

LUALHATI A. COJUANGCO, PETITIONER, VS. PURIFICACION VILLEGAS AND THE PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH XVII, MALOLOS, BULACAN, RESPONDENTS.

G.R. NO. 76838. April 17, 1990

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

The instant petition for certiorari and prohibition raises the ultimate issue of whether or not the execution of a final judgment in an ejectment case may be stayed by a co-equal court in order that the right of indemnification and retention of an alleged builder in good faith may not be rendered meaningless or illusory in an independent civil action for specific performance.

Petitioner Lualhati Aldaba Cojuangco is the widow of Don Juan Cojuangco, the registered owner of the disputed parcel of residential land containing an area of 585 square meters and situated at San Agustin, Malolos, Bulacan.

Many years back (about sixty years, according to the municipal trial court) the parents of private respondent Purification Villegas, with the acquiescence of Don Juan Cojuangco, constructed a residential house and later a structure housing a bakery on the aforesaid lot. It was understood that they could remain on the land with his blessings and without paying rentals on condition that they would vacate the premises when needed by the owner.

After her parents' death, Villegas remained in the property, renovating the same and spending P300,000.00 in the process. She also leased out a portion of the land to Siapno Appliances at P600.00 a month without the knowledge and consent of Don Juan Cojuangco. This latter act apparently destroyed her congenial relations with the landowner because soon thereafter, Don Juan Cojuangco, through his attorney in fact, demanded that she leave the property. Despite his repeated written demands for her to surrender possession of the property, Villegas refused, prompting Cojuangco to institute ejectment proceedings against her before the Municipal Trial Court (MTC) of Malolos, Bulacan, Branch I on August 23, 1978.[1]

On February 5, 1979, Don Juan Cojuangco died intestate. In the trial court's order of October 22, 1979, his wife Lualhati, herein petitioner, together with nephews and nieces, were substituted as parties-plaintiffs.[2]

In its decision dated June 30, 1983, the inferior court dismissed the action for ejectment for lack of jurisdiction. It cited the unassailable fact that Villegas and her predecessors-in-interest had been in actual possession of the subject land for no less than sixty years and that in addition, Villegas asserted an adverse claim of ownership, thus transforming the suit into an "accion publiciana" which is properly cognizable by courts of first instance (now regional trial courts).

On appeal to the then Court of First Instance (CFI) of Malolos, Branch XV, the inferior court was reversed insofar as it had erroneously denied jurisdiction over the ejectment case.[3] The trial court then ordered Villegas to vacate the premises and to surrender possession thereof to herein petitioner Cojuangco.[4]

The case was elevated to the appellate court and to the Supreme Court and in both instances, herein petitioner

Cojuangco's right of possession over the land was upheld. After entry of judgment was made on November 20, 1985, herein petitioner went to the Regional Trial Court of Malolos, Branch XV, where she filed a motion for execution of the judgment, which the court granted on June 30, 1986. On July 29, 1986, a writ of demolition was issued against Villegas, who did not oppose the ordered demolition but instead asked the lower court to give her more time (forty days from August 7, 1986) to effect the transfer of her personal properties and to remove the improvements on the subject lot to which motion the court acceded.

On September 16, 1986, before the lapse of the grace period, Villegas filed a separate civil action docketed as Civil Case No. 9094-M against petitioner Cojuangco and the provincial sheriff "for specific performance with urgent prayer for issuance of a temporary restraining order and preliminary injunction." This case, instead of being referred to Branch XV which had earlier issued the writ of demolition, was raffled to another Malolos branch of the Bulacan Trial Court, specifically Branch XVII which issued on the same day, September 16, 1986, a temporary restraining order enjoining Cojuangco and particularly the sheriff "from enforcing or implementing the Order of Demolition issued in Civil Case No. 7042-M x x x." [5] This was followed by another order dated October 6, 1986 granting a writ of preliminary injunction. [6] The twin orders are now the subject of the instant petition for certiorari on the ground that they have been issued with grave abuse of discretion amounting to lack of jurisdiction.

Petitioner Cojuangco contends that the assailed orders constituted an undue interference by the respondent court with a final and executory decision of a co-equal court which is anathema in our judicial system.

The argument is impressed with merit. As early as 1922 in the case of *Cabigao v. Del Rosario*, this Court laid down the doctrine that "no court has power to interfere by injunction with the judgments or decrees of a court of concurrent or coordinate jurisdiction having power to grant the relief sought by injunction." [7]

The various branches of the court of first instance of a province or city, having as they have the same or equal authority and exercising as they do concurrent and coordinate jurisdiction, should not, cannot and are not permitted to interfere with their respective cases, much less with their orders or judgments. A contrary rule would obviously lead to confusion and seriously hamper the administration of justice. [8]

Based on the foregoing, it is plainly evident that the injunction was improperly issued by the respondent court.

Petitioner Cojuangco has further raised the issue of whether Villegas can still legally institute a separate independent action against the adjudged owner of the disputed lot on the ground that Villegas and her predecessors-in-interest are builders in good faith and are therefore entitled to recover the value of the improvements they had introduced on the lot.

Rule 9, Section 4 of the Revised Rules of Court on compulsory counterclaim provides the answer. It states:

"A counterclaim or cross-claim not set up shall be barred if it arises out of or is necessarily connected with, the transaction or occurrence that is the subject-matter of the opposing party's or co-party's claim and does not require for its adjudication the presence of third parties of whom the court cannot acquire jurisdiction.

Villegas' claim to recover compensation for improvements made on the land is essentially in the nature of a counterclaim since it is interwoven with the fact of possession. Said claim for compensation should have been presented as a counterclaim in the ejectment suit. It is deemed barred if not raised on time and the party in error is precluded from setting it up in a subsequent litigation. [9] The rule on compulsory counter-claim is designed to enable the disposition of the entire conflict at one time and in one action. The philosophy of the rule is to discourage multiplicity of suits. [10]

According to Villegas, the reason why the counter-claim for indemnification was not made in the original action

was because it became a "ripe issue" only after the ejectment proceedings. Villegas contended that the estoppel of judgment could only extend to those facts and conditions existing at the time the judgment was rendered and not to those which supervened before the second suit.

The argument is untenable. In her pleadings, Villegas repeatedly stressed that the residential house which her parents had constructed was already there on the questioned lot for as long as she could remember, that she herself has lived there all her life and that in the honest belief that the land had been "donated" to her parents by her "Aunt Tecla", she made various improvements and renovations thereon. Obviously, such declarations on the part of Villegas completely negate her absurd claim that the factual basis for her subsequent action arose after the ejectment suit became final.

Thus, Villegas should have set forth, simultaneously with the assertion that she was entitled to the parcel of land by right of inheritance, the alternative claim that assuming she was not legally entitled to the disputed lot, at least as a builder in good faith, she has the right to the value of the buildings and improvements which she and her parents had introduced on the land.[11] And while it may be argued that the defense of being a builder in good faith would have been inconsistent with her claim of ownership, in the case of *Castle Bros., Wolf and Sons v. Go-Juno*,[12] the Court held that a party may set forth as many defenses and counterclaims as he may have, whatever be their nature. These may even be inconsistent with each other because what is sufficient is that each is consistent with itself.

Since Villegas failed to set up such alternative defense (i.e. a builder in good faith is entitled to recover the value of improvements) and instead relied on the sole defense that she inherited the land from her parents, the rejection thereof was a complete resolution of the controversy between the parties which bars a later case based upon the unpleaded defense. The adjudication of the issue joined by the parties in the earlier case constitutes *res judicata*, the theory being that what is barred by prior judgment are not only the matters actually raised and litigated upon, but also such other matters as could have been raised but were not.[13]

It bears emphasizing that in ejectment cases, the rule is explicit that the judgment must be executed immediately when it is in favor of the plaintiff to prevent further damages to him arising from the loss of possession.[14] The sense of urgency is more pronounced in the case at bar where the ejectment case in favor of Cojuangco was decided in 1978 and subsequently appealed all the way to the Supreme Court. But the final victory continues to elude Cojuangco to this day due to a large extent to the legal maneuvers utilized by Villegas to forestall the inevitable.

For its part, respondent trial court has attempted to justify its writ of injunction by stating that the impending demolition of Villegas' house and other buildings on the disputed property would render inutile her right as a builder in good faith. We cannot agree. The loss to Villegas is not sufficient to warrant a blatant disregard of established precedents especially when it is borne in mind that for more than half a century, Villegas and her family have enjoyed the fruits of the land without paying a single centavo in return. Surely, the equities are more in favor of Cojuangco, the landowner.

In sum, the Court finds that in taking cognizance of the action for specific performance and in issuing the questioned orders which interfered with the final judgment of a coordinate court, respondent trial court committed grave abuse of discretion amounting to lack of jurisdiction which is correctible by a writ of certiorari.

WHEREFORE, the petition is granted. The respondent court is hereby ordered to DISMISS Civil Case No. 9094-M and all proceedings held therein are declared null and void. The Regional Trial Court of Malolos, Bulacan, Branch XV is ordered to immediately execute the decision in the ejectment case, Civil Case No. 7042-M. Costs against private respondent Villegas. This decision is immediately executory.

SO ORDERED.

Feliciano, Bidin, and Cortes, JJ., concur.
Gutierrez, Jr., on leave.

- [1] Civil Case No. 3921.
- [2] Rollo, p. 197.
- [3] Civil Case No. 7042-M.
- [4] Annex B, Rollo, p. 43.
- [5] Annex J, Rollo, p. 58.
- [6] Annex K, Rollo, p. 59.
- [7] 44 Phil. 182, cited in *De Leon v. Salvador*, No. L-31603, December 28, 1970, 36 SCRA 567.
- [8] *Parco v. Court of Appeals*, No. L-33152, January 30, 1982, 111 SCRA 262.
- [9] *Beltran v. Valbuena*, 53 Phil. 697; *Berses v. Villanueva*, 25 Phil. 473.
- [10] *Heirs of Agripina Baclayon, et al. v. Court of Appeals, et al.*, G.R. No. 89132, February 26, 1990.
- [11] *Camara, et al., v. Aguilar, et al.*, 94 Phil. 527.
- [12] 7 Phil. 144.
- [13] *Heirs of Laureano Marquez v. Valencia*, 99 Phil. 740; *Visayan Packing Corporation v. Reparations Commission*, No. L-29673, November 12, 1987; *Heirs of Agripina Baclayon, et al. v. Court of Appeals, et al.*, *supra*.
- [14] Rule 70, Section 8, Revised Rules of Court; *Salinas v. Navarro*, G.R. No. 50259, November 29, 1983, 126 SCRA 167 cited in *Ang Pang v. Regional Trial Court of Manila, Branch 40*, G.R. No. 75860, September 17, 1987, 154 SCRA 77.

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