

ATTY. ROLANDO S. JAVIER AND CESAR CRUZ, IN HIS CAPACITY AS SHERIFF OF BRANCH 120, REGIONAL TRIAL COURT OF CALOOCAN CITY, METRO MANILA; SATURNINA BAJAMONDE; LEONORA BAJAMONDE AND...*G.R. No. 97795. February 16, 2004*

Ponente: CALLEJO, SR., J.

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This is a petition for review on certiorari under Rule 45 of the Rules of Court, as amended, of the Resolution[1] of the Court of Appeals in CA-G.R. SP No. 22761 dated September 27, 1990, dismissing the petition for certiorari of the petitioners (except petitioner Rolando Javier), on the ground that the petition was insufficient in substance and its Resolution dated March 8, 1991 denying their motion for the reconsideration of the said resolution.

The Antecedents

The late Don Francisco Gonzales was the owner of the Gonzales Estate[2] with an area of 871,982 square meters located in Barrio Baesa, Caloocan City, Metro Manila, covered by Transfer Certificate of Title (TCT) No. 34486 issued by the Register of Deeds of Caloocan City. Upon his death, the Gonzales Estate was subdivided and registered in the names of his heirs: Leon Gonzales, Juan Gonzales-de Leon, Francisco Gonzales, Jr., Concepcion Gonzales Virata, Maria Clara Gonzales-Hilario and Consuelo Gonzales-Prinscilla under TCT Nos. 1368 — 1374 issued by the Register of Deeds of Caloocan City.

The Gonzales Estate was actually occupied and tilled by more than two hundred tenants and their families. Later, these tenants banded together and sought the help of the government so that the land could be conveyed and distributed to them. Pursuant to Commonwealth Act No. 539, the Republic of the Philippines, through the Rural Progress Administration, filed on January 24, 1947 an application for the expropriation of the property before the then Court of First Instance of Rizal docketed as Civil Case No. 131. On March 29, 1950, the CFI of Rizal rendered a Decision in favor of the government and ordered the expropriation of the Gonzales Estate, subject to the condition that the same shall be reconveyed to the occupants for the price of P1.50 per square meter. Among the occupants-tenants were the Spouses Gregorio and Saturnina Bajamonde who claimed the right to purchase Lots 54 and 75 with a total area of 9,177 square meters. On appeal, this Court affirmed the decision with the modification that the property be resold to the occupants-tenants.[3]

On August 4, 1954, the Rural Progress Administration was succeeded by the Philippine Housing and Homesite Corporation (PHHC) which then acquired the Gonzales Estate. A problem ensued when on March 15, 1960, the President of the Republic, pursuant to Section 1 of Commonwealth Act No. 539, ordered the PHHC to limit the area to be sold to one thousand square meters per tenant; the bigger portion of the property was to be sold to other qualified low-income families.[4]

Seventy-five of the occupants-tenants of the Gonzales Estate objected to the order of the President, insisting that

the property should be deeded solely to them to the exclusion of others who were not occupants-tenants thereof. On October 29, 1960, the tenants, including Gregorio Bajamonde, filed a Complaint before the then CFI of Rizal (Pasig), docketed as Civil Case No. 6376, to compel the Republic, through the PHHC, to sell the property only to the occupants-tenants of the Gonzales Estate. The case was transferred to the RTC of Caloocan City and redocketed as Civil Case No. C-760. The plaintiffs prayed therein that after due proceedings, judgment be rendered as follows:

WHEREFORE, it is respectfully prayed that this Honorable Court renders judgment in favor of the plaintiff and against the defendants ordering the latter to resell the property above referred to, the plaintiffs herein in accordance with the above-mentioned decisions; and to pay plaintiffs attorney's fees in the amount of FIVE THOUSAND (P5,000.00) PESOS and the costs of this suit.

Plaintiffs pray for such other and further reliefs which may be legal, just and proper in the premises.[5]

On April 29, 1961, the then Araneta Institute of Agriculture (AIA) filed a Complaint-in-Intervention in Civil Case No. C-760. It alleged that on November 28, 1961, the fifty-two plaintiffs had executed a "Kasunduan Na May Patnubay Kapangyarihan Hinggil Sa Asyenda Gonzales, Baesa, Caloocan, Rizal" with the AIA where the tenants, through their attorney-in-fact, Marciano Baylon, conveyed to the AIA their priority rights to purchase (pangunahing karapatang bilhin) from the PHHC a total of 507,376 square meters which would surely be adjudicated to them as their share in the Gonzales Estate. However, the PHHC did not conform to the Kasunduan. On August 2, 1961, the lower court issued an order allowing the AIA to intervene. The AIA, thereafter, produced a Compromise Agreement dated November 28, 1961 purportedly entered into by only thirteen of the tenants, including Gregorio Bajamonde, with the AIA. It appeared therein that the aforesaid tenants sold their rights to purchase the lots occupied by them to the AIA. However, the PHHC and the Republic were not signatories to the aforementioned compromise agreement. On July 2, 1968, the lower court rendered judgment dismissing the intervention of the AIA.[6] The AIA appealed the decision to the Court of Appeals.

On December 11, 1961, twenty-eight out of the fifty-seven tenants-plaintiffs entered into a partial compromise agreement[7] covering the lands respectively occupied by them, this time with the PHHC. Included therein was Gregorio Bajamonde, the tenant of Lot 54 and Lot 75 covering an area of 8,967 square meters and 9,427 square meters, respectively. In the said agreement, the Board of Directors of the PHHC approved Resolution No. 269 dated December 1, 1961 agreeing to resell the lots to the tenants with the following conditions:

2. Defendants agree to sell said lots, at the rate of P3.80 per square meter, and the plaintiffs herein agree to buy the same and pay the purchase price thereof, in the following manner:

(a) An amount equivalent to thirty (30%) of the purchase price thereof, upon execution of the corresponding deeds of sale in favor of the plaintiffs herein;

(b) Balance thereof, to be paid within a period of 5 years in equal semestral installments, deferred payments to bear 6% interest per annum, and to be secured by a first mortgage on the same property in favor of the defendants, and further subject to the condition that no subsequent conveyance or transfer or other form of encumbrance shall be made on the property without the prior written consent of the PHHC.[8]

Subsequently, on December 23, 1961, the trial court rendered a Partial Decision in Civil Case No. 6376 (C-760) based on the Compromise Agreement dated November 28, 1961 between AIA and thirteen tenants of the Estate. On the same date, another decision was rendered by the court approving the Compromise Agreement of the parties dated December 11, 1961.[9] On December 28, 1961, twenty-four tenants, including some of those who signed the compromise agreement on December 11, 1961, entered into another compromise agreement with the PHHC covering the lots tenanted by them.[10] On January 2, 1962, the trial court rendered a partial decision based on the December 28, 1961 Compromise Agreement of the tenants and the PHHC.[11] The plaintiffs caused

the annotation of a notice of lis pendens at the dorsal portion of the title covering the subject lot.

On February 6, 1962, the trial court granted the motion of thirteen tenants for an immediate execution of the Partial Decision of the court dated December 23, 1961 based on the Compromise Agreement of November 28, 1961. The PHHC objected, on its contention that it was not a signatory to the same. The trial court denied the PHHC's motion for reconsideration. This Court dismissed the petition for certiorari and prohibition for the nullification of the orders of the trial court filed by the PHHC, docketed as G.R. L-20643. On November 20, 1965, the Court denied the petition.[12] Other tenants filed separate complaints[13] with the Regional Trial Court of Caloocan City against the AIA for the annulment of the November 28, 1961 Compromise Agreement. In CA-G.R. No. 45530-R, the Court of Appeals ruled that the AIA did not acquire any right to purchase the lots covered by the Compromise Agreement dated November 28, 1961 because the PHHC did not conform thereto.[14]

Nonetheless, on July 13, 1978, the AIA and Gregorio Bajamonde with the conformity of his wife, Saturnina Bajamonde, executed an amicable settlement that the AIA and Gregorio Bajamonde shall have equal rights over Lots 54 and 75 of the Gonzales Estate with a total area of 9,197 square meters.[15] Again, the PHHC, now the National Housing Authority (NHA), did not conform to the deed. On September 11, 1978, the AIA, now renamed the Gregorio Araneta University Foundation (GAUF), filed a motion for the execution of the partial decision based on the November 28, 1961 Compromise Agreement specifically against Sixta Cleofas and Aniceto Cosca. On November 13, 1978, the trial court issued an Order granting the motion.[16]

On January 10, 1979, the NHA finally executed a Deed of Absolute Sale over Lots 54 and 75 in favor of the Spouses Gregorio Bajamonde, conformably to the December 11, 1961 Compromise Agreement.[17] On the basis of the said deed, TCT No. 21017 over the lots was issued in favor of the spouses.[18] But on May 23, 1979, the Spouses Gregorio and Saturnina Bajamonde executed a Deed of Conveyance of their rights over Lots 54 and 75 covered by TCT No. C-21017 in favor of the GAUF, conformably to their November 28, 1961 Compromise Agreement. On May 25, 1979, the Register of Deeds issued TCT No. C-21017 in the name of the GAUF with all the annotations on TCT No. C-21017 carried over in the dorsal portion of the latter title.[19]

In a parallel development, the trial court in Civil Case No. 17347 nullified the Compromise Agreement dated November 28, 1961 between the AIA and some tenants, on its finding that the signatures of some of the parties were forged. A similar order was issued in Civil Case No. 17364 on January 13, 1983.[20]

The attempt of the GAUF to evict the tenants was stymied when the trial court, presided by a new magistrate, Judge Antonia Macandog, issued an order in Civil Case No. C-760 requiring the GAUF to show proof that it had secured the consent of the PHHC (NHA) to the November 28, 1961 Compromise Agreement.[21]

In the meantime, Gregorio Bajamonde died intestate and was survived by his heirs, namely, his widow Saturnina and their children.

To settle, once and for all, the threshold issue of whether the November 28, 1961 Compromise Agreement and the December 23, 1961 Partial Decision approving the said agreement were valid, tenants Spouses Aniceto Cosca and Evaristo Aquino filed an omnibus motion on January 4, 1984 asking the court —

1. To nullify and/or rescind and declare of no legal effect the compromise agreement dated November 28, 1961 in so far as it affects the rights and interests of movants over their respective lots in the Jose Leon Gonzales Estate;
2. To nullify and declare without effect the partial decision dated December 23, 1961 vis-à-vis movants' rights and interest over said lots;
3. And to render a new judgment in accordance with the undisputed partial compromise agreement entered into

between the defunct PHHC, now NHA, and twenty-eight (28) of plaintiffs-tenants, especially in relation to the rights and interests movants acquired over their respective lots by virtue of said partial compromise agreement.[22]

The GAUF, for its part, filed a petition for mandamus and prohibition with the then Intermediate Appellate Court (IAC), docketed as IAC-G.R. SP No. 04047, praying as follows:

1. Pending hearing, a restraining order be issued against respondents, enjoining them from proceeding further with the consideration of the Omnibus Motion in question; or, in the event that the same has already been resolved, adversely against petitioner, that the resolution thereof be declared null and void;
2. After hearing, judgment be rendered granting the writs of mandamus and prohibition prayed for, and such other reliefs as are just and equitable in the premises.[23]

The IAC, thereafter, rendered a decision, the decretal portion of which reads:

WHEREFORE, judgment is hereby rendered on the petition under consideration, denying the prayer for a writ of prohibition, but granting the writ of mandamus sought for, only to compel the respondent court to hear and pass upon without undue delay all unresolved incidents in subject Civil Case No. C-760, entitled MARCIANO BAYLON, ET AL. versus PHHC, ET AL. No pronouncement as to costs.[24]

Thus, the trial court was ordered to hear and pass upon all unresolved incidents in Civil Case No. C-760, including the GAUF's compliance of the terms and conditions of the November 28, 1961 Compromise Agreement and the trial court's December 23, 1961 Partial Decision.

On December 20, 1985, the trial court issued an Order in Civil Case No. C-760 granting the omnibus motion of the plaintiffs Aniceto Cosca and Evaristo Aquino and against the AIA (GAUF), thus:

A. That the PHHC (now the National Housing Authority) shall comply strictly with the terms, conditions and provisions of the Partial Compromise Agreement dated December 11, 1961 as approved by the Partial Decision dated December 23, 1961 (involving the twenty-eight (28) tenants), with respect to the tenants SIXTA CLEOFAS, EVARISTO AQUINO, NARCISO AQUINO and FAUSTO BAJAMONDE;

...

E. The Register of Deeds of Caloocan City is further ordered to cancel, as it is hereby ordered cancelled, all Notices of Lis Pendens and Adverse Claims of any kind, all annotations or mortgages, encumbrances and obligations created by Araneta University, its buyers, assignees, transferees or successors-in-interest, in the new transfer certificate of title to be issued and registered in the names of Sixta Cleofas and Aniceto Cosca.

...

I. The Register of Deeds of Caloocan City is further ordered to cancel, as it is hereby ordered cancelled, all Notices of Lis Pendens and Adverse Claims of any kinds, all annotations of mortgages, encumbrances and obligations created by Araneta University, its buyers, assignees, transferees or successors-in-interest, in the new transfer certificate of title to be issued and registered in the names of Fausto Bajamonde and Arcadia Rojas;

...

L. All sales, transfers, conveyances or assignments made by Araneta University or its successors-in-interests to third parties; and all subsequent sales, transfers, conveyances and assignments in whole or in part of subject Lot 73 (Fausto Bajamonde), Lot 35 (Sixta Cleofas), Lot 43 (Evaristo Aquino), Lot 40-B (Narciso Aquino) are void and hereby declared inexistent;[25]

In the meantime, the Gregorio Araneta University Foundation Faculty Society and Gregorio Araneta University Employees Union, comprising the employees and faculty members of the GAUF, filed a complaint against the GAUF docketed as NCR-2-582-85 before the National Labor Relations Commission (NLRC).[26] On November 7, 1985, the complainants therein and the GAUF, through their authorized representatives, entered into a compromise agreement[27] approved by the NLRC on December 27, 1985[28] in which the GAUF agreed to sell Lots 75 and 54 then titled to the Spouses Bajamonde under TCT No. C-24153, and Lot 59 covered by TCT No. C-40328 to the complainants therein. The subject lots were to be used for a housing project for the benefit of the complainants for the price of P3,731,772.41 or at P200 per square meter payable in installments.[29] The GAUF executed contracts to sell in favor of its employees and faculty members.

Unaware of the foregoing development, the heirs of Gregorio Bajamonde filed an Omnibus Motion dated May 12, 1986 and a related Manifestation and Motion dated July 1, 1986 in Civil Case No. C-760 praying for the nullification of the November 28, 1961 Compromise Agreement and the Amicable Settlement dated July 13, 1978 over Lots 54 and 75:

- (1) Declaring that any transfer or conveyance of Lots 75 and 54 or any purpose thereof from Gregorio Bajamonde to Araneta Institute of Agriculture or Gregorio Araneta University Foundation, or their assignees, successors-in-interest as rescinded, and to restore said lots 75 and 54 to the real owners, Gregorio Bajamonde and/or heirs;
- (2) Ordering the Register of Deeds of Caloocan City to cancel TCT No. C-24153 issued in the name of Gregorio Araneta University Foundation and to issue a new Transfer Certificate of Title over lots 75 and 54 in the name of Gregorio Bajamonde or heirs;
- (3) Ordering the Clerk of Court to issue writ of possession in favor of Gregorio Bajamonde or heirs.[30]

On August 29, 1986, the trial court issued a Final Joint Order granting the motions of the heirs of Gregorio Bajamonde and consequently nullified TCT No. C-24153 in the name of the GAUF and further ordered the issuance of a title to the heirs of Gregorio Bajamonde over Lots 54 and 75.[31]

Meanwhile, Manuel Ridad and the employees of the GAUF with whom the latter had executed contracts to sell, started building their houses on Lots 54, 59 and 75.

On May 27, 1988, the trial court issued an Order in Civil Case No. C-760 granting the motion of the heirs of Gregorio Bajamonde for the enforcement of its August 29, 1986 Final Joint Order and restraining Manuel (Nonong) Ridad, Graciano Napbua, Sergio Yoban, Gavino Miguel, Angel Cabrera, Emelita Ajoc, Vito Ladones, Segundo Pacardo, Salvador Frias, Lani Manlicas, Obiano de Vega, Pacencia Ajenap, Amado Romero and Policarpio Bactol, all employees of GAUF, from squatting, occupying, staying on and taking possession of the houses, improvements and all kinds of structures existing therein.[32]

Meanwhile, on December 27, 1988, the Register of Deeds implemented the August 29, 1986 Order of the RTC in Civil Case No. C-760 and cancelled TCT No. C-24153 under the name of the GAUF and issued, in lieu thereof, TCT No. 174671 over Lot 54 and TCT No. 174672 over Lot 75 in the names of the Spouses Gregorio and Saturnina Bajamonde.[33] On December 28, 1988, the trial court issued another order for the execution of its joint order evicting the employees of the GAUF and its faculty members from the property.

Forthwith, the GAUF Personnel Homeowners Association, Inc., represented by its president, Manuel Ridad, filed a petition for prohibition with prayer for restraining order and writ of preliminary injunction seeking to annul the May 27, 1988 Order of the lower court, docketed as CA-G.R. SP No. 14839.[34] The petitioners therein alleged that they were not parties in Civil Case No. C-760; hence, they were not bound by any of the orders issued by the

trial court in the said case. They further alleged that they were innocent purchasers in good faith of the lots respectively occupied by them.

On June 29, 1989, the CA dismissed the petition. The CA overruled the petitioners' contention as follows:

Firstly, as earlier discussed, petitioners are privies to, or derive their rights from, Gregorio Araneta University Foundation (GAUF). Thus, Civil Case No. C-760 binds not only Araneta but also its privies and successors-in-interest, the petitioners herein.

Secondly, and more importantly, TCT No. C-24153 of Araneta contains at the back thereof, Memorandum of Encumbrances, a notice of lis pendens that an action has been commenced and pending in Civil Case No. 6376 (now Civil Case No. C-760) involving the land described in the certificate of title.

The notice was inscribed on February 18, 1963, and since then, there was an announcement to the whole world that a particular property is in litigation, serving as a warning that one who acquires an interest over said property does so at his own risk, or that he gambles on the result of the litigation over said property.

Since petitioners herein entered into contracts to sell with Gregorio Araneta University Foundation in 1987 with knowledge of the existing encumbrance in TCT No. C-24153, they cannot have acquired better rights than those of their predecessors-in-interest. (Constantino vs. Espiritu, 45 SCRA 557).[35]

Dissatisfied, the GAUF Homeowners Association filed a petition for review with prayer for restraining order before this Court, docketed as G.R. No. 89969. On January 15, 1990, the Court denied the petition for lack of merit ratiocinating, thus:

After a careful review of the Petition and its Annexes, the Court finds that the CA committed no reversible error in upholding the order of the trial court. It is true that a writ of execution can be issued only against a party and not against one who did not have his day in court. (Galang v. Uytiepo, 92 Phil. 344 (1953); Lorenzana v. Cayetano, G.R. No. L-37051, August 31, 1977, 78 SCRA 435.) This Court, however, has also held that one who is privy or a successor-in-interest of the judgment debtor can be reached by the order of execution (Vda. de Medina v. Cruz, G.R. No. L-89272, May 4, 1988, 161 SCRA 36). In this case, although petitioners were not parties in Civil Case No. C-760 the decision in that case is binding on petitioners as the successors-in-interest of GAUF.

Moreover, petitioners cannot claim to be innocent purchasers for value of the subject land. The CA found that notice of lis pendens was annotated at the back of GAUF's title TCT No. C-24153, as early as February 13, 1963, while the contract of sale of the subject land was entered into between GAUF and petitioners only in 1987. Thus, at the time petitioners entered into the contract of sale of the subject land with GAUF they already had notice of the existing encumbrance in TCT No. C-24153.[36]

The Court denied with finality the motion for reconsideration filed by the petitioners therein.[37]

On May 15, 1990, the trial court granted the motion of the heirs of Gregorio Bajamonde in Civil Case No. C-760 for a writ of demolition of the houses and/or structures constructed by the employees of GAUF. On July 5, 1990, Sheriff Cesar Cruz, in coordination with Atty. Rolando Javier, counsel of the plaintiffs-tenants, succeeded in partially enforcing the writ and were set to continue to do so on July 9, 1990. However, the GAUF filed an action for the annulment of TCT Nos. 174672 and 174671, docketed as Civil Case No. 13989. The GAUF also filed a petition with the CA to annul the Joint Order dated August 29, 1986 and the trial court's Order dated December 23, 1988 in Civil Case No. C-760. The petition was docketed as CA-G.R. SP No. 23872. A Separate Complaint[38] was filed on July 10, 1990 with the Regional Trial Court of Caloocan City against Atty. Rolando Javier and Deputy Sheriff Cesar Cruz docketed as Civil Case No. C-14388, raffled to Branch 126, for injunction with prayer for temporary restraining order and issuance of a preliminary injunction.[39]

The petitioners alleged therein that they were personnel, faculty and non-faculty members of the GAUF upon whose representation they entered into separate contracts to buy the subject lots from the GAUF, payable on installments through salary deduction. They asserted that they were builders in good faith and that they were willing to sell their houses to the owners of the lots under certain terms and considerations. Until then, the lot owners had no right to ask for the demolition thereof as clearly mandated by Article 448 of the Civil Code. They also alleged that Atty. Javier unlawfully bought the subject lots pendente lite and despite the notice of lis pendens annotated at the dorsal portion of TCT No. 174671-72. For this reason, Atty. Javier illegally pursued the demolition of the petitioners' houses, constraining the latter to ask for the issuance of a temporary restraining order. The petitioners also alleged that they had the right to seek indemnification for the houses that they had built should the lot owner choose to appropriate the same; or, in case the owner chose not to do so, to be obliged to pay the appropriate rent, pursuant to Article 448 of the New Civil Code.

The petitioners prayed, thus:

WHEREFORE, in view of our foregoing submissions, it is most prayed of this Honorable Court that there issue immediately and ex-parte a temporary restraining order enjoining herein defendants and all other persons acting in their behalf and representation from demolishing the houses of the said plaintiffs located at Reparo, Baesa, Kaloocan City, Metro Manila and after due notice and hearing:

1. Order the issuance of a writ of preliminary injunction on such amount of bond as may be required by law;
2. Order the said injunction to be made permanent and perpetual, after trial on the merits;
3. Determine the substantive rights of the plaintiffs pursuant to Section 2, Title II, Book II of the Civil Code specifically Article 448 in relation to Article 546 and 548 thereof by;
 - a) Giving the defendant Rolando Javier the option to either appropriate the house of herein plaintiffs after payment of the proper indemnity in accordance with Article 546 and 548, supra or to sell the subject lots to herein plaintiffs at such reasonable prices or to require plaintiffs to pay reasonable rents;
 - b) Fixing the rate of rent in case of disagreement between the parties hereof;
 - c) Order the defendant Rolando Javier to pay the plaintiffs the sum of P33,000.00 plus the additional sum of P1,000.00 per plaintiff for every day that this case remains pending as moral damages;
 - d) Order the same defendant to pay the amount of P5,000.00 as exemplary damages plus cost of suit;^[40]

The case was raffled to Branch 126 of the RTC presided by Judge Cornelio W. Wasan, Sr. The respondents filed a motion to dismiss the petition on the following grounds: (a) the petition was barred by res judicata; (b) the petition stated no cause of action against defendant Atty. Rolando Javier as the real parties-in-interest as defendants were the heirs of Gregorio Bajamonde, the registered owners thereof; (c) individual members of the GAUF Personnel Homeowners Association, Inc. were precluded from suing in their individual capacity after the petition of the association in CA-G.R. No. 14839 was dismissed, and the Court affirmed such dismissal in G.R. No. 89969; and, (d) the petition as well as the plea for injunctive relief violated the doctrine of judicial stability because the RTC had erred in issuing an order for the eviction of teachers and employees of the GAUF from the property in Civil Case No. C-760.^[41]

On July 10, 1990, the court issued a temporary restraining order, enjoining Deputy Sheriff Cesar L. Cruz from pushing through with the scheduled demolition. A hearing was set on July 19, 1990 on the petition for the issuance of a writ of preliminary injunction.^[42]

On July 20, 1990, the petitioners filed an Amended Complaint, the amendments thereof consisting in the conversion of the action to an ordinary one for reconveyance with plea for injunctive relief and the impleading of

additional defendants,[43] who, according to the petitioners, had acquired the subject lots pendente lite. The petitioners prayed, thus:

WHEREFORE, in view of our foregoing submissions, it is most prayed of this Honorable Court that there issue immediately and ex parte a temporary restraining order enjoining herein defendants and all other persons acting in their behalf and representation from demolishing the houses of the plaintiffs located at Reparo, Baesa, Caloocan City, Metro Manila and after due notice and hearing:

1. Order the issuance of a writ of preliminary injunction on such amount of bond as may be required by law;
2. Order the said injunction to be made permanent and perpetual, after trial on the merits;
3. Order the reconveyance of the subject lots hereof in favor of herein plaintiffs; or
4. Determine the substantive rights of the plaintiffs pursuant to Section 2, Title II, Book II of the Civil Code, specifically Article 448 in relation to Article 546 and 548 thereof by:
 - a) Giving the defendants the option to either appropriate the houses of herein plaintiffs after payment of the proper indemnity in accordance with Article 546 and 548, supra, or to sell the subject lots to herein plaintiffs at such reasonable prices or to require plaintiffs to pay reasonable rents;
 - b) Fixing the rate of rent in case of disagreement between the parties hereof.
5. Order the defendants to pay the plaintiffs the sum of P33,000.00 plus the additional sum of P1,000.00 per plaintiff for every day that this case remains pending as moral damages;
6. Order the same defendants to pay the amount of P50,000.00 as exemplary damages plus costs of suit.

All other reliefs and remedies just and equitable in the premises are hereby likewise prayed for.[44]

After receiving the evidence of the parties, the court issued an order on August 3, 1990 directing the issuance of a writ of preliminary injunction enjoining the defendants from proceeding with the demolition of the houses, improvements and all kinds of infrastructures existing therein upon a bond of P200,000, to wit:

WHEREFORE, let a writ of preliminary injunction be issued for the purpose of enjoining the defendants from proceeding further with the demolition of the houses, improvements and all kinds of structures existing on any portion of the subject lots unless and until the main case is finally decided on the merits subject to the condition that petitioners should post a bond in the amount of P200,000.00 to be approved by the Court to answer/secure the defendants against whatever damages they may suffer as a result or by reason of the injunction if the same be declared as wrongly issue.[45]

On August 6, 1990, the court a quo issued an Order denying the motion to dismiss the petition filed by the respondents therein. The court ruled that the petition was not barred by the appellate court's decision in CA-G.R. SP No. 14839, the resolution of the Court in G.R. No. 89969, nor by the proceedings in Civil Case No. C-760. This is so since the issue of whether the plaintiffs therein were builders in good or bad faith was never raised nor resolved by the said courts.[46]

On the respondents' contention that the issuance of a writ of preliminary injunction would thereby violate the doctrine of judicial stability, the court ruled that the principle would not apply where there has been a change in the situation of the parties which would render the execution of the decision inequitable; in this case, the decision of the trial court in Civil Case No. C-760, the decision of the CA in CA-G.R. No. SP 14839, and the resolution of this Court in G.R. No. 89969.

The respondents filed a motion for reconsideration of the August 3, 1990 and August 6, 1990 Orders of the court a quo. The trial court denied the same. Thus, on September 3, 1990, the court a quo, through the branch clerk of

court, issued a writ of preliminary injunction.[47]

Forthwith, the respondents filed a petition for certiorari and prohibition before the CA docketed as CA-G.R. SP No. 22761 for the nullification of the August 3, 6 and 20, 1990 Orders of the respondent judge. The respondents also prayed as follows:

1. To issue TEMPORARY RESTRAINING ORDER against Judge Cornelio Wasan, RTC of Caloocan City, Branch 126 and all private respondents to restrain them in any manner in said Civil Case No. 14388 and to maintain STATUS QUO of Lots 75 and 54 (Gonzales Estate) covered by TCT Nos. 174672 and 174671, Registry of Deeds, Caloocan City;
2. To Order Judge Cornelio Wasan to Dismiss Civil Case No. 14388 filed against all defendants under its original and Amended Complaint;
3. To enjoin and prohibit Judge Cornelio Wasan from acting in any manner and from trying said Civil Case No. 14388 against all defendants;
4. To invalidate the Preliminary Prohibitory Injunction dated September 3, 1990 and the Order for the Issuance of said Preliminary Prohibitory Injunction dated August 3, 1990;
5. To nullify all actions taken by Judge Cornelio Wasan in Civil Case No. 14388;
6. To enjoin all private respondents or privies-in-interest from filing and/or re-filing similar suits or actions to litigate on said lots 75 and 54;
7. To endorse the dismissal from service of respondent Judge Cornelio Wasan for GROSS IGNORANCE OF THE LAW; for knowingly rendering unjust, illegal and invalid Orders in Civil Case No. 14388 and for Serious and Grave Abuse of Discretion;[48]

The petitioners averred that the trial court committed a grave abuse of its discretion amounting to excess or lack of jurisdiction in denying their motion to dismiss the private respondents' amended petition on the grounds of (a) forum shopping; and (b) res judicata; and in granting the private respondents' plea for a writ of preliminary injunction without the requisite hearings in gross violation of the principle of judicial stability.

Anent the allegation of res judicata, the petitioners asserted that the amended petition of the private respondents with the CA was barred by the decisions/final orders in: (a) Civil Case No. C-760, Caloocan City, RTC; (b) Civil Case No. 17362, Caloocan City, RTC; (c) Civil Case No. 17564, Caloocan City, RTC; (d) CA-G.R. SP No. 14839; (e) IAC, G.R. SP No. 04047; (f) Civil Case No. L-13989, Caloocan City, RTC; (g) CA-G.R. SP No. 22009; (h) G.R. No. L-89969. The petitioners averred that the private respondents, being merely transferees/successors-in-interest of the AIA/GAUF, were bound by the judgments/final orders in the said cases.

On September 27, 1990, the CA issued a Resolution dismissing the petition on the sole ground that it was insufficient in substance. According to the appellate court, the remedy of the petitioners therein from the assailed orders of the trial court was an appeal in due course after the court rendered a decision on the merits of the amended complaint. The petitioners filed a motion for the reconsideration of the said resolution contending that appeal by writ of error was not a speedy and adequate remedy for the nullification of the assailed orders, but the CA likewise denied the same.[49]

The Petition Before The Court

The petitioners aver that the CA acted contrary to case law and the Rules of Court, as amended, when it dismissed their petition for certiorari and prohibition on its holding that the said petition was insufficient in form and substance. As gleaned from the averments therein and the answers thereto, their petition was, indeed, sufficient in

form and substance. They assert that a writ of certiorari and prohibition may issue for the nullification of an interlocutory order denying a motion to dismiss a complaint on the grounds of res judicata and forum shopping; and of an order of a trial court granting the plea of a party for the issuance of a writ of preliminary injunction which impedes, interferes with and/or frustrates the enforcement of an order of a co-equal court, conformably to the doctrine of judicial stability.

We agree with the petitioners.

Section 6, Rule 65 of the Rules of Court, as amended, provides that if a petition (for certiorari or prohibition) is sufficient in form and substance to justify such process, the court shall issue an order requiring the respondent to comment on the petition within ten days from receipt of a copy thereof. For a petition for certiorari or prohibition to be sufficient in substance, it must set out and demonstrate, plainly and distinctly, all the facts essential to establish a right to a writ^[50] or at least a prima facie basis for the issuance of the writ.^[51] The petition must allege facts showing that any existing remedy is not speedy or adequate.^[52] It must contain the following allegations: (a) that the writ is directed against a tribunal, board or office exercising judicial or quasi-judicial functions; (b) that such tribunal, board or office has acted without or in excess of jurisdiction or with grave abuse of discretion amounting to excess or lack of jurisdiction; and, (c) there is no appeal or any plain, speedy and adequate remedy in the ordinary course of law.^[53] The public respondent acts without jurisdiction if it does not have the legal power to determine the case; there is excess of jurisdiction where the respondent, being clothed with the power to determine the case, oversteps its authority as determined by law. There is grave abuse of discretion where the public respondent acts in a capricious, whimsical, arbitrary or despotic manner in the exercise of his judgment as to be equivalent to lack of jurisdiction.^[54] A remedy is plain, speedy and adequate if it will promptly retrieve the petitioner from the injurious effects of that judgment and the acts of the tribunal or inferior court.^[55]

In this case, we have reviewed the petition and its appendages and find that the petition is, indeed, sufficient in substance. Admittedly, the assailed orders of the RTC which denied the petitioners' motion to dismiss the amended complaint and granted the private respondents' plea for a writ of preliminary injunction were interlocutory orders. Nevertheless, the settled rule is that a writ for certiorari may be granted in cases where, as in this case, despite availability of appeal after trial, there is at least a prima facie showing on the face of the petition and its annexes that (a) the trial court issued the order with grave abuse of discretion amounting to excess or lack of jurisdiction; (b) appeal would not prove to be the speedy and adequate remedy;^[56] (c) where the order is a patent nullity; (d) the decision in the present case will arrest future litigations; and (e) for certain considerations such as public welfare and public policy.^[57] The petitioners averred in their petition in the CA that the private respondents' amended complaint before the respondent court was barred by several judgments of the RTC, the CA, as well as this Court.

The aggrieved party may seek a cert writ for the nullification of an order granting a writ of preliminary injunction where such order is patently erroneous and appeal would not afford to be an adequate and expeditious relief.^[58] In *Bugnay Construction and Development Corporation v. Laron*,^[59] this Court nullified the writ of preliminary injunction issued by the respondent court after the petitioner therein failed to secure injunctive relief from another branch of the court.

The settled rule is that no court has the power to interfere by injunction, with the judgment, decrees or orders of a court of concurrent or coordinate jurisdiction, having equal power to grant the relief sought by injunction. Pursuant to the policy of judicial stability, the judgment or order of a court of competent jurisdiction may not be interfered with by any court of concurrent jurisdiction, for the simple reason that the power to open, modify or validate a judgment or order is not only powered by, but is restricted to the court in which the judgment or order is

rendered.[60] A contrary rule would lead to confusion, and seriously hamper the administration of justice.[61]

As gleaned from the material averments of the petition in the CA, the petitioners sought relief therein on their assertion that, by issuing a writ of preliminary injunction enjoining the eviction of the private respondents from the property of the petitioners (except petitioner Javier and Sheriff Cesar Cruz), the respondent RTC judge violated the policy of judicial stability because Branch 120 of the RTC, which is a co-equal branch, had issued the following orders in Civil Case No. C-760: (a) August 29, 1986 Joint Order for the eviction of GAUF, the private respondents' predecessor-in-interest; (b) May 27, 1988 Order prohibiting the private respondents from squatting, occupying its agency and taking possession of the house, the improvements and other structures on the property; (c) December 28, 1988 Order for the eviction of the employees and faculty members of the GAUF; and, (d) order for the demolition of the houses of the private respondents. By issuing the said writ of preliminary injunction, the petitioners asserted, the respondent judge interfered with the orders of a co-equal and coordinate court.

And then again, Branch 120 of the RTC had rendered judgment in Civil Case No. C-760 involving the lots occupied by the private respondents. The said branch has a general supervisory control over its processes in the execution of its judgment with a right to determine every question of fact and law which may be involved in the execution.[62] Such question of fact may pertain to an event that supervened after the RTC in Civil Case No. C-760 had rendered its decision. Instead of denying the petition outright, the CA should have at least ordered the private respondents to comment on the petition to determine whether their claim as builders in bad faith is such a question that should be raised by them in Civil Case No. C-760, and not via a separate complaint before the respondent judge. After all, Civil Case No. C-760 is still pending before the court, conformably to the rule that a case in which an execution has been issued is regarded as still pending so that all proceedings on the execution are proceedings in a suit.[63] In fine, the outright dismissal by the CA of the petition is a nullity.

IN LIGHT OF ALL THE FOREGOING, the petition is GRANTED. The Resolutions of the Court of Appeals dated September 27, 1990 and March 8, 1991 are SET ASIDE AND REVERSED. The CA is directed to redocket CA-G.R. SP No. 27761 and to continue with the proceedings therein as provided for in Rule 65 of the Rules of Court, as amended.

SO ORDERED.

Puno, (Chairman), Quisumbing, Austria-Martinez, and Tinga, JJ., concur.

[1] Penned by Associate Justice Fernando A. Santiago with Associate Justices Vicente V. Mendoza and Segundino G. Chua concurring.

[2] Otherwise known as the Maysilo Estate.

[3] Republic of the Philippines v. Estate of Gonzales, G.R. No. 4918, May 14, 1954.

[4] Rollo, p. 318.

[5] Id. at 269.

[6] Id. at 272.

[7] Id. at 257-261.

[8] Id. at 258.

[9] Id. at 263-265.

[10] Annex DDD, Petition.

[11] Rollo, p. 277.

[12] Id. at 306.

[13] The complaints and the respective complainants are as follows:

CIVIL CASE NO.

PLAINTIFFS

C-473

Remigio de Guzman and Rosita Domingo

C-474

Gregorio Bajamonde and Saturnina Mendoza

C-475

Sixta Cleofas and Aniceto Casco

C-476

Macaria Santos and Clemente Adove

C-477

Perfecto Bajamonde and Felipe Labing-Isa

C-493

Narciso Aquino and Spouse

C-494

Damaso Bajamonde and Belen Angeles

C-495

Andres Bajamonde and Spouse

C-541

Evaristo Aquino and Miguela Halili

C-17347

Juan Bajamonde and Spouse

C-17364

Catalina Pascual

[14] Annex “EEE,” Petition.

[15] Rollo, pp. 564-568.

[16] Id. at 559.

[17] Id. at 349-350.

[18] Id. at 349.

[19] Id. at 577-581.

[20] Id. at 291-297.

[21] Id. at 312-348.

[22] Id. at 309.

[23] Id. at 303.

[24] Id. at 311.

[25] Id. at 346-347.

[26] Entitled Gregorio Araneta University Foundation Faculty Society (GAUFFS) and Gregorio Araneta University Foundation Employees Union versus Gregorio Araneta University Foundation and Obed Jose Meneses (University President).

[27] Rollo, pp. 584-589.

[28] Id. at 582.

[29] Id. at 585-586.

[30] Id. at 226.

[31] Id. at 245-248.

[32] Id. at 215.

[33] Id. at 198-199.

[34] Id. at 219-222.

[35] Id. at 228.

[36] Id. at 236.

[37] Id. at 238.

[38] The complainants in Civil Case No. C-14388 are the following: Spouses Pablo and Prescilla Aba, Spouses Marujad and Paz Ajanab, Spouses Felipe and Amelita Ajoc, Spouses Apolinario and Teofila Bactol, Spouses Angel and Evelyn Cabria, Spouses Sotero and Editha Consuelo, Spouses Anselmo and Celia Dellosa, Spouses Domingo and Ana Espiritu, Spouses Salvador and Milagros Frias, Spouses Pedro and Helen Fragata, Spouses Danilo and Lani Grutas, Spouses Mario and Emerita Gulinao, Zosimo Legada, Carmen Litan, Ma. Lani Abiday, Spouses Vito and Fely Lladones, Spouses Oscar and Teresita Llego, Eloisa Magdurulang, Imelda Mamaril, Spouses Cecilio and Estrella Manlises, Spouses Manuel and Rady Marollano, Spouses Gavino and Leonila Miguel, Spouses Graciano and Rizalina Nabua, Spouses Segundo and Ofelia Pacardo, Spouses Troadio and Linda Pacia, Spouses Jose and Flora Parpan, Spouses Manuel and Julieta Ridad, Spouses Andres and Lea Sarmiento, Spouses Sario and Sally Sorio, Spouses Ulpiano and Crisanta Vega, Sergio Yeban, Josefina Cacho and Amado Romeo.

[39] Annex "A;" Petition, CA Rollo.

[40] Ibid.

[41] Annex “B;” Petition, CA Rollo.

[42] Annex “H;” id.

[43] The additional defendants are as follows: Remington Realty Development, Inc., Saturnina A. Mendoza, Spouses Dalmacio and Magdalena Bajamonde, Spouses Leonora and Modesto Domingo, Spouses Anicia and Nelson Zamora, Spouses Gregorio, Jr. and Azucena Bajamonde, Spouses Simeon and Gregoria Bajamonde, Spouses Margarita and Isidro Embile, Spouses Marciano and Matea Baetiong, Spouses Maximo and Trinidad Cabal, and Spouses Martin and Narcisa Cabal.

[44] Rollo, pp. 187-188.

[45] Id. at 194.

[46] Annex “F,” CA Rollo.

[47] Rollo, pp. 195-196.

[48] Petition, p. 46, CA Rollo.

[49] Rollo, p. 72.

[50] Heung v. Frista, 559 Southern Reporter 2d, 434.

[51] Rhea County v. White, 43 Southwestern Reporter 2d, 375 (1931).

[52] Alabama Power Co. v. City of Fort Wayne, 187 Southwestern Reporter 2d, 632 (1939).

[53] Sanchez v. Court of Appeals, 279 SCRA 647 (1997).

[54] Condo Suite Club Travel, Inc. v. NLRC, 323 SCRA 679 (2000).

[55] Pioneer Insurance Co., Inc. v. Montanova, 78 SCRA 447 (1977).

[56] Emergency Loan Pawnshop, Inc. v. CA, 353 SCRA 89 (2001).

[57] Casil v. CA, 285 SCRA 264 (1998).

[58] Oro Cam Enterprises, Inc. v. CA, 319 SCRA 444 (1999).

[59] 176 SCRA 240 (1989).

[60] Ngo Bun Tiong v. Sayo, 163 SCRA 237 (1988).

[61] PCIB v. Court of Appeals, G.R. No. 114951, July 18, 2003.

[62] Paper Industries Corp. of the Philippines v. Intermediate Appellate Court, 151 SCRA 161 (1987).

[63] Paman v. Sexieris, 115 SCRA 709 (1982).

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