening event which made it mandatory for the Lapu-Lapu RTC to stop the execution of its decision. This case was docketed as CA-G.R. SP No. 44052. On July 16, 1997, the Court of Appeals issued an Order temporarily restraining the Lapu-Lapu RTC and GMC from executing the February 24, 1992 decision in Civil Case No. 2203-L so as not to render the resolution of the case moot and academic.[37]

On July 21, 1997, because of GSIS's continued refusal to implement the December 17, 1996 Writ of Execution, the Lapu-Lapu RTC, upon GMC's motion, issued an Order[38] redirecting its instructions to the Register of Deeds of Lapu-Lapu City, to wit:

WHEREFORE, the defendant GSIS having refused to implement the Order of this Court dated December 17, 1996 the Court in accordance with Rule 39, Sec. 10-a of the 1997 Rules of Procedure, hereby directs the Register of Deeds of Lapu-lapu City to cancel the Transfer Certificate of Titles of the properties involved in this case and to issue new ones in the name of the plaintiff and to deliver the same to the latter within ten (10) days after this Order shall have become final.[39]

While the TRO issued by the Court of Appeals in CA-G.R. SP No. 44052 was in effect, the Manila RTC, on August 1, 1997, issued a Writ of Execution[40] of its judgment in Civil Case No. R-82-3429. On August 7, 1997, the Sheriff implemented the Writ and ordered the Register of Deeds of Lapu-Lapu City to cancel the consolidated certificates of title issued in the name of GSIS and to issue new ones in favor of LLDHC. In conformity with the TRO, the Lapu-Lapu RTC on August 19, 1997, ordered[41] the suspension of its July 21, 1997 Order. With no similar restraining order against the execution of the Manila RTC Decision, a Writ of Possession was issued on August 21, 1997 to cause GSIS and all persons claiming rights under it to vacate the properties in question and to place LLDHC in peaceful possession thereof.[42]

On October 23, 1997, the Lapu-Lapu RTC, being aware of the events that have taken place while the TRO was in effect, issued an Order[43] reiterating its previous Orders of November 28, 1996, December 17, 1996, and July 21, 1997. The Lapu-Lapu RTC held that since the restraining order issued by the Court of Appeals in CA-G.R. SP No. 44052 had already lapsed by operation of law, and the February 24, 1992 Decision in Civil Case No. 2203-L had not only become final and executory but had been affirmed and upheld by both the Court of Appeals and this Court, the inescapable mandate was to give due course to the efficacy of its decision. The Lapu-Lapu RTC thus directed the Register of Deeds of Lapu-Lapu City to effect the transfer of the titles to the subject lots in favor of GMC and declared "any and all acts done by the Register of Deeds of Lapu-Lapu City null and void starting with

the surreptitious issuance of the new certificates of title in the name of [LLDHC], contrary" to its decision and orders.[44]

On November 13, 1997, LLDHC filed before the Court of Appeals another Petition for Certiorari with preliminary injunction and motion to consolidate with CA-G.R. SP No. 44052. This case was docketed as CA-G.R. SP No. 45946, but was dismissed[45] on November 20, 1997 for LLDHC's failure to comply with Section 1, Rule 65 of the 1997 Rules of Civil Procedure which requires the petition to be accompanied by, among others, "copies of all pleadings and documents relevant and pertinent thereto." [46]

The petition in CA-G.R. SP No. 44052 would likewise be dismissed[47] by the Court of Appeals on January 9, 1998, but this time, on the merits, to wit:

The validity of the decision of the respondent judge in Civil Case No. 2303-L has thus been brought both before this Court and to the Supreme Court by the petitioner. In both instances the respondent judge has been upheld. The instant petition is petitioner's latest attempt to resist the implementation or execution of that decision using as a shield a decision of a Regional Trial Court in the National Capital Region. We are not prepared to allow it. The applicable rule and jurisprudence are clear. The prevailing party is entitled as a matter of right to a writ of execution, and the issuance thereof is a ministerial duty compellable by mandamus. We do not believe that there exists in this instance a supervening event which would justify a deviation from this rule.[48]

Prior to this, however, on November 28, 1997, the Lapu-Lapu RTC, acting on GMC's Omnibus Motion, made the following orders: for LLDHC to show cause why it should not be declared in contempt; for a writ of preliminary prohibitory injunction to be issued to restrain all persons acting on LLDHC's orders from carrying out such orders in defiance of its final and executory judgment; and for a writ of preliminary mandatory injunction to be issued to direct the ouster of LLDHC. The Lapu-Lapu RTC also declared the Register of Deeds of Lapu-Lapu City in contempt and directed the Office of the City Sheriff to implement the above orders and to immediately detain and confine the Register of Deeds of Lapu-Lapu City at the City Jail if he continues to refuse to transfer the titles of the subject lots after ten days from receipt of this order.[49]

On December 22, 1997, the Lapu-Lapu RTC denied[50] the motion for reconsideration filed by the Register of Deeds of Lapu-Lapu City. In separate motions, LLDHC, and again the Register of Deeds of Lapu-Lapu City, sought the reconsideration of the November 28, 1997 and December 22, 1997 Orders. On May 27, 1998, the Lapu-Lapu RTC, acting under a new judge,[51] granted both motions and accordingly set aside the November 28, 1997 and December 22, 1997 Orders.[52]

With the denial [53] of its motion for reconsideration on August 4, 1998, GMC came to this Court on a Petition for Certiorari, Prohibition and Mandamus, seeking to set aside the May 27, 1998 Order of the Lapu-Lapu RTC in Civil Case No. 2203-L. The Petition was referred to the Court of Appeals, which under Batas Pambansa Blg. 129, exercises original jurisdiction to issue such writs. [54] This was docketed as CA-G.R. SP No. 50650.

On April 30, 1999, the Court of Appeals rendered its Decision [55] in CA-G.R. SP No. 50650, the dispositive portion of which reads:

WHEREFORE, the petition being partly meritorious, the Court hereby resolves as follows:

(1) To AFFIRM the Orders of May 28, 1998 and August 4, 1998 in Civil Case No. 2203-L insofar as they set aside the order holding respondent Register of Deeds guilty of indirect contempt of court and to NULLIFY said orders in so far as they set aside the directives contained in paragraphs (a) and (b) and (c) of the order dated November 28, 1997.

(2) To DECLARE without FORCE and EFFECT insofar as petitioner Group Management Corporation is

concerned the decision in Civil Case No. R-82-3429 as well as the orders and writs issued for its execution and enforcement: and

(3) To ENJOIN respondent Lapu-Lapu Development and Housing Corporation, along with its agents and representatives and/or persons/public officials/employees acting in its interest, specifically respondent Regional Trial Court of Manila Branch 38, and respondent Register of Deeds of Lapu-Lapu City, from obstructing, interfering with or in any manner delaying the implementation/execution/ enforcement by the Lapu-Lapu City RTC of its order and writ of execution in Civil Case No. 2203-L.

For lack of sufficient basis the charge of contempt of court against respondent Lapu-Lapu Development and Housing Corporation and the public respondents is hereby DISMISSED. [56]

With the denial of LLDHC's motion for reconsideration on December 29, 1999,[57] LLDHC, on January 26, 2000, filed before this Court a Petition for Review on Certiorari assailing the April 30, 1999 decision of the Court of Appeals in CA-G.R. SP No. 50650. This petition was docketed as G.R. No. 141407.

This Court dismissed LLDHC's petition and upheld the decision of the Court of Appeals in CA-G.R. SP No. 50650 in its decision dated September 9, 2002.[58] LLDHC's Motion for Reconsideration and Second Motion for Reconsideration were also denied on November 13, 2002[59] and February 3, 2003, [60] respectively.

The September 9, 2002 decision of this Court in G.R. No. 141407 became final on March 10, 2003. [61]

On March 11, 2004, the Lapu-Lapu RTC, acting on GMC's Motion for Execution, issued an Order [62] the dispositive portion of which reads:

WHEREFORE, in light of the foregoing considerations, plaintiff Group Management Corporation's motion is GRANTED, while defendant GSIS' motion to stay the issuance of a writ of execution is denied for lack of merit. Consequently, the Sheriff of this Court is directed to proceed with the immediate implementation of this Court's decision dated February 24, 1992, by enforcing completely this Court's Order of Execution dated November 28, 1996, the writ of execution dated December 17, 1996, the Order dated July 21, 1997, the Order dated October 23 1997, the Order dated November 28, 1997 and the Order dated December 22, 1997. [63]

On May 7, 2004, the Lapu-Lapu RTC denied [64] the motions for reconsideration filed by LLDHC and GSIS.

On May 27, 2004, LLDHC filed before the Court of Appeals a Petition for Certiorari, Prohibition and Mandamus [65] against the Lapu-Lapu RTC for having issued the Orders of March 11, 2004 and May 7, 2004 (assailed Orders). This petition docketed as CA-G.R. SP No. 84382, sought the annulment of the assailed Orders and for the Court of Appeals to command the Lapu-Lapu RTC to desist from further proceeding in Civil Case No. 2203-L, to dismiss GMC's Motion for Execution, and for the issuance of a Temporary Restraining Order (TRO)/Writ of Preliminary Injunction against the Lapu-Lapu RTC and GMC.

On July 6, 2004, GSIS filed its own Petition for Certiorari and Prohibition with Preliminary Injunction and Temporary Restraining Order [66] before the Court of Appeals to annul the assailed Orders of the Lapu-Lapu RTC, to prohibit the judge therein and the Register of Deeds of Lapu-Lapu City from implementing such assailed Orders, and for the issuance of a TRO and writ of preliminary injunction to maintain the status quo while the case is under litigation. This petition was docketed as CA-G.R. SP No. 85096.

The Court of Appeals initially dismissed outright LLDHC's petition for failure to attach the Required Secretary's Certificate/Board Resolution authorizing petitioner to initiate the petition, [67] but in a Resolution [68] dated August 2, 2004, after having found the explanation for the mistake satisfactory, the Court of Appeals, "on equitable consideration and for the purpose of preserving the status quo during the pendency of the appeal," [69] issued a TRO against the Lapu-Lapu RTC from enforcing its jurisdiction and judgment/order in Civil Case No.

2203-L until further orders. In its August 30, 2004 Resolution, [70] the Court of Appeals, without resolving the case on its merits, also issued a Writ of Preliminary Injunction, commanding the Lapu-Lapu RTC to cease and desist from implementing the assailed Orders in Civil Case No. 2203-L, until further orders.

On November 25, 2004, the Twentieth Division of the Court of Appeals promulgated its decision in CA-G.R. SP No. 85096. It dismissed GSIS's petition and affirmed the assailed Orders of March 11, 2004 and May 7, 2004. The Court of Appeals found no merit in GSIS's petition since the judgment in Civil Case No. 2203-L, which was decided way back on February 24, 1992, had long become final and executory, which meant that the Lapu-Lapu RTC had no legal obstacle to cause said judgment to be executed and enforced. The Court of Appeals quoted in full, portions of this Court's Decision in G.R. No. 141407 to underscore the fact that no less than the Supreme Court had declared that the decision in Civil Case No. 2203-L was valid and binding and had become final and executory a long time ago and had not been in any way nullified by the decision rendered by the Manila RTC on May 10, 1994 in Civil Case No. R-82-3429. On January 20, 2005, the Court of Appeals upheld its decision and denied GSIS's Motion for Reconsideration. [71]

However, on September 23, 2005, the Special Nineteenth Division of the Court of Appeals came out with its own decision in CA-G.R. SP No. 84382. It granted LLDHC's petition, contrary to the Court of Appeals' decision in CA-G.R. SP No. 85096, and annulled and set aside the March 11, 2004 Order of the Lapu-Lapu RTC in this wise:

WHEREFORE, finding merit in the instant Petition for Certiorari, Prohibition and Mandamus, the same is hereby GRANTED, and the assailed Order, dated March 11, 2004, of the Regional Trial Court, 7th Judicial Region, Branch 27, Lapulapu City, in Civil Case No. 2203-L is ANNULLED AND SET ASIDE.

Accordingly, respondent Judge Benedicto Cobarde is hereby ORDERED:

- a) to DESIST from further proceeding in Civil Case No. 2203-L; and
- b) to DISMISS GMC's Motion for Execution in the abovementioned case;

Meanwhile, the Writ of Preliminary Injunction earlier issued is hereby declared PERMANENT. No pronouncement as to costs. [72]

GSIS [73] and GMC [74] are now before this Court, with their separate Petitions for Review on Certiorari, assailing the decisions of the Court of Appeals in CA-G.R. SP No. 85096 and CA-G.R. SP No. 84382, respectively.

G.R. No. 167000

In G.R. No. 167000, GSIS is assailing the Orders issued by the Lapu-Lapu RTC on March 11, 2004 and May 7, 2004 for being legally unenforceable on GSIS because the titles of the 78 lots in Marigondon, Lapu-Lapu City were already in LLDHC's name, due to the final and executory judgment rendered by the Manila RTC in Civil Case No. R-82-3429. GSIS contends that it is legally and physically impossible for it to comply with the assailed Orders as the "subject matter to be delivered or performed have already been taken away from" [75] GSIS. GSIS asserts that the circumstances which have arisen, from the judgment of the Manila RTC to the cancellation of GSIS's titles, are "supervening events" which should be considered as an exception to the doctrine of finality of judgments because they render the execution of the final and executory judgment of the Lapu-Lapu RTC in Civil Case No. 2203-L unjust and inequitable. GSIS further claims that it should not be made to pay damages of any kind because its funds and properties are exempt from execution, garnishment, and other legal processes under Section 39 of Republic Act No. 8291.

LLDHC, in its Compliance, [76] believes that it was impleaded in this case as a mere nominal party since it filed

its own Petition for Certiorari before the Court of Appeals, which was granted in CA-G.R. SP No. 84382. LLDHC essentially agrees with GSIS that the implementation of the assailed Orders have become legally impossible due to the fully implemented Writ of Execution issued by the Manila RTC in Civil Case No. R-82-3429. LLDHC alleges that because of this "supervening event," GSIS cannot be compelled to execute a final deed of sale in GMC's favor, and "LLDHC cannot be divested of its titles, ownership and possession" of the subject properties. [77]

GMC in its comment [78] argues that GSIS has no legal standing to institute this petition because it has no more interest in the subject lots, since it is no longer in possession and the titles thereto have already been registered in LLDHC's name. GMC claims that the decision of the Special Nineteenth Division of the Court of Appeals is barred by res judicata, and that LLDHC is guilty of forum shopping for filing several petitions before the Court of Appeals and this Court with the same issues and arguments. GMC also asserts that the judgment in Civil Case No. R-82-3429 is enforceable only between GSIS and LLDHC as GMC was not a party to the case, and that the Manila RTC cannot overrule the Lapu-Lapu RTC, they being co-equal courts.

G.R. No. 169971

In G.R. No. 169971, GMC is praying that the decision of the Special Nineteenth Division of the Court of Appeals in CA-G.R. SP No. 84382 be reversed and set aside. GMC is claiming that the Court of Appeals, in rendering the said decision, committed a palpable legal error by overruling several final decisions rendered by the Lapu-Lapu RTC, the Court of Appeals, and this Court. [79] GMC claims that the Lapu-Lapu RTC's duty to continue with the implementation of its orders is purely ministerial as the judgment has not only become final and executory, but has been affirmed by both the Court of Appeals and the Supreme Court in several equally final and executory decisions. [80] GMC, repeating its arguments in G.R. No. 167000, maintains that the petition is barred by res judicata, that there is forum shopping, and that the Manila RTC decision is not binding on GMC.

LLDHC in its comment [81] insists that there is a supervening event which rendered it necessary to stay the execution of the judgment of the Lapu-Lapu RTC. LLDHC also asserts that, as correctly found by the Court of Appeals in CA-G.R. SP No. 84382, the Lapu-Lapu RTC decision in Civil Case No. 2203-L was not affirmed with finality by the Court of Appeals and the Supreme Court as the decision was not reviewed on the merits.

SUMMARY OF THE ISSUES

The present case is peculiar in the sense that it involves two conflicting final and executory decisions of two different trial courts. Moreover, one of the RTC decisions had been fully executed and implemented. To complicate things further, the parties have previously filed several petitions, which have reached not only the Court of Appeals but also this Court. Upon consolidation of the two petitions, this Court has narrowed down the issues to the following:

- Whether or not the decision of the Manila RTC in Civil Case No. R-82-3429 constitutes a supervening event, which should be admitted as an exception to the doctrine of finality of judgments.
- Whether or not the September 23, 2005 Decision of the Special Nineteenth Division of the Court of Appeals in CA-G.R. SP No. 84382 and GSIS's Petition in G.R. No. 167000 are barred by res judicata.
- Whether or not there is a legal and physical impossibility for GSIS to comply with the March 11, 2004 and May 7, 2004 Orders of the Lapu-Lapu RTC in Civil Case No. 2203-L.
- Whether or not LLDHC and GSIS are guilty of forum shopping.

DISCUSSION

First Issue:

Supervening Event

It is well-settled that once a judgment attains finality, it becomes immutable and unalterable. It may not be changed, altered or modified in any way even if the modification were for the purpose of correcting an erroneous conclusion of fact or law. This is referred to as the "doctrine of finality of judgments," and this doctrine applies even to the highest court of the land. [82] This Court explained its rationale in this wise:

The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice, and that, at the risk of occasional errors, the judgments or orders of courts must become final at some definite time fixed by law; otherwise, there would be no end to litigations, thus setting to naught the main role of courts of justice which is to assist in the enforcement of the rule of law and the maintenance of peace and order by settling justiciable controversies with finality. [83]

This Court has, on several occasions, ruled that the doctrine of finality of judgments admits of certain exceptions, namely: "the correction of clerical errors, the so-called nunc pro tunc entries which cause no prejudice to any party, void judgments, and whenever circumstances transpire after the finality of the decision which render its execution unjust and inequitable." [84]

Both GSIS and LLDHC claim that the execution of the decision and orders in Civil Case No. 2203-L should be stayed because of the occurrence of "supervening events" which render the execution of the judgment "impossible, unfair, unjust and inequitable." [85] However, in order for an event to be considered a supervening event to justify the alteration or modification of a final judgment, the event must have transpired after the judgment has become final and executory, to wit:

Supervening events refer to facts which transpire after judgment has become final and executory or to new circumstances which developed after the judgment has acquired finality, including matters which the parties were not aware of prior to or during the trial as they were not yet in existence at that time. [86]

The Lapu-Lapu RTC Decision in Civil Case No. 2203-L was promulgated on February 24, 1992, while the Manila RTC Decision in Civil Case No. R-82-3429 was promulgated on May 10, 1994. As early as December 6, 1993, both GSIS's and LLDHC's appeals of the Lapu-Lapu RTC Decision were dismissed by the said RTC. [87] Only GSIS moved to reconsider this dismissal, which was denied on July 6, 1994. [88] Strictly speaking, the Lapu-Lapu RTC Decision should have attained finality at that stage; however, LLDHC filed with the Court of Appeals its Petition for Annulment of Judgment (CA-G.R. SP No. 34696) on July 27, 1994 and it used therein the Manila RTC Decision as its main ground for annulment of the Lapu-Lapu RTC decision.

The Court of Appeals nonetheless dismissed LLDHC's Petition for Annulment of Judgment, in CA-G.R. SP No. 34696, [89] and that became final and executory on January 28, 1995, [90] after LLDHC interposed no appeal. The entry of judgment in this case was issued on August 18, 1995. [91] Moreover, the similar petition of LLDHC before this Court in G.R. No. 118633 was decided on September 6, 1996 and became final and executory on December 23, 1996. Therefore, the ruling by the Manila RTC is evidently not a supervening event. It was already in existence even before the decision in Civil Case No. 2203-L attained finality.

Just as LLDHC and GSIS, as the losing parties, had the right to file their respective appeals within the prescribed period, GMC, as the winning party in Civil Case No. 2203-L, equally had the correlative right to benefit from the finality of the resolution of its case, [92] to wit:

A final judgment vests in the prevailing party a right recognized and protected by law under the due process

clause of the Constitution. A final judgment is "a vested interest which it is right and equitable that the government should recognize and protect, and of which the individual could not be deprived arbitrarily without injustice." [93] (Citations omitted.)

Since the Manila RTC decision does not constitute a supervening event, there is therefore neither reason nor justification to alter, modify or annul the Lapu-Lapu RTC Decision and Orders, which have long become final and executory. Thus, in the present case, GMC must not be deprived of its right to enjoy the fruits of a final verdict.

It is settled in jurisprudence that to stay execution of a final judgment, a supervening event "must create a substantial change in the rights or relations of the parties which would render execution of a final judgment unjust, impossible or inequitable making it imperative to stay immediate execution in the interest of justice." [94]

However, what would be unjust and inequitable is for the Court to accord preference to the Manila RTC Decision on this occasion when in the past, the Court of Appeals and this Court have repeatedly, consistently, and with finality rejected LLDHC's moves to use the Manila RTC Decision as a ground to annul, and/or to bar the execution of, the Lapu Lapu RTC Decision. To be sure, in the Decision dated September 9, 2002 in G.R. No. 141407, penned by former Chief Justice Artemio V. Panganiban, the Court already passed upon the lack of effect of the Manila RTC Decision on the finality of the Lapu Lapu RTC decision in this wise:

The records of the case clearly show that the Lapulapu Decision has become final and executory and is thus valid and binding upon the parties. Obviously, petitioner [LLDHC] is again trying another backdoor attempt to annul the final and executory Decision of the Lapulapu RTC.

First, it was petitioner that filed on March 11, 1992 a Notice of Appeal contesting the Lapulapu RTC Judgment in Civil Case No. 2203-L rendered on February 24, 1992. The Notice was however rejected by the said RTC for being frivolous and dilatory. Since petitioner had done nothing thereafter, the Decision clearly became final and executory.

However, upon receipt of the Manila RTC Decision, petitioner found a new tool to evade the already final Lapulapu Decision by seeking the annulment of the latter in a Petition with the CA. However, the appellate court dismissed the action, because petitioner had been unable to prove any of the grounds for annulment; namely lack of jurisdiction or extrinsic fraud. Because no appeal had been taken by petitioner, the ruling of the CA also became final and executory.

Second, the Supreme Court likewise recognized the finality of the CA Decision when it threw out LLDHC's Petition for Certiorari in GR No. 118633. This Court ruled thus:

"Instead of filing this petition for certiorari under Rule 65, which is essentially another Petition to Annul Judgment, petitioner LLDHC should have filed a timely Petition for Review under Rule 45 of the Revised Rules of Court of the decision of the Court of Appeals, dated December 29, 1994, dismissing the Petition for Annulment of Judgment filed by the petitioner LLDHC before the court a quo. But this is all academic now. The appellate court's decision had become final and executory on January 28, 1995."

Jurisprudence mandates that when a decision becomes final and executory, it becomes valid and binding upon the parties and their successors in interest. Such decision or order can no longer be disturbed or reopened no matter how erroneous it may have been. Petitioner's failure to file an appeal within the reglementary period renders the judgment final and executory. The perfection of an appeal in the manner and within the period prescribed by law is mandatory. Failure to conform to the rules regarding appeal will render the judgment final and executory and, hence, unappealable. Therefore, since the Lapulapu Decision has become final and executory, its execution has become mandatory and ministerial on the part of the judge.

The CA correctly ruled that the Lapulapu Judgment is binding upon petitioner [LLDHC] which, by its own motion, participated as an intervenor. In fact, the latter filed an Answer in Intervention and thereafter actively took part in the trial. Thus, having had an opportunity to be heard and to seek a reconsideration of the action or ruling it complained of, it cannot claim that it was denied due process of law. What the law prohibits is the absolute absence of the opportunity to be heard. Jurisprudence teaches that a party cannot feign denial of due process if it has been afforded the opportunity to present its side.

Petitioner likewise claims that Private Respondent GMC cannot escape the adverse effects of the final and executory judgment of the Manila RTC.

Again, we do not agree. A trial court has no power to stop an act that has been authorized by another trial court of equal rank. As correctly stated by the CA, the Decision rendered by the Manila RTC -- while final and executory -- cannot bind herein private respondent [GMC], which was not a party to the case before the said RTC. A personal judgment is binding only upon the parties, their agents, representatives and successors in interest.

Third, petitioner grievously errs in insisting that the judgment of the Manila RTC nullified that of the Lapulapu RTC. As already adverted to earlier, courts of coequal and coordinate jurisdiction may not interfere with or pass upon each other's orders or processes, since they have the same power and jurisdiction. Except in extreme situations authorized by law, they are proscribed from doing so.[95] (Emphases supplied.)

It likewise does not escape the attention of this Court that the only reason the Manila RTC Decision was implemented ahead of the Lapu Lapu RTC Decision was that LLDHC successfully secured a TRO from the Court of Appeals through its petition for certiorari docketed as CA-G.R. SP No. 44052, which was eventually dismissed by the appellate court. The Court of Appeals ruled that the Manila RTC Decision did not constitute a supervening event that would forestall the execution of the Lapu Lapu RTC Decision. This decision of the Court of Appeals likewise became final and executory in 1998.

It bears repeating that the issue of whether or not the Manila RTC Decision could nullify or render unenforceable the Lapu Lapu RTC Decision has been litigated many times over in different fora. It would be the height of inequity if the Court were to now reverse the Court of Appeals' and its own final and executory rulings and allow GSIS to prevent the execution of the Lapu Lapu RTC Decision on the same legal grounds previously discredited by the courts.

Second Issue:

Res Judicata

GMC asserts that the September 23, 2005 Decision of the Special Nineteenth Division of the Court of Appeals in CA-G.R. SP No. 84382 and the petition herein by GSIS in G.R. No. 167000 are barred by res judicata as the issues involved had been fully resolved not only by the lower courts but by this Court as well. GSIS and LLDHC both insist that res judicata does not apply as this Court "has not yet rendered a decision involving the same or any similar petition." [96] The petitions by LLDHC before the Court of Appeals and GSIS before this Court both prayed for the annulment of the March 11, 2004 and May 7, 2004 Orders of the Lapu-Lapu RTC in Civil Case No. 2203-L. These assailed Orders were both issued to resolve the parties' motions and to have the February 24, 1992 judgment implemented and executed.

In *Republic of the Philippines (Civil Aeronautics Administration) v. Yu*, [97] this Court expounded on the concept of res judicata and explained it in this wise:

Res judicata literally means "a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment." [] Res judicata lays the rule that an existing final judgment or decree rendered on the merits, and 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. [98]

In *Villanueva v. Court of Appeals*, [99] 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. [100]

All three parties herein are in agreement with the facts that led to the petitions in this case. However, not all of them agree that the matters involved in this case have already been judicially settled. While GMC contends that GSIS's petition is barred by *res judicata*, both GSIS and LLDHC assert that this Court has not yet decided any similar petition, thus disputing the claim of *res judicata*.

Res judicata has two concepts: (1) "bar by prior judgment" as enunciated in Rule 39, Section 47(b) of the 1997 Rules of Civil Procedure; and (2) "conclusiveness of judgment" in Rule 39, Section 47(c), which reads as follows:

(b) In other cases, the judgment or final order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity; and

(c) In any other litigation between the same parties or their successors in interest, that only is deemed to have been adjudged in a former judgment or final order which appears upon its face to have been so adjudged, or which was actually and necessarily included therein or necessary thereto.

In explaining the two concepts of *res judicata*, this Court held that:

There is "bar by prior judgment" when, as between the first case where the judgment was rendered, and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. But where there is identity of parties and subject matter in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. This is "conclusiveness of judgment." Under the doctrine of conclusiveness of judgment, facts and issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties, even if the latter suit may involve a different claim or cause of action. The identity of causes of action is not required but merely identity of issues. [101]

In *Peñalosa v. Tuason*, [102] we laid down the test in determining whether or not the causes of action in the first and second cases are identical:

Would the same evidence support and establish both the present and former cause of action? If so, the former recovery is a bar; if otherwise, it does not stand in the way of the former action. [103]

Res judicata clearly exists in G.R. No. 167000 and in CA-G.R. SP No. 84382 because both GSIS's and LLDHC's actions put in issue the validity of the Lapu-Lapu RTC Decision and were based on the assumption that it has either been modified, altered or nullified by the Manila RTC Decision.

In CA-G.R. SP No. 84382, LLDHC sought to annul the assailed Orders of the Lapu-Lapu RTC and to order the judge therein to desist from further proceeding in Civil Case No. 2203-L. LLDHC sought for the same reliefs in its Petition for Annulment of Judgment in CA-G.R. SP No. 34696 and G.R. No. 118633, in its Petition for Certiorari in CA-G.R. SP No. 44052, and in its Petition for Review on Certiorari in G.R. No. 141407, all of which have been decided with finality.

In G.R. No. 167000, GSIS is praying for the reversal of the November 25, 2004 Decision and January 20, 2005 Resolution in CA-G.R. SP No. 85096, wherein the Court of Appeals affirmed the assailed Orders. The validity of these assailed Orders hinges on the validity of the Lapu-Lapu RTC Decision, which issue had already been decided with finality by both the Court of Appeals and this Court.

Notwithstanding the difference in the forms of actions GSIS and LLDHC filed, the doctrine of res judicata still applies considering that the parties were litigating the same thing, i.e., the 78 lots in Marigondon, Lapu-Lapu City, and more importantly, the same contentions and evidence were used in all causes of action. As this Court held in *Mendiola v. Court of Appeals* [104]:

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. [105]

The doctrine of res judicata makes a final judgment on the merits rendered by a court of competent jurisdiction conclusive as to the rights of the parties and their privies and amounts to an absolute bar to subsequent actions involving the same claim, demand, or cause of action.[106] Even a finding of conclusiveness of judgment operates as estoppel with respect to matters in issue or points controverted, on the determination of which the finding or judgment was anchored.[107]

Evidently, this Court could dispose of this case simply upon the application of the principle of res judicata. It is clear that GSIS's petition in G.R. No. 167000 and LLDHC's petition in CA-G.R. SP No. 84382 should have never reached those stages for having been barred by a final and executory judgment on their claims. However, considering the nature of the case before us, this Court is compelled to make a final determination of the issues in the interest of substantial justice and to end the wasteful use of our courts' time and resources.

Third Issue:

GSIS's Compliance with the
Lapu-Lapu RTC Judgment and Orders

GSIS asserts that the assailed Orders cannot be enforced upon it given the physical and legal impossibility for it to comply as the titles over the subject properties were transferred to LLDHC under the Manila RTC writ of execution.

A closer perusal of the March 11, 2004 and May 7, 2004 Orders shows that GSIS's argument holds no water. The May 7, 2004 Order denied GSIS's and LLDHC's motions for reconsideration of the March 11, 2004 Order. The March 11, 2004 Order resolved GMC's urgent manifestation and motion to proceed with the implementation of the February 24, 1992 final and executory decision and GSIS's and LLDHC's opposition thereto, as well as GSIS's motion to stay the issuance of a writ of execution against it. The dispositive portion of the Order reads:

WHEREFORE, in the light of the foregoing considerations, plaintiff Group Management Corporation's motion

is GRANTED, while defendant GSIS' motion to stay the issuance of a writ of execution is denied for lack of merit. Consequently, the Sheriff of this Court is directed to proceed with the immediate implementation of this Court's decision dated February 24, 1992, by enforcing completely this Court's Order of Execution dated November 28, 1996, the writ of execution dated December 17, 1996, the Order dated July 21, 1997, the Order dated October 23, 1997, the Order dated November 28, 1997 and the Order dated December 22, 1997. [108] (Emphasis ours.)

While the previous orders and writs of execution issued by the Lapu-Lapu RTC required the GSIS to execute the final deed of sale and to deliver the subject properties, the Lapu-Lapu RTC, in its subsequent Orders, modified this by directing its order to the Register of Deeds of Lapu-Lapu City. In its July 21, 1997 Order, [109] the Lapu-Lapu RTC, seeing GSIS's obstinate refusal to implement the court's previous orders, directed the Register of Deeds of Lapu-Lapu City to cancel the Transfer Certificates of Title of the subject properties and to issue new ones in the name of GMC, and to deliver the same to GMC. Moreover, in its October 23, 1997 Order, the Lapu-Lapu RTC, noting the implemented judgment of the Manila RTC, declared the issuance of new titles to LLDHC null and void for being contrary to the court's February 24, 1992 decision and directed the Register of Deeds to effect the transfer of the titles to GMC.

Considering that the assailed Orders merely directed the Lapu-Lapu RTC's Sheriff to proceed with the implementation of the court's previous orders, that is, to make sure that the Register of Deeds of Lapu-Lapu City complied with the orders, GSIS had nothing to comply with insofar as the titles to, and possession of, the subject properties were concerned, the Orders being clearly directed towards the Sheriff of the Lapu-Lapu RTC and the Register of Deeds of Lapu-Lapu City. Hence, GSIS's argument of legal and physical impossibility of compliance with the assailed Orders is baseless.

GSIS also argues that it cannot be the "subject [of any] execution including [the] payment of any damage and other monetary judgments because all GSIS funds and properties are absolutely and expressly exempt from execution and other legal processes under Section 39 of Republic Act No. 8291." [110]

Section 39 of Republic Act No. 8291 provides:

SECTION 39. Exemption from Tax, Legal Process and Lien. --It is hereby declared to be the policy of the State that the actuarial solvency of the funds of the GSIS shall be preserved and maintained at all times and that contribution rates necessary to sustain the benefits under this Act shall be kept as low as possible in order not to burden the members of the GSIS and their employers. Taxes imposed on the GSIS tend to impair the actuarial solvency of its funds and increase the contribution rate necessary to sustain the benefits of this Act. Accordingly, notwithstanding any laws to the contrary, the GSIS, its assets, revenues including all accruals thereto, and benefits paid, shall be exempt from all taxes, assessments, fees, charges or duties of all kinds. These exemptions shall continue unless expressly and specifically revoked and any assessment against the GSIS as of the approval of this Act are hereby considered paid. Consequently, all laws, ordinances, regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision are hereby deemed repealed, superseded and rendered ineffective and without legal force and effect.

x x x x

The funds and/or the properties referred to herein as well as the benefits, sums or monies corresponding to the benefits under this Act shall be exempt from attachment, garnishment, execution, levy or other processes issued by the courts, quasi judicial agencies or administrative bodies including Commission on Audit (COA) disallowances and from all financial obligations of the members, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties, or incurred relative to or in connection with his position or work except when his monetary liability, contractual or otherwise, is in favor of the GSIS.

This Court, in *Rubia v. Government Service Insurance System*,^[111] held that the exemption of GSIS is not absolute and does not encompass all of its funds, to wit:

In so far as Section 39 of the GSIS charter exempts the GSIS from execution, suffice it to say that such exemption is not absolute and does not encompass all the GSIS funds. By way of illustration and as may be gleaned from the Implementing Rules and Regulation of the GSIS Act of 1997, one exemption refers to social security benefits and other benefits of GSIS members under Republic Act No. 8291 in connection with financial obligations of the members to other parties. The pertinent GSIS Rule provides:

Rule XV. Funds of the GSIS

Section 15.7 Exemption of Benefits of Members from Tax, Attachment, Execution, Levy or other Legal Processes. - The social security benefits and other benefits of GSIS members under R.A. 8291 shall be exempt from tax, attachment, garnishment, execution, levy or other processes issued by the courts, quasi-judicial agencies or administrative bodies in connection with all financial obligations of the member, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties or incurred in connection with his position or work, as well as COA disallowances. Monetary liability in favor of the GSIS, however, may be deducted from the benefits of the member. [Emphasis supplied]

The processual exemption of the GSIS funds and properties under Section 39 of the GSIS Charter, in our view, should be read consistently with its avowed principal purpose: to maintain actuarial solvency of the GSIS in the protection of assets which are to be used to finance the retirement, disability and life insurance benefits of its members. Clearly, the exemption should be limited to the purposes and objects covered. Any interpretation that would give it an expansive construction to exempt all GSIS assets from legal processes absolutely would be unwarranted.

Furthermore, the declared policy of the State in Section 39 of the GSIS Charter granting GSIS an exemption from tax, lien, attachment, levy, execution, and other legal processes should be read together with the grant of power to the GSIS to invest its "excess funds" under Section 36 of the same Act. Under Section 36, the GSIS is granted the ancillary power to invest in business and other ventures for the benefit of the employees, by using its excess funds for investment purposes. In the exercise of such function and power, the GSIS is allowed to assume a character similar to a private corporation. Thus, it may sue and be sued, as also, explicitly granted by its charter. Needless to say, where proper, under Section 36, the GSIS may be held liable for the contracts it has entered into in the course of its business investments. For GSIS cannot claim a special immunity from liability in regard to its business ventures under said Section. Nor can it deny contracting parties, in our view, the right of redress and the enforcement of a claim, particularly as it arises from a purely contractual relationship, of a private character between an individual and the GSIS. ^[112]

This ruling has been reiterated in the more recent case of *Government Service Insurance System v. Regional Trial Court of Pasig City, Branch 71*, ^[113] wherein GSIS, which was also the petitioner in that case, asked to reverse this Court's findings in *Rubia* and grant GSIS absolute immunity. This Court rejected that plea and held that GSIS should not be allowed to hide behind such immunity especially since its obligation arose from its own wrongful action in a business transaction.

In this case, the monetary judgments against GSIS arose from its failure to comply with its private and contractual obligation to GMC. As such, GSIS cannot claim immunity from the enforcement of the final and executory judgment against it. ^[114]

Fourth Issue:

Forum Shopping

On the issue of forum shopping, this Court already found LLDHC guilty of forum shopping and was adjudged to pay treble costs way back in 2002 in G.R. No. 141407 [115]:

There is forum shopping whenever, as a result of an adverse opinion in one forum, a party seeks a favorable opinion (other than by appeal or certiorari) from another. In *Gatmaytan v. CA*, the petitioner therein repeatedly availed itself of several judicial remedies in different courts, simultaneously or successively. All those remedies were substantially founded on the same transactions and the same essential facts and circumstances; and all raised substantially the same issues either pending in, or already resolved adversely by, some other court. This Court held that therein petitioner was trying to increase his chances of obtaining a favorable decision by filing multiple suits in several courts. Hence, he was found guilty of forum shopping.

In the present case, after the Lapulapu RTC had rendered its Decision in favor of private respondent, petitioner filed several petitions before this Court and the CA essentially seeking the annulment thereof. True, petitioner had filed its Complaint in the Manila RTC before private respondent filed its own suit in the Lapulapu RTC. Records, however, show that private respondent learned of the Manila case only when petitioner filed its Motion for Intervention in the Lapulapu RTC. When GMC filed its own Motion to Intervene in the Manila RTC, it was promptly rebuffed by the judge therein. On the other hand, petitioner was able to present its side and to participate fully in the proceedings before the Lapulapu RTC.

On July 27, 1994, almost two years after the dismissal of its appeal by the Lapulapu RTC, petitioner filed in the CA a suit for the annulment of that RTC judgment. On December 29, 1994, this suit was rejected by the CA in a Decision which became final and executory on January 28, 1995, after no appeal was taken by petitioner. However, this action did not stop petitioner. On February 2, 1995, it filed with this Court another Petition deceptively cloaked as certiorari, but which in reality sought the annulment of the Lapulapu Decision. This Court dismissed the Petition on September 6, 1996. Petitioner's Motion for Reconsideration was denied with finality on November 18, 1996.

On November 28, 1996, Judge Risos of the Lapulapu RTC directed the execution of the judgment in the case filed before it. The Motion to Stay Execution filed by petitioner was denied on February 19, 1997. Undaunted, it filed in this Court another Petition for Certiorari, Prohibition and Mandamus. On September 21, 1998, we referred the Petition to the CA for appropriate action. This new Petition again essentially sought to annul the final and executory Decision rendered by the Lapulapu RTC. Needless to say, the new suit was unsuccessful. Still, this rejection did not stop petitioner. It brought before this Court the present Petition for Review on Certiorari alleging the same facts and circumstances and raising the same issues already decided by this Court in G.R. No. 118633.

First Philippine International Bank v. CA stresses that what is truly important to consider in determining whether forum shopping exists is the vexation caused the courts and the parties-litigants by one who asks different courts and/or administrative agencies to rule on the same or related facts and causes and/or to grant the same or substantially the same relief, in the process creating the possibility of conflicting rulings and decisions.

Petitioner in the present case sued twice before the CA and thrice before this Court, alleging substantially the same facts and circumstances, raising essentially the same issues, and praying for almost identical reliefs for the annulment of the Decision rendered by the Lapulapu RTC. This insidious practice of repeatedly bringing essentially the same action -- albeit disguised in various nomenclatures -- before different courts at different times is forum shopping no less. Because of petitioner's actions, the execution of the Lapulapu Decision has been needlessly delayed and several courts vexed. [116]

There is forum shopping when two or more actions or proceedings, other than appeal or certiorari, involving the same parties for the same cause of action, are instituted either simultaneously or successively to obtain a more

favorable decision. [117] This Court, in *Spouses De la Cruz v. Joaquin*, [118] explained why forum shopping is disapproved of:

Forum shopping trifles with the courts, abuses their processes, degrades the administration of justice, and congests court dockets. Willful and deliberate violation of the rule against it is a ground for the summary dismissal of the case; it may also constitute direct contempt of court. [119]

It is undeniable that both LLDHC and GSIS are guilty of forum shopping, for having gone through several actions and proceedings from the lowest court to this Court in the hopes that they will obtain a decision favorable to them. In all those actions, only one issue was in contention: the ownership of the subject lots. In the process, the parties degraded the administration of justice, congested our court dockets, and abused our judicial system. Moreover, the simultaneous and successive actions filed below have resulted in conflicting decisions rendered by not only the trial courts but also by different divisions of the Court of Appeals.

The very purpose of the rule against forum shopping was to stamp out the abominable practice of trifling with the administration of justice. [120] It is evident from the history of this case that not only were the parties and the courts vexed, but more importantly, justice was delayed. As this Court held in the earlier case of LLDHC against GMC: "[The] insidious practice of repeatedly bringing essentially the same action - albeit disguised in various nomenclatures - before different courts at different times is forum shopping no less." [121]

Conclusion

Nonetheless, like we said, substantial justice requires the resolution of this controversy on its merits. It is the duty of this Court to put an end to this long-delayed litigation and render a decision, which will bind all parties with finality.

Although it is settled that the Lapu-Lapu RTC Decision was not in any way nullified by the Manila RTC Decision, it is this Court's duty to resolve the legal implications of having two conflicting, final, and executory decisions in existence. In *Collantes v. Court of Appeals*, [122] this Court, faced with the similar issue of having two conflicting, final and executory decisions before it, offered three options to solve the dilemma: "the first is for the parties to assert their claims anew, the second is to determine which judgment came first, and the third is to determine which of the judgments had been rendered by a court of last resort." [123]

In *Collantes*, this Court applied the first option and resolved the conflicting issues anew. However, resorting to the first solution in the case at bar would entail disregarding not only the final and executory decisions of the Lapu-Lapu RTC and the Manila RTC, but also the final and executory decisions of the Court of Appeals and this Court. Moreover, it would negate two decades' worth of litigating. Thus, we find it more equitable and practicable to apply the second and third options consequently maintaining the finality of one of the conflicting judgments. The primary criterion under the second option is the time when the decision was rendered and became final and executory, such that earlier decisions should prevail over the current ones since final and executory decisions vest rights in the winning party. In the third solution, the main criterion is the determination of which court or tribunal rendered the decision. Decisions of this Court should be accorded more respect than those made by the lower courts. [124]

Applying these criteria to the case at bar, the February 24, 1992 Decision of the Lapu-Lapu RTC in Civil Case No. 2203-L was not only promulgated first; it also attained finality on January 28, 1995, before the Manila RTC's May 10, 1994 Decision in Civil Case No. R-82-3429 became final on May 30, 1997. It is especially noteworthy that months after the Lapu-Lapu RTC issued its writ of execution on December 17, 1996, the Manila RTC issued its own writ of execution on August 1, 1997. To recall, the Manila RTC writ was only satisfied first because the Court of Appeals in CA-G.R. SP No. 44052 deemed it appropriate to issue a temporary restraining order against

the execution of the Lapu-Lapu RTC Decision, pending the case before it. Hence, the fact that the Manila RTC Decision was implemented and executed first does not negate the fact that the Lapu-Lapu RTC Decision was not only rendered earlier, but had also attained finality earlier. Furthermore, while both judgments reached the Court of Appeals, only Civil Case No. 2203-L was passed upon on the merits by this Court. In G.R. No. 141407, this Court resolved LLDHC's petition for review on certiorari seeking to annul the Court of Appeals' Decision in CA-G.R. SP No. 50650. This Court, in dismissing the petition, upheld the validity of the Lapu-Lapu RTC Decision and declared that the Manila RTC Decision cannot bind GMC. That decision became final and executory way back on March 10, 2003.

While this Court cannot blame the parties for exhausting all available remedies to obtain a favorable judgment, the issues involved in this case should have been resolved upon the finality of this Court's decision in G.R. No. 141407. As pronounced by this Court in *Villanueva v. Court of Appeals* [125]:

The interest of the judicial system in preventing relitigation of the same dispute recognizes that judicial resources are finite and the number of cases that can be heard by the court is limited. Every dispute that is reheard means that another will be delayed. In modern times when court dockets are filled to overflowing, this concern is of critical importance. x x x. [126]

In summary, this Court finds the execution of the Lapu-Lapu RTC Decision in Civil Case No. 2203-L to be in order. We affirm the assailed Orders of March 11, 2004 and May 7, 2004, which reiterate, among others, the October 23, 1997 Order issued by the Lapu-Lapu RTC, directing the Register of Deeds of Lapu-Lapu City to cancel the certificates of title of LLDHC and to issue new ones in GMC's name. Whatever rights are due LLDHC from GSIS as a result of the final judgment of the Manila RTC in Civil Case No. R-82-3429, which we have previously held to be binding between GSIS and LLDHC, may be threshed out in an appropriate proceeding. Such proceeding shall not further delay the execution of the Lapu-Lapu RTC Decision.

WHEREFORE, in view of the foregoing, the petition in G.R. No. 167000 is DENIED and the Decision dated November 25, 2004 and Resolution dated January 20, 2005 of the Twentieth Division of the Court of Appeals are AFFIRMED. The petition in G.R. No. 169971 is GRANTED and the Decision dated September 23, 2005 of the Special Nineteenth Division of the Court of Appeals is hereby REVERSED AND SET ASIDE.

SO ORDERED.

Corona, C.J., (Chairperson), Velasco, Jr., Del Castillo, and Perez, JJ., concur.

[1] Rollo (G.R. No. 167000), pp. 36-60; penned by Associate Justice Isaias P. Dicdican with Associate Justices Sesinado E. Villon and Ramon M. Bato, Jr., concurring.

[2] *Id.* at 61-62.

[3] *Id.* at 691-693.

[4] *Id.* at 695-696.

[5] Rollo (G.R. No. 169971), pp. 583-601; penned by Associate Justice Vicente L. Yap with Associate Justices Arsenio J. Magpale and Enrico A. Lanzas, concurring.

[6] Rollo (G.R. No. 167000), p. 361; formerly known as B.C. Sunga Realty, Inc.

[7] *Id.* at 701; originally docketed as Civil Case No. 131332, it was re-docketed as Civil Case No. R-82-3429 and assigned to Branch 38 of the RTC of Manila.

- [8] Id. at 63-79.
- [9] Id. at 79.
- [10] Id.
- [11] Id. at 68-69.
- [12] Id. at 72.
- [13] Id. at 73.
- [14] Id. at 73-74.
- [15] Id. at 78.
- [16] Id. at 352-353.
- [17] Id. at 80-88.
- [18] Id. at 87-88.
- [19] Id. at 370-380.
- [20] Id. at 381-392.
- [21] Id. at 391.
- [22] Id. at 393.
- [23] Id. at 394-403.
- [24] Id. at 452-462.
- [25] Id. at 456-458.
- [26] Id. at 458.
- [27] Id. at 458-459.
- [28] Id. at 460-461.
- [29] Id. at 463.
- [30] Id. at 464-465.
- [31] Id. at 467.
- [32] Id. at 468-469.
- [33] Id. at 472.
- [34] CA rollo, pp. 41-50.
- [35] Id. at 51.
- [36] Id.
- [37] Rollo (G.R. No. 167000), p. 622.
- [38] Id. at 474-475.

[39] Id.

[40] Id. at 477-478.

[41] Id. at 486.

[42] Id. at 479-480.

[43] Id. at 484-486.

[44] Id. at 486.

[45] Id. at 513.

[46] Id.

[47] Id. at 504-508.

[48] Id. at 507.

[49] Id. at 490-498.

[50] Id. at 503.

[51] The previous judge retired on December 23, 1997.

[52] Rollo (G.R. No. 167000), pp. 522-527.

[53] Id. at 529.

[54] CA rollo, p. 393.

[55] Rollo (G.R. No. 167000), pp. 89-112; penned by Associate Justice Artemio G. Tuquero with Associate Justices Eubulo Verzola and Mariano H. Umali, concurring.

[56] Id. at 111-112.

[57] Id. at 606.

[58] Id. at 682-685; penned by Associate Justice Artemio V. Panganiban with Associate Justices Reynato S. Puno (Chairman), Renato C. Corona and Conchita Carpio-Morales, concurring.

[59] Id. at 686.

[60] Id. at 688.

[61] *Lapulapu Development and Housing Corporation v. Group Management Corporation*, 437 Phil. 297 (2002).

[62] Rollo (G.R. No. 167000), pp. 113-115.

[63] Id. at 115.

[64] Id. at 695-696.

[65] Id. at 697-720.

[66] Id. at 723-739.

[67] Id. at 721-722.

- [68] Id. at 116-117.
- [69] Id. at 117.
- [70] Id. at 118-119.
- [71] Id. at 183-184.
- [72] Rollo (G.R. No. 169971), p. 601.
- [73] Rollo (G.R. No. 167000), pp. 3-35.
- [74] Rollo (G.R. No. 169971), pp. 3-82.
- [75] Rollo (G.R. No. 167000), p. 20.
- [76] Id. at 787-792.
- [77] Id. at 791.
- [78] Id. at 242-316.
- [79] Rollo (G.R. No. 169971), pp. 3-82.
- [80] Id. at 50.
- [81] Id. at 663-672.
- [82] *Dapar v. Biascan*, 482 Phil. 385, 405 (2004).
- [83] *Manotok Realty, Inc. v. CLT Realty Development Corporation*, G.R. No. 123346, November 29, 2005, 476 SCRA 305, 337.
- [84] *Heirs of Maura So v. Obliosca*, G.R. No. 147082, January 28, 2008, 542 SCRA 406, 418.
- [85] Rollo (G.R. No. 167000), pp. 18-20.
- [86] *Natalia Realty, Inc. v. Court of Appeals*, 440 Phil. 1, 23 (2002).
- [87] CA rollo, pp. 168-169.
- [88] Id. at 176.
- [89] Rollo (G.R. No. 167000), pp. 381-392.
- [90] Id. at 393.
- [91] Id.
- [92] *Manotok Realty, Inc. v. CLT Realty Development Corporation*, supra note 83.
- [93] *Insular Bank of Asia and America Employees' Union (IBAAEU) v. Inciong*, 217 Phil. 629, 650 (1984).
- [94] *Silverio, Jr. v. Filipino Business Consultants, Inc.*, 504 Phil. 150, 162 (2005).
- [95] *Lapulapu Development and Housing Corporation v. Group Management Corporation*, supra note 61 at 312-315.
- [96] Rollo (G.R. No. 169971), pp. 712, 882.

- [97] G.R. No. 157557, March 10, 2006, 484 SCRA 416.
- [98] Id. at 420.
- [99] 349 Phil. 99 (1998).
- [100] Id. at 109.
- [101] Republic of the Philippines (Civil Aeronautics Administration) v. Yu, supra note 97 at 422.
- [102] 22 Phil. 303 (1912).
- [103] Id. at 322.
- [104] 327 Phil. 1156 (1996).
- [105] Id. at 1166.
- [106] Republic of the Philippines (Civil Aeronautics Administration) v. Yu, supra note 97 at 422-423.
- [107] Camara v. Court of Appeals, 369 Phil. 858, 868 (1999).
- [108] Rollo (G.R. No. 167000), p. 693.
- [109] Id. at 474-475.
- [110] Id. at 17.
- [111] 476 Phil. 623 (2004).
- [112] Id. at 637-640.
- [113] G.R. No. 175393, December 18, 2009, 608 SCRA 552, 584.
- [114] Id.
- [115] Lapulapu Development and Housing Corporation v. Group Management Corporation, supra note 61.
- [116] Id. at 315-317.
- [117] Spouses De la Cruz, v. Joaquin, 502 Phil. 803, 813 (2005).
- [118] Id.
- [119] Id.
- [120] Young v. John Keng Seng a.k.a. John Sy, 446 Phil. 823, 832 (2003).
- [121] Lapulapu Development and Housing Corporation v. Group Management Corporation, supra note 61 at 317.
- [122] G.R. No. 169604, March 6, 2007, 517 SCRA 561.
- [123] Id. at 576.
- [124] Heirs of Maura So v. Obliosca, supra note 84.
- [125] 349 Phil. 99 (1998).
- [126] Id. at 113.

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