

DOMINADOR C. VILLA, PETITIONER, VS. GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), REPRESENTED HEREIN BY ANGELINA A. PATINO, IN HER CAPACITY AS FIELD OFFICE MANAGER, GSIS, DINALUPI...

G.R. No. 174642. October 30, 2009

Ponente: BRION, J.

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BRION, J.:

This is a petition for contempt under Rule 71 of the Revised Rules of Civil Procedure filed by Dominador C. Villa (petitioner) to cite the Government Service Insurance System (GSIS) for indirect contempt for its failure to implement the Resolutions dated March 31, 2004 and June 23, 2004 of the Supreme Court issued in G.R. No. 161807, entitled Government Service Insurance System v. Dominador C. Villa. The Court ordered the GSIS in this case to pay the petitioner his permanent total disability benefit under Republic Act No. 8291 (RA 8291, or the Government Insurance Act of 1997). The petitioner also seeks the issuance of a new writ of execution to enforce the above-stated Resolutions of the Court.

The Factual Antecedents

The petitioner was a Municipal Agrarian Reform Officer of Hermosa, Bataan who filed a claim for compensation benefits under Presidential Decree (PD) No. 626, as amended (the Employees Compensation Act), after suffering from a succession of illnesses. On December 28, 1996, he was admitted to the Philippine Heart Center for fever and headache, associated with productive cough and changes in sensorium. On January 11, 1997, he was diagnosed to be suffering from TB meningitis, lichen simplez chronicus, and sensori-neural hearing loss. On April 24, 1997, the petitioner was again confined in the hospital due to mastoiditis with otegenic meningitis.

The GSIS initially denied the petitioner's claim; on reconsideration however, it granted the petitioner his temporary total disability benefits within a period of ninety (90) days counted from December 28, 1996, and another sixty (60) days counted from April 24, 1997.

Not satisfied with the action taken by the GSIS and believing that his condition constituted permanent total disability, the petitioner asked for the conversion of his disability status to permanent total disability. The GSIS denied his request for two reasons: first, the petitioner's condition did not satisfy the criteria for permanent total disability; and second, his ailment, sensori-neural hearing loss, is not a work-connected disease, being merely secondary to meningitis.

The petitioner appealed the GSIS' denial to the Employees Compensation Commission (ECC) which fully supported the GSIS' ruling. The ECC ruled that the petitioner's ailment of TB meningitis did not meet the criteria for permanent total disability.

From the ECC, the petitioner sought recourse with the Court of Appeals (CA) via a petition for review under Rule 43. The CA reversed the rulings of the GSIS and the ECC and held that the petitioner is entitled to the conversion

of his disability status to permanent total disability, thus entitling him to permanent total disability benefits.[1] The CA ruled:

As certified by Dr. J. Carlos P. Reyes, petitioner Villa has developed bilateral profound sensori-neural hearing loss as a complication of TB Meningitis. Despite appropriate medications, no significant improvement in his hearing capabilities was observed... From this information, we could deduce that his recovery from such condition is medically remote. Being totally deprived of his sense of hearing, petitioner was rendered incapable of performing his usual duties and responsibilities as a MARO, which duties included conducting ocular inspections in far-flung areas, and of course, interacting with people in connection with his job.

The CA reasoned out that the definition of temporary total disability under Section 2(t) of RA 8291 is one that "accrues or arises when the impaired physical and/or mental faculties can be rehabilitated or restored to their normal functions." The CA observed that the petitioner's physical impairment continued to persist despite the medical attention given, thus negating the temporary nature of his total disability.

The CA also relied on Section 2, Rule 7 of the Amended Rules on Employees Compensation, which defined permanent total disability as the condition when the employee is unable to perform any gainful occupation for a continuous period exceeding 120 days as a result of the injury or sickness. In this regard, the CA noted that the petitioner was awarded a total number of 150 days of temporary total disability benefits.

The GSIS elevated the CA decision to this Court for review (docketed as G.R. No. 161807) via a petition for review on certiorari under Rule 45. By Resolution dated March 31, 2004, the Court denied the petition considering the issues raised were factual; at the same time, the GSIS also failed to show any reversible error committed by the CA. The Court subsequently denied GSIS' motion for reconsideration in its Resolution of June 23, 2004. These Resolutions became final and executory per Entry of Judgment of the Resolution dated March 31, 2004 on August 12, 2004.

On April 21, 2005, the petitioner filed, in G.R. No. 161807, a Motion to Remand Case Folder with Motion for Issuance of a Writ of Execution of the Resolution dated March 31, 2004. The Court resolved to refer to the court of origin for appropriate action the [petitioner's] motion ... praying that a writ of execution be issued in this case.[2] On September 1, 2005, the Judgment Division of the Court wrote the Executive Director of ECC referring the above motion of the petitioner.[3] ECC, in turn, indorsed the said motion and the entire original records of the case to the GSIS and requested compliance with the final decision in the case within fifteen (15) days from receipt.[4] The GSIS indorsed this request to the Vice-President, Area I of GSIS for his appropriate action and enclosing therewith the entire records of the case, the decision of the CA (in CA-G.R. SP No. 60517), the entry of judgment in G.R. No. 161807, and the order dated July 20, 2005 directing the issuance of a writ of execution to pay the petitioner.[5]

On May 15, 2006, the petitioner wrote the Court Administrator a letter complaining of the failure of GSIS to execute the Resolutions of March 31, 2004 and June 23, 2004. In a 1[st] Indorsement dated May 30, 2006, the Office of the Court Administrator indorsed the petitioner's letter to the Public Attorney's Office (PAO) for appropriate action. In compliance therewith, the PAO filed the present petition for indirect contempt under Rule 71 of the Rules of Court.[6]

The Petition

The petitioner claims in this petition that the GSIS refused to comply with the decision of the Court in G.R. No. 161807 on the view that the decision is wrong. The petitioner also accuses the GSIS of resorting to schemes to delay, if not avoid, in paying him the permanent total disability benefits due him. The petitioner posits that this refusal on the part of GSIS constitutes disobedience or resistance to a lawful judgment of the Court that is

contumacious conduct under Section 3 (b) and (d) of Rule 71. The petitioner likewise posits that GSIS' conduct obstructs and degrades the administration of justice.

GSIS denies the petitioner's allegations and asserts that it had undertaken efforts to pay the claim. GSIS also asserts that it issued a check payable to the petitioner on February 8, 2007, which the petitioner returned for some "unfathomable reasons." GSIS also argues that the return of the check should be deemed compliance with its legal obligation to pay the petitioner's claim in accordance with applicable laws.

The Issue

The petition presents to us the issue of whether the acts of the GSIS in executing the final and executory judgment of the Court in G.R. No. 161807 constituted contumacious conduct punishable as indirect contempt.

The Court's Ruling

We find the petition meritorious.

Contempt of court is defiance of court authority that tends to degrade the dignity of the court and bring the administration of the law into disrespect, or an act that interferes with or prejudices parties-litigants or their witnesses during litigation thereby impeding the administration of justice.[7] It is also defined as the disobedience to the Court by acting in opposition to its authority, justice, and dignity, and signifies a willful disregard or disobedience of the court's orders; it is conduct that tends to bring the authority of the court and the administration of law into disrepute or otherwise impedes the administration of justice.[8]

The power of contempt is a very powerful weapon, as the court determines for itself whether its authority, dignity and effectiveness in the administration of justice have been prejudicially affected. Thus, the rule is to use this power sparingly and only in the defensive and preservative spirit. Yet, the Court will not hesitate and has never hesitated to wield its power where the contumacious conduct exhibited by a person or entity is patently and clearly derogatory to the authority of the courts in their sworn duties. It is with these thoughts that we decide the issue before us.

We start our consideration of the case by examining the premise that should underlie the execution of every court judgment - i.e., the finality of the judgment under execution.

The records clearly show that the Resolutions of March 31, 2004 and June 23, 2004 of this Court in G.R. No. 161807, affirming the CA decision granting the petitioner permanent total disability benefits, have long become final and executory. Entry of judgment has in fact been made.

At this point, the doctrine of immutability of judgment became fully operational. Under this doctrine, a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the Highest Court of the land.[9] Any act which violates this principle must immediately be struck down. The only exceptions to this rule are: (1) the correction of clerical errors; (2) the so-called nunc pro tunc entries which cause no prejudice to any party; (3) void judgments; and (4) whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable.[10] In the absence of any effective invocation of these exceptions - and none has so been made in this case - the judgment of the court must be implemented according to its terms.

Thus, at this point, it is not for any party, certainly not for GSIS, to say that it will implement the judgment in a manner it deems correct under its reading of the applicable law.

The records show that GSIS tried to pay the petitioner his permanent total disability retirement benefit on three

separate occasions, all in the year 2007.[11]

The first attempt was made on February 8, 2007 when the GSIS sent the petitioner a check in the amount of P292,165.38, computed from December 28, 1996 (the date of the petitioner's retirement), less deductions in the amount of P20,759.85. The petitioner returned the check because of the wrong computation of his awarded benefits; these should have been computed on the basis of RA 8291, not on the basis of PD 1146 and its amendments.[12] A reading of the CA decision we affirmed shows the application of RA 8291 as the basis in granting the petitioner permanent total disability benefits. Hence, the petitioner is correct that his disability benefit should be computed under the terms of RA 8291.

The second GSIS attempt to settle the claim was made on February 23, 2007 through a letter written by Field Office Manager Angelina A. Patino[13] addressed to the petitioner informing him that his disability retirement proceeds under RA 8291 as of November 3, 2006 arrived at zero-net proceeds.

The last attempt was made on July 30, 2007, when the GSIS sent the petitioner a check in the amount of P49,722.58 representing his permanent total disability retirement benefit.

To trace back the GSIS efforts at compliance, the records show that we referred the case to the ECC for implementation and action through Resolution of June 20, 2005 which we issued based on a motion duly made. ECC Executive Director Elmor D. Juridico in turn referred the matter on July 20, 2005 to the GSIS, the institution bound to pay the petitioner's disability benefits. The ECC letter of July 20, 2005 states:

We are remanding to you the entire original records of the case of MR. DOMINADOR C. VILLA versus GOVERNMENT SERVICE INSURANCE SYSTEM, together with the copy of the Decision of Court of Appeals... Entry of Judgment issued by the Supreme Court ... dated August 12, 2004 and the order dated July 20, 2005 directing issuance of writ of execution to pay the petitioner.[14]

GSIS received Juridico's referral letter on July 27, 2005. Thus, on that day, GSIS was already on notice of the directive to pay the petitioner's permanent total disability benefit as provided in the CA decision.

While GSIS exerted "efforts" on three occasions to pay the petitioner's claim, we find these GSIS efforts superficial in character; they were mere gestures, done without sincerity and good faith and simply to give the appearance of compliance with our Resolutions of March 31, 2004 and June 23, 2004 in G.R. No. 161807.

1. The Time Element. It is not lost on us that more than a year has passed since the issuance of the ECC letter and the order directing the issuance of a writ of execution before GSIS acted on our directive to pay considering it was only on February 8, 2007 that a check representing payment of the petitioner's disability retirement benefit was issued and given to him. It is not also lost on us that even up to this time, or after the lapse of more than two (2) years since GSIS made the tender of the third check, the petitioner is still waiting for the execution of our rulings in G.R. No. 161807. Otherwise stated, more than four (4) years have passed since the finality of our decision in G.R. No. 161807 and the petitioner is still waiting for its implementation. To further view this case from the perspective of time, it has been 12 long years since the GSIS first acted on the petitioner's claim for disability.

2. Sincerity and Good Faith. We cannot see any sincerity or good faith in GSIS' handling of the implementation of our final resolutions and the CA decision.

We note that by way of reply to the contempt charges against it, the GSIS could only submit measly pleadings simply stating that it had tried to pay the petitioner his permanent total disability retirement benefits. Notably, these GSIS pleadings did not even disclose all its moves and the developments in executing our rulings.

The Manifestation[15] and Reply to Comment on Manifestation[16] that GSIS submitted only referred to the first

instance that it tried to settle its obligation to the petitioner. GSIS never formally disclosed its two other attempts to send "payments" to the petitioner. The pleadings also show that GSIS did not provide the petitioner any computation showing compliance with the Resolutions of this Court and the CA decision. Given these non-disclosures, we can only surmise that GSIS did not want this Court to know of its arbitrary actions in satisfying the petitioner's permanent total disability retirement benefits. They indicate to us, too, GSIS's lack of sincerity and good faith in settling the judgment against it and in dealing with this Court.

A very disturbing aspect of this case, once more affecting GSIS' sincerity and good faith, is the allegation relating to the actions of GSIS Field Office Manager Patino that GSIS completely failed to rebut. It is disturbing because it reveals a devious scheme GSIS employed to minimize - and even totally deprive - the petitioner of benefits rightfully due him. The records show that in a letter dated May 9, 2007 sent by the petitioner to Patino, the petitioner claimed:

In our meeting in your office sometime on October 2006 ... it was you who even advised me to give the date November 3, 2006. Before you gave this date, Mrs. Carmelita Pelaez asked you to give the date that will be beneficial to me so that my claim for retirement benefits may already be processed. Now, you are using this date, November 3, 2006 that you supplied, to decide that I am entitled to nothing since I retired only on this date?

You know very well that I have filed a claim for total temporary disability on January 7, 1998 and later permanent total disability on November 25, 1999 which mean that I have not been capacitated to work since these dates, and these facts were adjudicated and passed upon by the Honorable Supreme Court with finality... now you have found your way to circumvent the decision of the Honorable Supreme Court by simply leading me to say that I retired on November 3, 2006?[17] [Emphasis his]

thus, directly alleging that a GSIS officer herself led the petitioner to submit data that would have effectively resulted in negating the disability benefits that the courts have confirmed to be due him. We observe, too, that Section 16 of RA 8291 clearly states that a GSIS member under permanent and total disability shall receive benefits from the date of disability, subject only to exceptions that GSIS never claimed in this case. Respondent Patino's apparent manipulation of this provision to negate the petitioner's claim and the silence of GSIS when faced with the petitioner's allegations are further indications to us of its lack of sincerity and good faith in complying with our Resolutions and the CA decision.

3. Erroneous Computations. We are also at a loss how GSIS could have made repeated errors in the computation of the petitioner's benefits when all the data necessary for computation are in its possession and, hence, readily available to it. Even some degree of error should not have resulted in the long delay in the payment of the petitioner's claim. To be sure, great strides in achieving clarity would have been attained if GSIS had only exhibited transparency and good faith by duly informing the petitioner, in its second and third attempts at payment, of the basis and itemization of its computations of the benefits due him.

CONCLUSION

Based on all these considerations, we cannot avoid the conclusion that the GSIS never had the genuine intention to implement in good faith the final rulings of this Court in G.R. No. 161807. Its dilatory and superficial acts in complying with the clear and unequivocal terms of the Court's Resolutions and the CA decision and in dealing with the petitioner cannot but be defiance of the authority of this Court impeding the prompt and orderly resolution and termination of this case;[18] for these reasons, they are contumacious acts constitutive of indirect contempt of court.

Section 7 of Rule 71 of the Rules of Court provides that if the respondent is adjudged guilty of indirect contempt

committed against a Regional Trial Court or a court of equivalent or higher rank, he may be punished by a fine not exceeding P30,000.00 or imprisonment not exceeding six months, or both.

Under the circumstances, we find the imposition of the maximum fine of P30,000.00 to be justified. We find it fitting, too, to warn the GSIS and its respondent officials that we shall not allow any further equivocation and delay in the implementation of our final and executory Resolutions, the final decision of the CA, and of this Decision, and any further act of indirect contempt in the execution of this Decision shall merit very serious consequences that will not exclude the penalty of imprisonment for the officials or parties engaging in contumacious acts.

We close these discussions by stressing the abiding concern that the government and its institutions should have for the welfare of the government workers, especially the humble rank-and-file, whose patience, industry and dedication to duty have often gone unheralded, but who plod on dutifully with very little recognition in performing their appointed tasks.[19] This concern justifies the sympathy of the law toward social security beneficiaries and an interpretation of utmost liberality in their favor.[20] This sympathy extends to court judgments awarding social security benefits to government workers. Considerations of fairness and justice, too, require that these awards be immediately executed according to their terms upon finality. In the present case, the petitioner has long been entitled to secure the benefits that would assist him in his disability; he should not be made to wait any longer.

WHEREFORE, premises considered, the petition for indirect contempt is GRANTED. The Government Service Insurance System is found guilty of INDIRECT CONTEMPT and is hereby ORDERED to pay a FINE in the amount of Thirty Thousand Pesos (P30,000.00).

The Government Service Insurance System is further ORDERED to pay DOMINADOR C. VILLA the permanent total disability benefits he is entitled to under this Court's Resolutions of March 31, 2004 and June 23, 2004 issued in G.R. No. 161807 in relation with CA-G.R. SP No. 60517, and to provide him the corresponding computations on how the amount of these benefits was arrived at.

The Government Service Insurance System is further DIRECTED to SUBMIT a REPORT to this Court of its compliance with the above directives within a non-extendible period of sixty (60) days from receipt of this Decision. The Government Service Insurance System and the respondent officials are further WARNED that the failure to strictly comply with the terms of this Decision shall be regarded as continuing indirect contempt of this Court that shall merit additional and more serious penalties.

SO ORDERED.

Quisumbing, (Chairperson), Carpio,[*] Nazario,**] and Abad, JJ., concur.

[*] Designated additional Member of the Second Division effective October 19 to 28, 2009, per Special Order No. 757 dated October 12, 2009.

**] Designated additional Member of the Second Division effective October 26 to 30, 2009, per Special Order No. 759 dated October 12, 2009.

[1] Penned by Associate Justice Eloy Bello, Jr. (retired) with Associate Justice Cancio C. Garcia (retired Member of this Court) and Associate Justice Mariano del Castillo (now a Member of this Court), concurring.

[2] Resolution dated June 20, 2005.

[3] Rollo of G.R. No. 161807, p. 82.

[4] Rollo, p. 86.

[5] Id., p. 87.

[6] Id., p. 10.

[7] See: Regalado v. Go, G.R. No. 167988, February 6, 2007, 514 SCRA 616.

[8] Id., p. 627.

[9] Collantes v. Court of Appeals, G.R. No. 169604, March 6, 2007, 517 SCRA 561.

[10] Heirs of Tuballa v. Cabrera, G.R. No. 179104, February 29, 2008, 547 SCRA 289.

[11] Rollo, pp. 98- 99, 112-113 and 117.

[12] Government Service Insurance Act of 1977.

[13] Also referred to as "Patiño" in the records.

[14] Rollo, p. 86.

[15] Id., pp. 94-95.

[16] Id., pp. 125-126.

[17] Id., p. 120.

[18] Limbona v. Judge Lee, G.R. No. 173290, November 20, 2006, 507 SCRA 452.

[19] Government Service Insurance System v. Court of Appeals, G.R. No. 132648, March 4, 1999, 304 SCRA 243.

[20] Id., p. 251.

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