

**DAMASO S. FLORES, PETITIONER, VS. COURT OF APPEALS
(THIRTEENTH DIVISION) AND ROLANDO R. LIGON, RESPONDENTS.***G.R. No. 97556. July 29, 1996*

Ponente: HERMOSISIMA, JR., J.

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The age old legal principle of immutability of judgments already final and executory, is placed under the crucible of a critical adjudication in this case in view of vital evidence though post litem motam. Wisely put, the general rule is that a final judgment of the Supreme Court cannot be altered or modified by the lower court regardless of any occasional injustice. The equity of a particular case must yield to the overmastering need of certainty and unalterability of judicial pronouncements. Any amendment or alteration which substantially affects a final and executory judgment, is null and void for lack of jurisdiction.

The issue posed in this case is: Can the lower court, notwithstanding the foregoing age old principle, render nugatory the writ of execution issued pursuant to a final and executory judgment considering the advent of a supervening event which would render the judgment to be impossible of enforcement?

Before the Regional Trial Court,[1] private respondent Rolando R. Ligon filed suit[2] against petitioner Damaso S. Flores for the payment of sums of money. Admittedly, petitioner had been extended loan accommodations by private respondent, the unpaid liabilities of petitioner having amounted to P2,069,700.00 as of September 30, 1985.

Facing up to this court litigation, petitioner entered into a Compromise Agreement with private respondent. The agreement was, as prayed for by both parties, approved and made the basis of a decision[3] rendered by the court a quo.

Petitioner acknowledged in the Compromise Agreement that he had two (2) separate obligations to private respondent: first, an unsecured obligation in the amount of P1,069,700.00; and second, an obligation in the amount of P800,000.00 secured by a mortgage on a particular property hereinafter referred to as the Parañaque Cockpit Stadium. Both obligations were to earn 4% interest per month. Petitioner also acknowledged that the past due interest up to September 30, 1985 amounted to P200,000.00. The said Compromise Agreement included a commitment on petitioner's part to pay the aforesaid obligations in a series of installments the schedule of which was clearly spelled out in the said agreement.

Petitioner further bound himself, in case of default in the payment of any of the said installments, (1) to pay private respondent within thirty (30) days from date of default; (2) in case of non-payment within and upon expiration of the said 30-day period, to deliver within ten (10) days sufficient collateral or security acceptable to private respondent; (3) in case of non-delivery of such collateral or security, [a] to pay the entire remaining outstanding obligation; [b] to vacate and turn over the possession, use and administration of the Parañaque Cockpit Stadium to private respondent; and [c] to allow the latter to operate and manage the said Parañaque Cockpit Stadium as his own, immediately, if the outstanding unpaid obligation amounted to P500,000.00 or more;

or after non-payment within and upon the expiration of a grace period of ninety (90) days, if the outstanding unpaid obligation was P500,000.00 or less. In case of non-compliance by petitioner with any of the aforesated conditions, private respondent shall be entitled to the immediate issuance of a writ of execution to enforce the provisions of the Compromise Agreement and to collect petitioner's outstanding and unpaid obligation.

To secure the performance of his contractual obligation under the Compromise Agreement, petitioner made it clear that, in case of default, he, as the then lessee-operator of the Parañaque Cockpit Stadium, shall allow private respondent to use, operate, possess and manage the said stadium, to the exclusion of petitioner.

Consequently, in compliance with the Compromise Agreement, petitioner paid the accrued interest in the amount of P200,000.00. He also paid, by cashier's check, P300,000.00 as first installment, which allegedly included interest thereon.

Private respondent encashed said check on March 14, 1986. This notwithstanding, private respondent filed, on March 19, 1986, an ex-parte motion for execution of judgment, allegedly on the ground of violation of the Compromise Agreement; apparently, private respondent believed that such payment fell short of the amount stipulated in the Compromise Agreement.

The court a quo issued an order of execution on March 19, 1986. Reconsideration thereof having been sought by petitioner, execution was postponed in order to give petitioner more time to pay the deficiency balance. All events that transpired after the order of execution were embodied in an order, dated April 10, 1986, from which order petitioner, upon failing to pay within the 15-day grace period, interposed an appeal to the Court of Appeals on April 25, 1986, which appeal was docketed as CA-G.R. CV No. 10259.

In the meantime, on April 18, 1986, private respondent surreptitiously bought the Parañaque Cockpit Stadium, subject of the compromise, from the heirs of Claro Cortes.[4] Issued in private respondent's name were Transfer Certificates of Title evidencing his ownership of the said property.[5]

On May 9, 1986, private respondent filed with the court a quo a motion for execution pending appeal. This was granted in a Special Order, dated May 22, 1986. By virtue thereof, private respondent was placed in possession of the Parañaque Cockpit Stadium on May 23, 1986.

A fierce and protracted battle between petitioner and private respondent over possession of the Parañaque Cockpit Stadium thus ensued involving frequent resorts to the appellate courts and the virtual abuse of the resort to temporary restraining orders as a means to win the tug-of-war between the parties.

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On that day, May 23, 1986, petitioner filed with the Court of Appeals[6] a Petition for Certiorari, docketed as CA-G.R. SP No. 09061, to question the jurisdiction and authority of the trial court to issue the aforesaid Special Order despite petitioner's opposition thereto to the effect that the motion for execution pending appeal had been filed after the appeal had already been perfected.

In an Amended Decision,[7] the Court of Appeals declared as null and void the Special Order, dated May 22, 1986; quashed the writ of execution, dated May 23, 1986; and ordered private respondent to return or surrender possession of the Parañaque Cockpit Stadium to petitioner.

Aggrieved by the appellate court's decision, private respondent elevated the case[8] to us. We denied private respondent's petition for lack of merit, initially in a resolution, dated February 23, 1987,[9] and then with finality in a resolution dated March 10, 1988.[10]

It is significant to be reminded at this point that still pending before the Court of Appeals was the main appeal

filed by petitioner with respect to the order of the trial court, dated April 10, 1986, which order postponed execution of the decision following alleged breach of the Compromise Agreement by petitioner. He nonetheless appealed from such order because the same allegedly altered the provisions of the Compromise Agreement, particularly as regards the computation of interest. That appeal was docketed as CA-G.R. CV No. 10259.

On October 28, 1987, private respondent leased the Parañaque Cockpit Stadium to one Mr. Sergio Ching.

This Court having upheld the decision of the Court of Appeals dispossessing private respondent of the said stadium, petitioner, on April 4, 1988, filed before the court a quo a motion for execution. This was granted and a writ of execution was issued on April 26, 1988. Upon petitioner's motion, a break-open order was also issued on May 2, 1988. The Deputy Sheriff was unsuccessful in placing petitioner in possession of the cockpit stadium because private respondent refused to leave the premises.

On May 16, 1988, private respondent filed with the Court of Appeals a Petition for Review by Certiorari, docketed as CA-G.R. SP No. 14588, assailing the validity of the order of execution. A temporary restraining order was issued as a consequence of which private respondent continued to be in possession of the Parañaque Cockpit Stadium.

In a resolution, dated June 9, 1988, the consolidation of CA-G.R. SP No. 14588 and CA-G.R. CV No. 10259 was effectuated. Decision[11] in said consolidated cases was promulgated on August 9, 1988. In said decision, anent the principal issue of computation of interest raised in CA-G.R. CV No. 10259, the Court of Appeals found petitioner's own computation to be the one truly reflective of the intention of the parties. As to private respondent's submission in CA-G.R. SP No. 14588 that it is legally and physically impossible for him to turn over possession of the Parañaque Cockpit Stadium to petitioner because he has leased the same to Sergio Ching, the Court of Appeals was not persuaded. Said the appellate court:

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'Sergio Ching is a mere transferee or possessor pendente lite and is also bound by the outcome of the case involving his Lessor. As the SUCCESSOR-IN-INTEREST of Ligon, Sergio Ching merely acquired the rights of Ligon at the time the contract was executed so that when the Supreme Court affirmed the Amended Decision of the Court of Appeals, Ching would have to be bound by said Supreme Court Resolution. Hence, enforcement of the Amended Decision is not physically or legally impossible. Petitioner has merely used the Contract of Lease as a shield to frustrate the final Amended Decision of the Court of Appeals. Certainly, a final judgment that has been affirmed by the Supreme Court can not be rendered inutile by the simple and expedient act of Petitioner of leasing out the property subject thereof. If this would be allowed to happen, then there would be no more respect for the law and our courts.'

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Petitioner has relied heavily on his argument that the existence of a Contract of Lease between him and Sergio Ching constitutes a supervening event that would justify the suspension of the execution of the final judgment of the Court of Appeals, citing as his authority the case of *Abellana vs. Dosdos*, 13 SCRA 244. Private respondent Flores points out the inapplicability of the *Abellana* case to the instant case, thus:

'In the *Abellana* case, the event or circumstances which change the rights of the parties thereto consisted in the negotiation initiated by the plaintiff for the barter of the properties respectively owned by them so that the court had the discretion to suspend the enforcement of the execution in order to accommodate the wishes of the parties to the case. In the *Abellana* case, the plaintiff did not insist in the execution of the judgment. In the instant case, the alleged supervening event was the very creation of the petitioner, purposely designed to frustrate the enforcement of the Amended Decision of the Court of Appeals. It was obviously entered into by petitioner with full knowledge that the Amended Decision of the Court of Appeals will in all probability be

affirmed by the Supreme Court. Hence, said contract executed pendente lite will have to be subject to the outcome of the case then pending before the Supreme Court. The respondent court therefore correctly ruled that the petitioner should suffer for his indiscretion. The facts and circumstances alleged by the petitioner do not constitute the supervening event which would stay the execution or prevent enforcement of the final and executory judgment.'

As stated by the respondent court in its order of April 20, 1988.

'This Court has observed that the Contract of Lease was executed on October 28, 1987 after the Amended Decision was promulgated on September 26, 1986. By his act, plaintiff proceeded at his own risk and should suffer the consequences of his indiscretion.' x x x. (Italics supplied by the Ponente)"[12]

Private respondent moved for the reconsideration of the aforecited decision, citing as grounds therefor the theory of supervening events, preferential rights to possession, use, management and operation of the cockpit, and absolute ownership of the premises in question. In its resolution dated November 23, 1988, the appellate court rejected private respondent's asseverations in this wise:

"x x x. We have discussed these issues thoroughly in our decision and we find no cogent reason to reverse the same. We find the defense of supervening events untenable. These events are purely of Ligon's making and do not constitute supervening events which renders the execution of judgment inequitable (Amor vs. Jugo, 77 Phil. 703. It must be stressed that, as earlier stated, We did not decide anything new in CA-G.R. SP No. 14588. The judgment rendered by this Court in CA-G.R. SP No. 09061 has long become final and executory.

Assuccinctly ruled by the Supreme Court in Amor vs. Jugo, 77 Phil. 703 -

'The Court cannot refuse to issue a writ of execution upon a final and executory judgment, or quash it, or order its stay, for as a general rule, the parties will not be allowed after final judgment, to object to the execution by raising new issues of fact or of law, except when there had been a change in the situation of the parties which makes such execution inequitable.'

Moreover, it was ruled in the case of Cortez vs. Villaluz, 24 SCRA 146:

'When obviously intended to frustrate the judgment, by delaying the execution thereof, certiorari cannot be allowed.'

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WHEREFORE:

(1) Insofar as the Motion for the Issuance of a Clarificatory Order, filed by Ligon, prays that he be allowed to retain possession of the Parañaque Cockpit Stadium pending determination of the income earned by him, the same is hereby DENIED;

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(3) Acting on the Motion for Reconsideration filed by Ligon on September 13, 1988, We find the same to be a mere reiteration of the issues raised in their petition which have already been considered in our decision, hence, We resolved to DENY the same."[13]

On September 29, 1988, private respondent sought from us a review and reversal of the aforecited decision. Private respondent's petition was docketed as G.R. No. 84644.

We issued, upon private respondent's motion, a temporary restraining order enjoining the court a quo from acting on any application by petitioner for the issuance of a writ of execution in order to place him in possession of the Parañaque Cockpit Stadium.

In a resolution,[14] dated August 29, 1989, we denied the petition and lifted the TRO earlier issued. We resolved in a subsequent resolution,[15] dated October 23, 1989, to deny the same petition with finality and anent the private respondent's insistent application of the theory of supervening events, we resolved that "any supervening event should be properly addressed to the Trial Court, not to this Court." [16]

There having been no further hitch to the execution of the final and executory decision of the Court of Appeals in CA-G.R. SP No. 09061 apparently, petitioner proceeded to file with the court a quo a motion for the issuance of a writ of execution. This was favorably acted upon by said court in its order, dated November 20, 1989. Private respondent predictably assailed said order in a Petition for Certiorari before the Court of Appeals, docketed as CA-G.R. SP No. 19348. A temporary restraining order was issued.

In a decision,[17] dated January 22, 1990, the Court of Appeals denied the petition for lack of merit, but not without lamenting the seemingly endless "petitions for certiorari x x x with prayers of (sic) temporary restraining orders on the same issues raised"[18] by private respondent. Said the appellate court:

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A decision of the Supreme Court which has become final will not be subsequently disturbed it being already the law of the case. (San Juan vs. Rallos, G. R. 45063, 15 April 1988; Palad vs. Governor of Quezon Province, 46 SCRA 354).

The filing of several cases against the same party over the same issue, after the appellate court has decided adversely against them, constitutes contumacious defiance of the authority of and flagrant imposition on the courts and impedes the speedy administration of justice.

Every litigation must come to an end. Access to the court is guaranteed. But there must be a limit to it. Once a litigant's rights have been adjudicated in a valid final judgment of a competent court, he should not be granted an unbridled license to come back for another try. The prevailing party should not be harassed by subsequent suits. For, if endless litigations were to be encouraged, unscrupulous litigations will multiply in number to the detriment of the administration of justice (Ngo Bun Tiong vs. Judge Sayo, G. R. 45825, 30 June 1988)."[19]

In the meantime, on December 21, 1989, petitioner filed a motion for the issuance of an alias writ of execution. Thus, an alias writ of execution/possession was issued by the court a quo on January 24, 1990.

On January 26, 1990, the Deputy Sheriff tried to implement the alias writ, dated January 24, 1990, but he was again unsuccessful because of the resistance of private respondent and his men.

On February 14, 1990, the then Capital Region PC Command, upon petitioner's request, expressed willingness to assist the Deputy Sheriff to ensure the successful implementation of the alias writ. However, when there seemed to be no more TROs forthcoming from the appellate court, the court a quo, through Presiding Judge Bernardo P. Abesamis, issued an order,[20] dated February 16, 1990, directing the Ex-Officio Sheriff, the Deputy Sheriff and all persons acting for and in their behalf to desist and refrain from further enforcing and/or implementing the alias writ of execution/possession, dated January 24, 1990.

In an order dated April 16, 1990, Judge Teodoro P. Regino, as pair judge of Judge Abesamis who was then on sick leave, squarely dealt with what then had become the catalyst issue: Had not the Amended Decision of the Court of Appeals in CA-G.R. SP No. 09061 ordering the restoration of the possession of the Parañaque Cockpit Stadium to the petitioner been rendered unenforceable because of the consolidation of absolute ownership of the stadium upon private respondent to whom the stadium's former owners sold the same? In that order, dated April 16, 1990, Judge Regino resolved this question in the affirmative, by concluding that the theory of supervening events' applicability in the instant case must be determined by the trial court and not by the Supreme Court,

precisely consistent with our resolution, dated October 23, 1989, in G.R. No. 84644:

"As correctly pointed out by defendant, what he is seeking to enforce through the third alias writ of execution/possession is the Amended Decision of the Court of Appeals in CA-G.R. SP No. 09661 involving the issuance of a Special Order granting the writ of execution pending appeal in favor of herein plaintiff. By virtue of the said execution pending appeal, the Parañaque Cockpit Stadium was delivered to the possession of herein plaintiff. The legality of the execution pending appeal was assailed by defendant before the Court of Appeals in a petition for certiorari, docketed as CA-G.R. SP No. 09061. Earlier, defendant interposed an appeal from the Order of April 10, 1986, rendered in the instant case resolving the divergent interpretations of the parties on the amount of interests payable and said appeal was docketed as CA-G.R. CV No. 10259.

The constant source of the weakness of the plaintiff is CA-G.R. SP No. 09061. In the amended decision rendered in the aforesaid case, CA-G.R. SP No. 09061, the writ of execution pending appeal was set aside and plaintiff was subsequently ordered to return the possession of the cockpit to herein defendant.

Without the cockpit having been returned to the defendant, however, the appeal in the main case, i.e., CA-G.R. CV No. 10259, was decided with finality by the Court of Appeals and the Supreme Court wherein, among others, the defendant was ordered to pay plaintiff 'the sum of P1,619,700.00, plus accrued interest at 4% per month from October 1, 1985 until the obligation is fully paid,' less whatever income plaintiff has, derived from his operation of the cockpit from the date of the Special Order on May 22, 1986 up to the time possession is delivered to defendant pursuant to the decision in CA-G.R. No. 09061.

It should be noted that CA-G.R. SP No. 09061 is but an incident of the main case or controversy between the parties which is CA-G.R. CV No. 10259.

Accordingly, we are confronted: whether the court may legally stay the execution of the judgment in CA-G.R. SP No. 09061, now that the main controversy between the parties in CA-G.R. CV No. 10259 has been decided with finality in the manner heretofore stated.

After a second hard look at the facts alleged, the issues raised and the arguments adduced by the parties in their respective pleadings, the Court finds that the stay of execution in CA-G.R. SP No. 09061 is warranted by the fact that a final and executory decision on the main case CA-G.R. CV No. 10259 had been rendered by the Court of Appeals, and affirmed by the Supreme Court, wherein defendant was adjudged to pay plaintiff the sum of P1,619,700.00, plus accrued interest at 4% per month from October 1, 1985 until the obligation is fully paid.

x x x In other words, there was in CA-G.R. CV No. 10259 a recognition of a substantial and fundamental breach of the Compromise Agreement as would defeat the right of defendant Flores to seek enforcement of that portion of the judgment in CA-G.R. SP No. 09061 for plaintiff Ligon to turn over possession of the Parañaque Cockpit Stadium to defendant Flores, when it said: 'It should be noted that the entire obligation as embodied in the Compromise Agreement has already become due and demandable.' Nothing is said in CA-G.R. CV No. 10259 ordering that 'defendant shall immediately vacate and turn over the possession, use, administration on and operation of his cockpit areas known as Parañaque Cockpit Stadium to plaintiff,' as provided for in paragraphs 6.3 and 6.4 of the Compromise Agreement, because it is on record that plaintiff Ligon was already in possession of the premises. CA-G.R. SP No. 09061 is not to be read with literal exactness like a mathematical formula. CA-G.R. SP No. 09061 should be read and so construed as to harmonize it with the main case, CA-G.R. CV No. 10259, and to give effect to the express terms of the Compromise Agreement. Stated in another way, CA-G.R. CV No. 10259 furnished the occasion for the stay of the execution/possession in CA-G.R. SP No. 09061.

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x x x the only question ventilated by the defendant-appellant Flores and plaintiff-appellee Ligon in CA-G.R.

CV No. 10259 is the ORDER of April 10, 1986, sustaining plaintiff's interpretation and computation on the amount of interest payable by defendant per each installment payment. It is not therefore controlling and should not bind anyone in a subsequent case in which the same question is presented, especially when it would produce an inequitable result. As against such background of doubt and uncertainty which assume to determine matters outside the issues, the Supreme Court in G.R. No. 84644 gives no approval of the opinion of the Court of Appeals.

The import of the RESOLUTION of the Supreme Court, dated 29 August 1989, in G.R. No. 84644:

'x x x the Amended Decision in said CA-G.R. No. 09061, which was affirmed by this Court (First Division) in G.R. No. 76039 was not a decision on the merits of the controversy.'

and its RESOLUTION of October 23, 1989, from which the pertinent portion is quoted:

'x x x Besides any supervening event should be properly addressed to the trial court, not to this Court x x x.'

need not be essayed. The terms employed therein are clear and authoritative. The question of whether the amended judgment of the Court of Appeals in CA-G.R. SP No. 09061, ordering plaintiff to turn over possession of the Parañaque Cockpit Stadium to defendant, can be executed in view of the supervening event has to be resolved in the execution proceeding in the original case, from which this incident stemmed and which is this Civil Case No. Q-45825. The supervening fact adverted to in the Resolution: (1) that the entire obligation as embodied in the Compromise Agreement has already become due and demandable as found out by the Court of Appeals in CA-G.R. CV No. 10259; (2) that plaintiff has acquired ownership over the cockpit arena, re-acquired actual possession over the same, and terminated the lease contract of defendant; certainly constitutes a hindrance on defendant's claim for execution/possession. These are events or circumstances which would effect or change the rights of the parties thereto and this Court should be allowed to take cognizance of them and thereafter suspend its execution and grant relief as the new facts and circumstances warrant. This is not modifying but merely preventing its enforcement to harmonize the same with justice and the facts.

True, the general and universal rule is that there be an end to litigation and once a judgment has become final, such judgment can no longer be relitigated and must be enforced by execution as matter of right. But it is equally true that there is an exception to the general rule of enforceability of final judgments that where new facts have supervened after the finality of the judgment, the court may admit evidence thereof and suspend execution of the final judgment. This exception was now invoked by plaintiff under the most exceptional circumstances to prevent injustice. In the words of plaintiff:

'Viewed in the light of the foregoing discussion, plaintiff respectfully submits that the ultimate issue which would have been resolved by this Honorable Court and which would have sufficiently served the ends of justice is the issue of who has a better right to the possession of the cockpit stadium. Is it the private respondent whose possessory rights spring mainly from a decision of the Hon. Court of Appeals in CA-G.R. No. 09061 which decision, according to the Supreme Court is not a decision on the merits of the controversy? Or is it the petitioner whose right to possess the property stem not only from his being a judgment creditor but more importantly from his being the lawful and absolute owner of the property in question? Over and above these considerations, plaintiff wishes to remind this Honorable Court that except for the first payment, he has not been paid a single centavo by defendant out of his obligation under the Compromise Agreement, would it be equitable then that plaintiff be deprived possession of the premises even as he has not received any payment from defendant?' (Urgent Motion for Reconsideration with Prayer for the Filing of a Bond, pp. 941-950, 945).

This Paired Sala adhering to the dictum in G.R. No. 84644, is therefore of the opinion that the restoration of defendant's possession over the subject cockpit arena can no longer be sought notwithstanding the finality of the amended judgment in CA-G.R. No. 09061 principally for these supervening facts or events and, additionally, for not being warranted in the Compromise Agreement. The Compromise Agreement itself is

telling evidence against the claim of defendant, who failed to comply with his contractual obligations therein. x x x

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Nor may *res judicata* be invoked by defendant. One of the requisite of *res judicata* is that the former judgment is a judgment on the merits. Where, as in this case, the Supreme Court ruled, in G.R. No. 84644, that the 'x x x Amended Decision in said CA-G.R. No. 09061, which was affirmed by this Court (First Division) in G.R. No. 76039 was not a Decision on the merits of the controversy,' *res judicata* does not exist. Reduced to its basic fundamental, CA-G.R. SP No. 09061 is pursued and was the offshoot of the writ of execution issued (pending appeal in CA-G.R. CV No. 10259) against defendant Flores in connection with the first installment payment due under the Compromise Agreement which this Court declared short of what was required under its interpretation and computation on the amount of interest payable. As a result, possession of the cockpit was wrested from defendant on May 23, 1986. Since the Court of Appeals opined that this Court had lost jurisdiction to order execution pending appeal after the period of appeal had expired, it follows, after nullifying this Court's order of 22 May 1986, that possession must be restored to defendant. CA-G.R. SP No. 09061 thus merely resolved the issue of possession of the cockpit during the pendency of the appeal in CA-G.R. CV No. 10259 which has, for its issue the correct computation of the interest due. Then came the decision in CA-G.R. CV No. 10259 which sustained the interpretation of defendant on the computation of the interest due each installment payment under the Compromise Agreement. In effect, and at the time then, defendant has not defaulted in the first installment nor violated the Compromise Agreement. Since plaintiff Ligon was actually found to be in possession of the cockpit, the Appellate Court correctly mandated that this Court should 'determine the income derived by plaintiff-appellee from the operation of the Parañaque Cockpit Stadium from May 22, 1986 (Special Order) until possession of the cockpit stadium is returned to defendant-appellant.' Defendant exploited to his advantage this mandate of the Court of Appeals, yet defendant failed to pay the second installment due and demandable under the Compromise Agreement, even under his own interpretation on how much the interest due is payable, nor did defendant cured such default as allowed in the Compromise Agreement, much less consigned the amount due, thereby entitling plaintiff Ligon again to retain possession of the premises. It is the rule that non-fulfillment of the terms of the compromise justifies execution.

It is to be emphasized though that the Compromise Agreement and the Decision of this Court approving and embodying the same was never questioned or assailed either in CA-G.R. CV No. 10259 or CA-G.R. SP No. 09061. x x x Stated in a different way, CA-G.R. CV No. 10259, CA-G.R. SP No. 09061 and CA-G.R. SP No. 19348 could not have suspended the effectivity and enforceability of the Compromise Agreement on the payment of the principal amount or obligation as embodied in the Compromise Agreement. The terms and conditions therein remained valid and binding and they should be read as they are written and not made dependent on the correctness of the interest demandable. This is so for courts are without authority to impose upon the parties a judgment different from or against the terms and conditions of the compromise. (*Municipal Board of Cabanatuan City vs. Samahang Magsasaka, Inc.*, 62 SCRA 435; *Tac-an Dano vs. Court of Appeals*, 137 SCRA 803).

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In the light of the foregoing, the action taken by this Court in its disputed ORDERS of 26 January 1990 and 16 February 1990 are within legal bounds, if not imperative in the higher interest of justice, for circumstances have surfaced in the meantime which renders execution/possession for defendant unjust. This Court merely adhered to the Supreme Court in G.R. No. 84644 and following the doctrine in *City of Cebu vs. Mendoza*, 66 SCRA 175, where the Supreme Court ruled that dismissal of the petition for certiorari and mandamus does not imply that the Supreme Court sanctions execution of judgment in respondent's favor."^[21]

On May 3, 1990, petitioner filed a motion for reconsideration of the aforecited order issued by Judge Regino. Such motion was, however, denied in an order^[22] dated June 6, 1990, issued by Judge Abesamis.

On June 23, 1990, petitioner filed with us a Petition for Certiorari assailing the aforesaid three orders, dated February 16, 1990, April 16, 1990 and June 6, 1990, all issued by the court a quo. We, however, referred such petition to the Court of Appeals where it was docketed as CA-G.R. SP No. 22201.

On October 31, 1990, the Court of Appeals[23] promulgated its decision[24] in CA-G.R. SP No. 22201 which dismissed the petition. Reconsideration thereof was sought by petitioner but, the Court of Appeals turned down the petition in a resolution[25] dated February 26, 1991. It is this resolution and the aforesaid decision, insofar as they uphold the validity of the trial court's orders, dated February 16, 1990, April 16, 1990 and June 6, 1990, that petitioner seeks to be nullified and set aside in this instant petition, on the basis of the following grounds:

"1) THE HONORABLE RESPONDENT COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN NOT ORDERING THE TRIAL COURT TO IMMEDIATELY ENFORCE THE FINAL AND EXECUTORY AMENDED DECISION DATED SEPTEMBER 19, 1986 IN CA-G.R. SP NO. 09061.

2) THE HONORABLE RESPONDENT COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN NOT HOLDING THAT THE ISSUANCE OF THE ASSAILED ORDERS BY THE TRIAL COURT IS TAINTED WITH AND COMES UNDER THE PURVIEW OF GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION.

3) THE HONORABLE RESPONDENT COURT ERRED AND COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN SUSTAINING THE TRIAL COURT'S FINDING THAT NEW AND SUPERVENING FACTS AND CIRCUMSTANCES WARRANT THE SETTING ASIDE OF ITS FINAL AND EXECUTORY AMENDED DECISION DATED SEPTEMBER 19, 1986 IN CA-G.R. SP No. 09061."[26]

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In the course of the unfolding of the foregoing events, petitioner filed various administrative complaints[27] against Judge Bernardo Abesamis and Judge Teodoro Regino on such grounds as: serious misconduct, inefficiency and gross ignorance of the law.

The fact that Judge Abesamis upheld the consolidation of absolute ownership over the Parañaque Cockpit Stadium in favor of private respondent, justified the retention by private respondent of possession over the said stadium and its non-reversion to petitioner who, after all, had been found by the respondent appellate court to be private respondent's judgment debtor to the tune of more than a million pesos. Judge Regino ordered the dissolution of the writ of execution/possession issued in favor of petitioner and, correspondingly, Judge Abesamis dismissed petitioner's motion for reconsideration of such an order.

Petitioner thereupon filed with the court a quo, on June 20, 1990, a motion for inhibition and suspension of proceedings.[28] In said motion, petitioner prayed that Judge Abesamis inhibit himself from further hearing Civil Case No. Q-45825, as he had allegedly become unbearably biased in view of the administrative cases filed by the petitioner against him.

In an order,[29] dated June 25, 1990, Judge Abesamis denied the aforesaid motion, pointing out as he did that petitioner's motion for inhibition had timely and conveniently come in the heels of dispositions by the court that were no longer favorable to petitioner in his effort to recover possession of the Parañaque Cockpit Stadium. Judge Abesamis decried petitioner's imputations of bias in this wise:

"xxx xxx xxx

Records reveal that notwithstanding the filing of the cases cited by defendant in his motion x x x, defendant did

not move for the inhibition of the undersigned. Instead, defendant continued filing several motions including a motion for reconsideration of the Order of February 16, 1990, of which he prayed the undersigned to resolve.

On the contrary, it was the undersigned, during the hearing on February 8, 1990, who initiated his voluntary inhibition precisely because of the cases filed by defendant, but both parties -- the plaintiff and defendant as well -- voiced out the vigorous objection thereto and prevailed upon the undersigned to stay in the case, graciously alleging that they have 'no doubt as to the integrity, probity and competence (of the Presiding Judge) to decide the pending incidents,' and that 'this Honorable Court can impartially and objectively render a decision of the incidents now pending' (tsn, hearing of Feb. 8, 1990).

However, when the undersigned issued his June 6, 1990 Order denying defendant's motion for reconsideration of Judge Regino's Order of April 16, 1990, recalling and staying the third alias writ of execution, defendant had a 'sudden change of heart' (quoted from par. 7, p. 3, of defendant's motion for inhibition). On June 20, 1990, during the hearing mandated by the Court of Appeals in CA-G.R. CV No. 10259, defendant filed the instant motion for inhibition.

Under the foregoing circumstances, it plainly appears that defendant's alleged loss of faith in undersigned's judicial impartiality is only a result of, and only stemmed from, the issuance of the Order of June 6, 1990 denying his motion for reconsideration of Judge Regino's order.

Defendant's allegation that the judicial impartiality of the undersigned is affected by his having filed the said cases against him is purely imaginary. The undersigned 'has neither the reason nor the luxury of time to entertain such a feeling' x x x. Notwithstanding the cases, the undersigned has nothing personal against the defendant or his lawyer who, thanks to him, even said during the hearing on February 8, that he was 'not privy to the complaint filed against the Presiding Judge' and '(I)t was filed against my advice.' The record will also show that the actuations of the undersigned have not been affected thereby.

Verily, if defendant is not satisfied with the order of June 6, 1990 or any orders for that matter, the legal remedy is not a motion for inhibition of the presiding judge but an appeal to the Appellate Court. To grant the motion for inhibition on the baseless and gratuitous claim that defendant has lost faith in the judicial impartiality of the undersigned because the latter denied his motion for reconsideration will set a bad precedent and expose judges to abuse, oppression and harassment by disgruntled litigants.

The mere filing of an administrative case against a judge is not a ground for inhibition. x x x.

In sum, after a judicious and soul-searching study of the attending facts and circumstances of the instant case, the undersigned does not find any good, sound and ethical grounds, or any just and valid reason to inhibit from this case."^[30]

Petitioner moved for the reconsideration of the aforecited order but the said motion was denied by the court a quo in an order, dated August 16, 1990.^[31]

On September 22, 1990, petitioner instituted in the Court of Appeals certiorari proceedings assailing the June 25, 1990 order of Judge Abesamis denying the motion for inhibition and suspension of the proceedings in Civil Case No. Q-45825. The petition was docketed as CA-G.R. SP No. 22881.

In an order, dated December 10, 1990, pursuant to and in compliance with, the directive of the appellate courts in their final decisions in CA-G.R. CV No. 10259, CA-G.R. SP No. 14538 and G.R. No. 84644 that an accounting first be undertaken in order to determine the income derived by private respondent during his operation of the Parañaque Cockpit Stadium so that the same may be deducted from petitioner's outstanding obligation to him, Judge Abesamis, after considering private respondent's evidence, and in the light of petitioner's failure and willful refusal to present countervailing evidence despite more than adequate numerous opportunities given him to do so, found that the cockpit stadium had been operating even at a loss and no income may be said to have been

earned therefrom. As such, nothing barring the issuance and implementation of the writ of execution in favor of private respondent, Judge Abesamis ordered execution in said order of December 10, 1990. This was additionally assailed, through the filing of a supplemental petition,[32] in CA-G.R. SP No. 22881, but this supplemental motion was peremptorily denied. The Court of Appeals apparently was the least persuaded by petitioner's alleged grievances against Judge Abesamis for the appellate court held:

"xxx xxx xxx

We are unable to accept petitioner's submissions.

The rule on disqualification of judges, where the ground relied upon is not among those specified in Section 1, Rule 137 of the Rules of Court, as in the present case, was spelled out by the Supreme Court in *Rosello vs. Court of Appeals*, 168 SCRA 459 [1988], as follows:

'As to the issue of disqualification, this Court has ruled that to disqualify or not to disqualify is a matter of conscience and is addressed primarily to the sense of fairness and justice of the judge concerned. Thus, the mere filing of an administrative case against respondent judge is not a ground for disqualifying him from hearing the case, for if on every occasion the party apparently aggrieved would be allowed to either stop the proceedings in order to await the final decision on the desired disqualification, or demand the immediate inhibition of the Judge on the basis alone of his being so charged, many cases would have to be kept pending or perhaps there would not be enough judges to handle all the cases pending in all the courts. This Court has to be shown acts or conduct of the judge clearly indicative of arbitrariness or prejudice before the latter can be branded the stigma of being bias or partial. (*Gahol v. Riodique*, 65 SCRA 505.)'

The rule was re-echoed in *Aparicio vs. Andal*, 175 SCRA 569 [1989], which added that:

'x x x having denied the Motion for Inhibition, Judge Andal acted within his jurisdiction when he continued to take cognizance of all the cases pending before him, there being no writ of injunction or a restraining order issued, enjoining him to cease and desist from acting on the said cases. x x x.'

Considering further, the Supreme Court said:

'In *Pimentel vs. Salanga*, G.R. No. L-27934, Sept. 18, 1967, 21 SCRA 160, we rationalized:

'Efforts to attain fair, just and impartial trial and decision and a natural and alluring appeal. But, we are not licensed to indulge in unjustified assumptions, or make a speculative approval to this ideal. It ill behooves this Court to tar and feather a judge as biased or prejudiced, simply because counsel for a party litigant happens to complain against him. x x x.'

Going by the actuations of respondent pointed to by petitioner as indicative of partiality, we fail to see how such actuations may readily be branded as such. Thus --

(a) the sending of the order by mail to petitioner thereby supposedly enabling private respondent to secure a temporary restraining order to prevent enforcement of the respondent judge's order may not, by any stretch of imagination, indicate bias or partiality on the part of respondent Judge who had nothing to do with the sending of notices to the parties. This is a function of the mailing clerk.

(b) the Order of February 16, 1990 directing the Ex-Officio Sheriff et al., in the meantime to desist and refrain from further enforcing and/or implementing the Third Alias Writ of Execution/Possession dated January 24, 1990, was brought about by the motion filed by the plaintiff praying the court to reconsider its order of January 22, 1990 granting the third alias writ of execution/possession, and to stay the implementation thereof and was issued by respondent Judge:

'x x x after considering the Sheriff's Partial and Additional Reports, and in order not to render moot and academic the aforesaid incidents as well as the proceedings taken thereon, wherein the defendant had himself

asked until February 20, 1990 to file his rejoinder to the plaintiff's opposition, and in the broader interest of justice and fair play the Ex-Officio Sheriff, Deputy Sheriff Lucas Eloso Eje, and all persons acting for and in their behalf are hereby directed. IN THE MEANTIME, to desist and refrain from further enforcing and/or implementing the Third Alias Writ of Execution/Possession dated January 24, 1990, until further orders from this Court.' (p. 129, Rollo)

Even granting for the sake of argument that the foregoing is wrong, it does not warrant the sweeping conclusion that respondent Judge is biased against petitioner. Another judge - pairing Judge Teodoro P. Regino against whom no charges of bias is attributed, found merit in private respondent's Motion for Reconsideration dated January 22, 1990 and recalled and stayed implementation of the third alias writ of execution. (p. 140, Rollo)

Similarly, the refusal of respondent Judge to reconsider the Order of Judge Teodoro P. Regino is not an indication of bias or partiality even if it is erroneous. The foregoing orders were not found out to have been issued with grave abuse of discretion but at this point of time, was initially found by the Thirteenth Division of this Court to be in order.

The foregoing findings should not, however, be construed as passing one way or the other on the merits of the challenged orders in this proceedings for certiorari the office of which has been reduced to the correction of defects of jurisdiction solely, but to merely show that the issuance of said orders are, singly, or collectively, not clearly indicative of arbitrariness or prejudice that may be branded the stigma of being bias or partial. (Aparicio vs. Andal, supra) It is now settled that mere suspicion that a judge is partial to one of the parties is not enough; there should be evidence to prove the charge. (Genoblazo vs. Court of Appeals, 174 SCRA, 124 [1989])

Having thus properly denied the Motion for Inhibition, respondent Judge acted within his jurisdiction when he continued with the hearing of the case. His right to continue with the hearing despite the pendency of the certiorari case against him was further bolstered by the resolution of the Seventh Division of this Court promulgated on October 16, 1990 denying petitioner's prayer in the case to issue a temporary restraining order urging respondent Judge from further proceeding with the accounting proceedings and from hearing Civil Case No. Q-45283.

There was, therefore, no grave abuse of discretion committed by respondent Judge in proceeding with the case.

So far as plaintiff is concerned, he had already presented his evidence on the accounting. The failure of petitioner to cross-examine plaintiff and his witnesses was because of his refusal to do so despite several settings for such purpose. (De la Paz, Jr. vs. Intermediate Appellate Court, 154 SCRA 65 [1987])

xxx xxx xxx

The absence of any evidence for petitioner was not because he was denied the right to present evidence but his adamant refusal to do so, on the ground that there is a pending petition for disqualification of respondent Judge before this Court. That was certainly a calculated risk by petitioner. He should not have assumed that the petition would be granted or that the proceedings suspended simply because of the pendency of his petition. The settled rule is that the mere pendency of a special civil action for certiorari commenced in relation to a case pending before the lower court, does not interrupt the course of the latter when there is no writ of injunction restraining it. (Beza vs. Alikpala, G.R. No. 29749, April 15, 1988, 160 SCRA 31.) It is within the sound discretion of the Judge after his decision in favor of his own competency, to either proceed with the trial or refrain from acting on the case until determination of the issue of his disqualification by the appellate court. (Genoblaza vs. Court of Appeals, [supra]) Respondent judge cannot therefore be faulted for acting the way he did and in declaring the accounting submitted for resolution in view of petitioner's repeated failure to appear and adduce evidence despite the opportunities for him to do so. (Tajonero vs. Lamaroza, 110 SCRA 438 [1981]; Siquian vs. People, 171 SCRA 223, 235 [1989]) As a matter of course, the order of December 10, 1990

on the results of the accounting and the consequences thereof has to follow." [33]

The Court of Appeals also ruled that the correctness of the order of December 10, 1990, which is the principal subject matter of the supplemental petition, was not an issue proper for adjudication in certiorari proceedings.

"The only issue in the main petition in this case is whether or not respondent Judge should disqualify himself. A supplemental complaint should, as the name implies, supply only deficiencies in aid of an original complaint. (*British Traders Insurance Co. vs. Commissioner of Internal Revenue*, G.R. No. L-20501, April 30, 1965, 13 SCRA 728.) It should contain only causes of action relevant and material to the plaintiff's right and which help or aid the plaintiff's right or defense. (*De La Rama Steamship Co., Inc. vs. National Development Co.*, G.R. No. L-15659, November 30, 1962, 6 SCRA 775.) The supplemental complaint must be based on matters arising subsequent to the original complaint related to the claim or defense presented therein, and founded on the same cause of action. It cannot be used to try a new matter or a new cause of action. (See *Randolph vs. Missouri-Kansas-Texas, R. Co.*, D.C. Mo. 1948, 78 F. Supp. 727, *Berssembrugge vs. Luce Mfg. Co.*, D.C. Mo. 1939, 30 F. Supp. 1010.) (*Leobrero vs. Court of Appeals*, G.R. 80001, Feb. 27, 1989.) The Supplemental Petition should therefore be confined merely to whether or not respondent Judge acted with grave abuse of discretion in proceeding with the case and in issuing the challenged order despite the pendency of the petition for certiorari for his disqualification. We hold that he did not.

The correctness of the order of December 10, 1990 subject-matter of the Supplemental Petition is not within this proceedings to pass upon. Moreover, the function of certiorari is to keep an inferior court within its jurisdiction. It is not designed to correct procedural errors or the court's erroneous findings and conclusions. (*Carandang vs. Cabatuendo*, 33 SCRA 383, 390; *Philippine Rabbit vs. Galauran*, 118 SCRA 664; *Commodity Financing Co., Inc. vs. Jimenez*, 91 SCRA 57.) The mere fact that the court decides the question wrongly is utterly immaterial to the question of its jurisdiction. (*Estrada vs. Sto. Domingo*, 28, SCRA 891 [1969].) Thus, assuming arguendo, that the Court had committed a mistake, the error does not vitiate the decision considering that it had jurisdiction over the case. (*People vs. Francisco*, 128 SCRA 110 [1984].) The writ of certiorari issues for the correction of errors of jurisdiction only or grave abuse of discretion amounting to lack or excess of jurisdiction. The writ of certiorari cannot be legally used for any other purpose. (*Silverio vs. CA*, 141 SCRA 527 [1986].) If the court has jurisdiction over the subject matter and over the person, the orders and rulings upon all questions pertaining to the case are orders and rulings within its jurisdiction and cannot be corrected by certiorari. (*Paramount Insurance Corp. vs. Luna*, 148 SCRA 572 [1987]; *Central Bank of the Philippines vs. The Court of Appeals, Felipe Plaza Chua*, G.R. No. L-41859, March 8, 1989, 171 SCRA 49.)

The sufficiency of the evidence to sustain the order of December 10, 1990 in the accounting is not within this court's authority to review in this certiorari proceedings. Errors in the appreciation of evidence may not be reviewed by certiorari because they do not involve any jurisdictional question (*Central Bank of the Philippines vs. Court of Appeals*, 171 SCRA 49) and it is elementary that questions of facts are improper in a special civil action for certiorari. (*Filipino Merchants' Insurance Co., Inc. vs. Intermediate Appellate Court*, 162 SCRA 669) [34]

Petitioner's motion for reconsideration of the aforecited decision having been denied by the Court of Appeals in a resolution, [35] dated August 12, 1991, petitioner now seeks relief from us to have said decision nullified and set aside based on the following grounds:

- "1. THE RESPONDENT APPELLATE COURT GRAVELY ERRED IN NOT HOLDING THAT THE RESPONDENT JUDGE HAS BEEN TREMENDOUSLY AFFECTED BY THE COMPLAINTS FILED BY PETITIONER MAKING HIS JUDICIAL IMPARTIALITY HIGHLY DOUBTFUL.
2. THE RESPONDENT APPELLATE COURT SERIOUSLY ERRED IN NOT HOLDING THAT THE ACTUATIONS OF THE RESPONDENT JUDGE ARE HIGHLY INDICATIVE OF BIAS, PREJUDICE AND PARTIALITY CONSTITUTING AMPLE GROUNDS FOR HIS DISQUALIFICATION.

3. THE RESPONDENT APPELLATE COURT GRAVELY ERRED IN HOLDING THAT THE RESPONDENT JUDGE DID NOT COMMIT GRAVE ABUSE OF DISCRETION IN NOT DISQUALIFYING OR INHIBITING HIMSELF FROM CONTINUING OR PROCEEDING WITH THE CASE.

4. THE RESPONDENT APPELLATE COURT SERIOUSLY ERRED IN HOLDING THAT BOTH PARTIES THROUGH THEIR RESPECTIVE LAWYERS JOINTLY MANIFESTED THEIR WILLINGNESS FOR THE RESPONDENT JUDGE TO CONTINUE ACTING ON THE CASE.

5. THE RESPONDENT APPELLATE COURT GRAVELY ERRED IN HOLDING THAT IT IS NOT WITHIN ITS AUTHORITY TO REVIEW THE CAUSE OF ACTION IN PETITIONER'S SUPPLEMENTAL PETITION."[36]

These consolidated petitions are without merit.

The facts of these cases may seem almost unseemly, unreasonably complicated, and unbearably tedious, but the fact of the matter is that the crux of the controversy is simple enough: the legality of the non-reversion to petitioner of the Parañaque Cockpit Stadium. And, on this kernel issue, we sustain the view and so hold that the Court of Appeals correctly affirmed the court a quo's ruling finding petitioner's right to possess the said stadium under CA-G.R. SP No. 09061 to be inefficacious and invalidated by private respondent's substantial right as absolute owner to possess the said stadium.

It is well to remember that this court in G.R. No. 84644 had pronounced the propriety of raising before the court a quo the question of whether or not the reversion to petitioner of the Parañaque Cockpit Stadium as decreed in the decision of the Court of Appeals in CA-G.R. SP No. 09061, could no longer be validly effectuated in the light of the consolidation in favor of private respondent of the ownership over the said stadium after his purchase thereof from its former owners, clearly a supervening event justifying the non-execution of the said decision in CA-G.R. SP No. 09061.

We declared in our resolution disposing of G.R. No. 84644 that the court a quo is the proper forum for the hearing of the matter of a supposed supervening event, and we so affirm it here -- that the court a quo's adjudication of that matter is proper. Petitioner thus has no reason to attack the procedure undertaken by the court a quo which resulted in the cancellation of the previous writ of execution issued in his favor, because such a procedure was in the first place suggested by us.

Neither can we find any error in the court a quo's analysis and evaluation of the various events that transpired in this case. Understandably, even when the Court of Appeals had earlier disregarded the allegations and evidence of private respondent respecting his ownership over the Parañaque Cockpit Stadium after he had bought the same from its previous owners, the heirs of the late Claro Cortes, it realized the significance of this matter as a supervening event justifying the non-enforcement of its decision in CA-G.R. SP No. 09061 and accordingly affirmed the court a quo's latest action of invalidating the previous writ of execution issued in favor of petitioner. We find in order the re-examination of the Court of Appeals of its previous rulings and accordingly agree with its affirmance of the court a quo's invalidation of the previous writ of execution issued in favor of petitioner.

Of course, it is true that it is axiomatic in this jurisdiction that, where a decision on the merits in a case is rendered and the same has become final and executory, the action on procedural matters or issues becomes moot and academic.[37]

In the instant case, the decision sought to be enforced by petitioner is not one on the merits; it is one merely adjudicating upon the legality and propriety of execution pending appeal. The decision on the merits was rendered in CA-G.R. CV No. 10259. There, the Court of Appeals found, and we affirm, that petitioner has a due and

demandable obligation to private respondent in the amount of P1,619,700.00, plus accrued interest at 4% per month from October 1, 1985 until full payment thereof. Petitioner having been judicially declared so indebted to such an extent to private respondent and the latter having purchased the stadium from its former owners, there remains no legal or equitable basis for petitioner to possess the said stadium.

And, there are settled exceptions to the aforecited general rule. One of these exceptions is when facts and/or events transpire after a decision has become executory, which facts and/or events present a supervening cause or reason which renders the final and executory decision of the court, no longer enforceable. Thus, we ruled in the case of *City of Butuan vs. Ortiz*:^[38]

"x x x the 5-year period within which a decision of the court may be enforced by motion had not yet expired, but as it was alleged and shown in the motion for the reconsideration of the order granting execution, that the Commissioner of Civil Service had already affirmed the decision of the Municipal Board finding Soriano guilty on November 29, 1954, the right to reinstatement was barred by the decision of the Commissioner of Civil Service. This decision of the Civil Service Commissioner finding Soriano guilty was a valid impediment to the execution of the aforesaid decision for reinstatement. In other words, a supervening cause or reason had arisen which has rendered the decision of the court ordering reinstatement, no longer enforceable.

'Obviously a prevailing party in a civil action is entitled to a writ of execution of the final judgment obtained by him within five years from its entry (Section 443, Code of Civil Procedure). But it has been repeatedly held, and it is now well-settled in this jurisdiction, that when after judgment has been rendered and the latter has become final, facts and circumstances transpire which render its execution impossible or unjust, the interested party may ask the court to modify or alter the judgment to harmonize the same with justice and the facts (*Molina vs. De la Riva*, 8 Phil. 569; *Behn, Meyer & Co. vs. McMicking*, 11 Phil. 276; *Warner, Barnes & Co. vs. Jaucian*, 13 Phil. 4; *Espiritu vs. Crossfield and Guash*, 14 Phil. 588; *Flor Mata vs. Lichauco and Salinas*, 36 Phil. 809). In the instant case the respondent Cleofas alleged that subsequent to the judgment obtained by Sto. Domingo, they entered into an agreement which showed that he was no longer indebted in the amount claimed of P995, but in a lesser amount. Sto. Domingo had no right to an execution for the amount claimed by him.' (*De la Costa vs. Cleofas*, 67 Phil. 686-693).

For the foregoing considerations, the writ prayed for is hereby granted, and the order for the execution of the judgment of the Court of First Instance in Special Civil Action No. 16 '*Soriano vs. Pizarro*' is hereby set aside."^[39]

Shortly after promulgating the *Butuan vs. Ortiz* case, we reiterated our ruling therein in the subsequent case of *Candelario vs. Cañizares*.^[40] We added that, not only may the court, after judgment has become final, allow presentation of evidence of events or circumstances affecting the rights of parties and accordingly suspend the execution of the judgment but the court may also grant relief as the new facts and circumstances warrant.^[41] We had the occasion to rule avowedly in the same manner in the cases of *Abellana vs. Dosdos*^[42] and *The City of Cebu vs. Mendoza*.^[43]

Other exceptions to the general rule pertain to cases of special and exceptional nature where it becomes imperative in the higher interest of justice to direct the suspension of its execution.^[44]

We consequently hold that, as an exception to the general rule on immutability of final judgments, the supervening event that private respondent has become the owner of the mortgaged premises has rendered the judgment in the main case impossible of execution.

Petitioner at this point must concede the fact that his invocation of the decision of the Court of Appeals in CA-G.R. SP No. 09061 to support his stubborn assertion of his possessory rights over the Parañaque Cockpit Stadium, is also the Achilles' heel in his advocacy of such rights. The order of the Court of Appeals for the

reversion of said stadium to him, was issued under the premise that he had rights thereto as lessee-operator and that private respondent had nary a basis to possess the same because the special order granting him execution pending appeal (i.e., possession of the stadium pending appeal) was null and void. The Court of Appeals ordered such reversion of possession over the stadium to petitioner because at the time he had the right to continue to be in possession thereof and such right was violated when the court a quo ordered execution pending appeal. The appellate court was thus only acting in accordance with, and in consequence of, petitioner's right which existed at that time. That order by the appellate court was not an order for its own sake. It was a result of the fact that the Court took into consideration the situation at hand at that time and the legal questions that needed resolution then. It was not an adjudication in isolation but one within certain spacio-temporal considerations that justified such an adjudication.

Now, those considerations no longer exist. At best, significantly, consequential events have transpired that changed the situation and rendered unenforceable that order of reversion. Petitioner thinks that just because an order of the court directs a particular action, that action, by all means and regardless of any and all pertinent circumstances, must be undertaken. Petitioner lost sight of the fact that obedience to judicial orders is rooted not merely on the bare fact that it is the court that issued the same but more importantly on the essential premise that the court issued such orders because it has determined what is right and just under the set of circumstances before it, and its orders are the affirmative and tangible consequences of its abstract exercise in determining judicial truth and serving the ends of justice.

It is not disputed that private respondent is now the owner of the Parañaque Cockpit Stadium. Neither is it disputed that petitioner was found by final and executory judgment to be obligated to private respondent in the amount of more than a million pesos. Petitioner cannot deny that he had already benefited from the proceeds of the loans that he obtained from private respondent, nor can he dispute the right of private respondent as present owner of the said stadium to possess the same and terminate the lease contract of petitioner with the stadium's former owners. Ultimately, all petitioner has is an order by the Court of Appeals directing private respondent to return the stadium to petitioner because the latter was lessee-operator thereof and private respondent came to possess the same through a void order granting execution pending appeal. As we earlier said, the force of such order or any court order for that matter, profoundly lies not so much in its factual existence as a judicial imperative but in its inherent essence as a judicial determination of what is right and just under the particular circumstances under consideration by the court. We so hold, as it cannot be denied, that petitioner no longer has any right to possess the Parañaque Cockpit Stadium, and that without such right, the court order, even one that is final and executory, has become baseless and of no further force and effect.

Finally, as to the matter of the legality and propriety of the denial by the court a quo of petitioner's motion for Judge Abesamis to inhibit himself in the trial court proceedings as he is imputed to be biased and prejudiced against petitioner who has filed numerous administrative complaints against the said judge, we find petitioner's imputations to be patently without basis. The denial of the motion for inhibition is proper under the foregoing premises for the reasons sufficiently discussed by the respondent appellate court as well as by Judge Abesamis in his Order of denial and his Comment to the petition. Such reasons have already been stated earlier and need not be repeated.

WHEREFORE, the consolidated petitions are hereby DISMISSED for lack of merit.

Costs against petitioner.

SO ORDERED.

Padilla (Chairman), and Kapunan, JJ., concur.

Vitug, J., in the result.

Bellosillo, J., on leave.

[1] Branch 85, Quezon City, presided by Judge Jose P. Castro.

[2] Docketed as Civil Case No. Q-45825.

[3] Dated September 26, 1985; Rollo of G.R. No. 97556, pp. 323-326.

[4] Deed of Final and Absolute Sale; Rollo of G.R. No. 97556, pp. 327-329.

[5] Transfer Certificates of Title Nos. 105108 and 105109; Rollo of G.R. No. 97556, pp. 330-332.

[6] Seventh Division (Division of Five) with members, Associate Justices Jose A.R. Melo, Ricardo J. Francisco, Emeterio C. Cui, Segundino G. Chua and Nathanael P. de Paño, Jr.

[7] Dated September 19, 1986, penned by the Hon. Jose A.R. Melo, then Associate Justice of the Court of Appeals, concurred in by Associate Justices Ricardo J. Francisco, Emeterio C. Cui and Segundino G. Chua, but dissented to by Associate Justice Nathanael P. de Paño, Jr., Rollo of G.R. No. 97556, pp. 50-56.

[8] Docketed as G.R. No. 76039.

[9] Rollo of G.R. No. 97556, p. 57.

[10] Rollo of G.R. No. 97556, pp. 58-60.

[11] Promulgated by the Fifth Division and penned by Justice Conrado T. Limcaoco, with Justices Vicente V. Mendoza and Gloria C. Paras, concurring; Rollo of G.R. No. 97556, pp. 63-97.

[12] Decision, *supra*, pp. 32-34; Rollo of G.R. No. 97556, pp. 94-96.

[13] Resolution dated November 23, 1988, pp. 8-10; Rollo of G.R. No. 97556, pp. 105-107.

[14] Penned by Justice Teodoro R. Padilla and concurred in by Justices Edgardo Paras, Abraham Sarmiento and Florenz D. Regalado, with Justice Ameurfina Melencio-Herrera not taking part; Rollo of G.R. No. 97556, pp. 108-118.

[15] Rollo of G.R. No. 97556, p. 119.

[16] Resolution dated October 23, 1989, *supra*.

[17] Penned by Associate Justice Socorro Tirona-Liwag and concurred in by Associate Justices Gloria C. Paras and Bonifacio A. Cacdac, Jr.; Rollo of G.R. No. 97556, pp. 125-133.

[18] Decision dated January 22, 1990, pp. 8-9; Rollo, pp. 132-133.

[19] *Ibid*, p. 9; Rollo of G.R. No. 97556, p. 133.

[20] Rollo of G.R. No. 97556, pp. 135-136.

[21] Order dated April 16, 1990, pp. 3-7, 9-11; Rollo, pp. 143-147, 149-151.

[22] Rollo, p. 152.

[23] Thirteenth Division with members, Associate Justices Manuel C. Herrera, Alfredo L. Benipayo and Fortunato A. Vailoces.

[24] Penned by Associate Justice Manuel C. Herrera, Rollo of G.R. No. 97556, pp. 188-205.

[25] Rollo of G.R. No. 97556, p. 244.

[26] Petition dated March 21, 1991, p. 14; Rollo of G.R. No. 97556, p. 19.

[27] Against Judge Abesamis, Case No. OMB-0-89-01209, dated May 22, 1989, for serious misconduct, inefficiency and violation of R.A. No. 3019, as amended; A.M. No. RTJ-89-348, dated June 27, 1989, for serious misconduct, inefficiency and gross ignorance of the law; and the Letter to the President dated March 9, 1990; against Judge Regino, A.M. No. RTJ-90-505, dated May 14, 1990, for serious misconduct, gross inefficiency and gross ignorance of the law.

[28] Rollo of G.R. No. 101152, pp. 238-242.

[29] Rollo of G.R. No. 101152, pp. 84-85.

[30] Order dated June 25, 1990, pp. 1-3; Rollo of G.R. No. 101152, pp. 84-86.

[31] Rollo of G.R. No. 101152, p. 243.

[32] Rollo G.R. No. 101152, pp. 283-301.

[33] Decision of the Court of Appeals in CA-G.R. SP No. 22881, pp. 16-21; Rollo, pp. 72-77.

[34] Ibid., pp. 22-23; Rollo of G.R. No. 101152, pp. 78-79.

[35] Rollo of G.R. No. 101152, pp. 81-83.

[36] Petition dated August 16, 1991, pp. 25, 27, 33, 41 & 43; Rollo of G.R. No. 101152, pp. 26, 28, 34, 42 & 44.

[37] Go vs. Tabanda, 195 SCRA 163, 166 (1991).

[38] 3 SCRA 659 (1961).

[39] City of Butuan vs. Ortiz, supra, pp. 661-662.

[40] 4 SCRA 738 (1962).

[41] Candelario vs. Cañizares, supra, p. 745.

[42] 13 SCRA 244, 248 (1965).

[43] 66 SCRA 175, 177 (1975).

[44] Philippine Veterans Bank vs. IAC, 178 SCRA 645, 650 (1989); Javier vs. CA, 224 SCRA 704, 711 (1993).

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