

INVESTORS' FINANCE CORPORATION, DOING BUSINESS UNDER THE NAME AND STYLE FNCB FINANCE; AND DANILO REYES, DEPUTY SHERIFF OF BRANCH XXI, CFI OF RIZAL (PASIG), PETITIONERS, VS. THE...

G.R. No. 50929. July 15, 1981

Ponente: FERNANDEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-50929/>

FERNANDEZ, J.:

This is a petition for certiorari to review the decision of the Court of Appeals in CA-G.R. NO. SP-08818, entitled "Investors' Finance Corporation, et al., Petitioner vs. Hon. Eduardo C. Tutaan as Judge of Court of First Instance of Quezon City, Branch V, et al., Respondents" promulgated on April 3, 1979 which dismissed the petition for certiorari seeking the annulment of the Order dated January 17, 1979 of Hon. Eduardo C. Tutaan as Judge of the Court of First Instance of Quezon City, Branch V, denying the motion to dismiss Civil Case No. Q-26754 and ordered Judge Eduardo C. Tutaan to proceed with the trial of Civil Case No. Q-26754, entitled "Richmann Tractors, Inc., et al., Plaintiff vs. Investors' Finance Corporation, et al.."[1]

The facts, as found by the Court of Appeals, are:

"Before April 30, 1974, private respondents were the owners of certain construction equipment and being in need of financing, they went to the Investors' Finance Corporation (FNCB Finance) with their equipment as collateral. In the appropriate documents which were executed, it was made to appear that FNCB was the owner of the equipments and that private respondents were merely leasing them. As a consideration for the lease, private respondents were to pay monthly amortization. So that on April 30, 1974, petitioner FNCB Finance and respondent Richmann Tractors, Inc. executed a 'Lease Agreement' (Annex "A", Petition) covering various properties described in the Lease Schedules attached to the Lease Agreement. As security for the payment of respondent Richmann's obligations under the Lease Agreement, respondent Ricardo B. Pajarillaga and Ella P. Pajarillaga (respondent spouses) executed a Continuing Guaranty dated April 30, 1974 (Annex "B", Petition).

"On May 20, 1976, respondent Richmann also applied for and was granted credit and financing facilities by petitioner in the amount of P977,034.88, payable in 24 equal monthly installments commencing on June 20, 1976 and every month thereafter until fully paid, as evidenced by the Non-Negotiable Promissory Note (Annex "C", Petition) executed by said respondent. The payment of respondent Richmann's obligations under said Promissory Note is secured by a Continuing Guaranty dated July 31, 1974 (Annex "D", Petition) executed by respondent spouses.

"Private respondents defaulted in their respective obligations under the Lease Agreement, Non-Negotiable Promissory Note and the two (2) Deeds of Continuing Guaranty aforementioned. Upon their failure to pay said defaulted obligations notwithstanding petitioner FNCB Finance's demands, the latter filed a complaint (Annex "E", Petition) for replevin and sum of money, on June 1, 1978, against said respondents, which case was docketed as Civil Case No. 29671.

"On June 6, 1978, Branch XXI issued a writ of replevin for the seizure of the properties covered by the Lease

Agreement. Subsequently, private respondents executed with Petitioner FNCB Finance a Compromise Agreement dated June, 1978 (Annex "F", Petition) which was, in turn, filed with Branch XXI on June 21, 1978.

"Acting upon the said Compromise Agreement, Branch XXI issued a Decision on July 12, 1978 (Annex "G", Petition) approving the compromise agreement and enjoining the parties thereto to faithfully comply with the terms and conditions thereof.

"Private respondents breached their obligations under the Compromise Agreement whereupon petitioner FNCB Finance, thru counsel, filed an Ex-Parte Motion for Execution (Annex "H", Petition) on December 11, 1978, which was granted by Branch XXI, as shown by the Order dated January 4, 1978 (Annex "I", Petition) issued by Judge Pineda. In the same Order, Judge Pineda directed the issuance of a writ of execution and ordered petitioner Sheriff to enforce said writ thereafter. On January 4, 1979, the writ of execution (Annex "J", Petition) was issued.

"Petitioner Sheriff has partially enforced said writ of execution. He has levied on execution the following properties belonging to respondent Richmann, to wit:

- a) two (2) units 6 x 6 trucks
- b) three (3) units Isuzu Dump trucks
- c) one (1) unit CAT D7-17-A Bulldozer
- d) one (1) unit CAT Road Grader
- e) one (1) unit Mack Dump Truck
- f) one (1) unit Weapons Carrier
- g) one (1) unit self-loading loader
- h) one (1) unit Ford Fiera
- i) one (1) unit tow truck
- j) one (1) unit payloader
- k) one (1) unit water tank with two big tires
- l) one (1) Komatsu D-80 Bulldozer
- m) one (1) unit Caterpillar D7-17-A Bulldozer
- n) one (1) unit "SAKAI" Kosakusho Road Roller
- o) one (1) unit Caterpillar D7F Bulldozer
- p) one (1) unit Caterpillar D9G Bulldozer
- q) one (1) unit IH Bulldozer (Under Third Party, Peter Lee)
- r) one (1) unit Road Roller
- s) one (1) unit Caterpillar D7 Bulldozer
- t) one (1) unit Vibratory compactor
- u) one (1) unit Ford Fiera

v) one (1) unit Chevy water tank

"Of these, twenty-two (22) units have already been taken under custody and are all under Sheriff's guards either in Metro Manila or at Lal-lo, Cummao, Gattaran, Cagayan.

"On January 17, 1979, private respondents filed their complaint (Annex "K") against herein petitioners, docketed as Civil Case No. Q-26754.

"Likewise on January 17, 1979, respondent Judge issued the questioned Order (Annex "L"). Hence, this petition."^[2]

The complaint in Civil Case No. Q-26754 is to annul the decision rendered in Civil Case No. 29671 rendered by Judge Pineda on the ground of extrinsic fraud. The case was assigned to Branch V, Court of First Instance of Rizal presided by Judge Eduardo C. Tutaan.

The order of January 17, 1979 issued by Judge Tutaan enjoined the Deputy Sheriff of Rizal, Danilo Reyes, from enforcing the writ of execution issued in Civil Case No. 29671.

The Court of Appeals held that the respondent judge, Hon. Eduardo C. Tutaan, has jurisdiction over the action for annulment of the decision of Judge Gregorio Pineda because "the ruling in Dulap vs. Court of Appeals is firmly applicable in the instant case x x x."^[3]

According to the petitioners, the respondent Court of Appeals committed the following errors:

"THE RESPONDENT COURT OF APPEALS ERRED WHEN IT AFFIRMED AND HELD JUSTIFIABLE THE ORDER ISSUED ON JANUARY 17, 1979 IN CIVIL CASE NO. Q-26754, ENTITLED 'RICHMANN TRACTORS, INC., ET AL. VS. INVESTORS' FINANCE CORPORATION, ET AL.,' OF BRANCH V OF THE COURT OF FIRST INSTANCE OF RIZAL (QUEZON CITY), PRESIDED BY HONORABLE JUDGE EDUARDO C. TUTAAN, WHICH ENJOINED THE PETITIONER SHERIFF FROM CARRYING OUT A WRIT OF EXECUTION ISSUED IN ANOTHER CASE (CIVIL CASE NO. 29671) BY THE JUDGE (JUDGE GREGORIO PINEDA) OF ANOTHER BRANCH (BRANCH XXI) OF THE SAME COURT (COURT OF FIRST INSTANCE OF RIZAL AT PASIG).^[4]

"THE RESPONDENT COURT OF APPEALS ERRED WHEN IT ORDERED THE RESPONDENT JUDGE IN CA-G.R. NO. 08818-SP TO PROCEED WITH THE TRIAL IN CIVIL CASE NO. Q-26754."^[5]

The petitioners "disagree with the respondent Court of Appeals when it held that the 'ruling in Dulap vs. Court of Appeals is firmly applicable in this instant case x x x' "^[6]

The petitioners contend that there is no parallelism and no congruence between the Dulap case and the instant case because "In the instant case, the complaint filed by petitioner FNCCB Fiannce in Civil Case No. 29671 has not yet been finally terminated by Branch XXI, Court of First Instance of Rizal Pasig, as in fact the writ of execution was still in the process of enforcement by petitioner Sheriff, when the private respondents herein filed their complaint for annulment of judgment with Branch V of the Court of First Instance of Rizal (Quezon City), docketed as Civil Case No. Q-26754 and presided by Honorable Judge Eduardo C. Tutaan."^[7]

The respondents submit that Civil Case No. Q-29671, entitled "Investors' Finance Corporation, etc. et al. vs. Richmann Tractors, Inc., et al." was already terminated when Civil Case No. Q-26754 was filed before Branch V of the Court of First Instance of Rizal (Quezon City) because nothing was left to be done but to enforce the judgment therein which had become final and executory and that the Court of First Instance presided by Judge Pineda could no longer grant the relief sought by the herein private respondents, plaintiffs in Civil Case No. Q-26754.

The submission of the private respondents is supported by decisions of this Court.

It is settled that a court of first instance or a branch thereof has jurisdiction to annul a final and executory judgment rendered by another court of first instance or branch of the same court. In *Dulap vs. Court of Appeals*[8] the Supreme Court said:

"In an action to annul the judgment of a court, the plaintiff's cause of action springs from the alleged nullity of the judgment based on one ground or another, particularly fraud, which fact affords the plaintiff a right to judicial interference in his behalf. In such a suit the cause of action is entirely different from that in the action which gave rise to the judgment sought to be annulled, for a direct attack against a final and executory judgment is not incidental to, but is the main object of, the proceeding."

"To hold that a court or a branch thereof has no authority or jurisdiction to annul a judgment simply because that judgment was rendered by another branch, would, therefore practically amount to judicial legislation affecting, as it will, the provisions of the Revised Judiciary Act." [9] Jurisdiction over the action includes jurisdiction over an interlocutory matter incidental to the cause and deemed necessary to preserve the subject matter of the suit or protect the parties' interest. [10]

Judge Eduardo C. Tutaan, therefore, has jurisdiction to take cognizance of Civil Case No. Q-26754 seeking to annul the final and executory judgment rendered by Judge Gregorio Pineda in Civil Case No. 29671 and to issue the order of January 17, 1979 temporarily restraining the sheriff from proceeding with the execution of the judgment of said Judge Pineda.

It is contended by the petitioners that the action to annul the judgment is premature because Civil Case No. 29671 before Judge Pineda was not yet terminated.

This contention has no merit. It is a fact that the decision of Judge Pineda in Civil Case No. 29671 had become final and executory. Indeed the sheriff was already in the process of executing said judgment. Judge Pineda could no longer grant the relief prayed for by the private respondents in Civil Case No. Q-26754. [11]

As held by the Supreme Court in *Bayer Philippines, Inc. vs. Agana* [12] "Once a court renders a final judgment, all the issues between or among the parties before it are deemed resolved and its judicial function as regards any matter related to the controversy litigated comes to an end. The execution of its judgment is purely a ministerial phase of adjudication. Indeed the nature of its duty to see to it that the claim of the prevailing party is fully satisfied from the properties of the loser is generally ministerial."

In view of the foregoing, the second error assigned is not meritorious. It is the duty of the respondent judge to proceed with the trial of Civil Case No. Q-26754 over which he has jurisdiction.

WHEREFORE, the petition is denied and the decision of the Court of Appeals in CA-G.R. NO. 08818-SP sought to be reviewed is hereby affirmed, without costs.

SO ORDERED.

Makasiar, Guerrero, and Melencio-Herrera, JJ., concur.
Teehankee, J., (Chairman), in the result.

[1] Rollo, pp. 257-273.

[2] Rollo, pp. 257-260.

[3] Rollo, p. 265.

[4] Rollo, p. 26.

[5] Rollo, p. 42.

[6] Rollo, p. 27.

[7] Rollo, p. 30.

[8] 42 SCRA, 537, 541.

[9] Ibid., p. 543.

[10] Bayer Philippines, Inc. vs. Agana, 63 SCRA 355, 369.

[11] Abirera vs. Court of Appeals, 45 SCRA 314, 318.

[12] 63 SCRA, 355, 364-365.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.