

SECOND DIVISION

[G.R. No. 217930, April 18, 2016]

**SPOUSES JORGE NAVARRA AND CARMELITA NAVARRA,
PETITIONERS, VS. YOLANDA LIONGSON, RESPONDENT.**

DECISION

MENDOZA, J.:

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court assailing the August 28, 2014 Amended Decision^[1] and the April 16, 2015 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 105568, which reversed its December 8, 2011 Decision^[3] and recalled and set aside the entry of judgment issued on January 6, 2012.

The Antecedents:

On September 23, 1993, Jose Liongson (*Jose*), the deceased husband of respondent Yolanda Liongson (*Yolanda*), filed a complaint for damages based on malicious prosecution against spouses Jorge and Carmelita Navarra (*Spouses Navarra*) and spouses Ruben and Cresencia Bernardo (*Spouses Bernardo*) [collectively referred as defendant spouses], before the Regional Trial Court, Branch 255, Las Piñas City (*RTC*).

After the presentation and formal offer of their respective evidence, the parties were required to file their respective memoranda.

On January 4, 2001, Atty. Salvador B. Aguas (*Atty. Aguas*), counsel of Jose, filed the Motion for Time to Submit Motion for Substitution of Plaintiff with Motion For Suspension/Commencement of Counting of Period in Filing Pleadings^[4] informing the RTC of the death of Jose and praying for time to submit a motion for substitution pending receipt of the death certificate.

On May 2, 2001, a Decision^[5] was rendered in favor of Jose ordering defendant spouses to pay P500,000.00 for moral damages; P200,000.00 for exemplary damages; P20,000.00 for reimbursement of expenses; P35,000.00 for substantial number of appearance, P50,000.00 for attorney's fees; and the costs of suit.

On July 13, 2001, defendant spouses filed their Motion for Declaration of Nullity of the Decision and/or Notice of Appeal^[6] based on the absence of a valid substitution of Jose.

Consequently, Atty. Aguas filed the Motion for Substitution,^[7] dated July 30, 2001, praying that Jose be substituted by his surviving wife, Yolanda.

In its Order,^[8] dated May 13, 2002, the RTC denied the motion for declaration of nullity of the May 2, 2001 decision. Defendant spouses then elevated the matter before the CA, docketed as CA-G.R. CV No. 74988. In a Resolution,^[9] dated July 30, 2004, the CA dismissed the petition for want of appellant's brief. On August 30, 2004, an entry of judgment^[10] was issued.

Thereafter, Atty. Aguas filed a motion for execution,^[11] but it was opposed by defendant spouses on the ground that no valid substitution had been made, and that the continued appearance of Atty. Aguas was *ultra vires*.^[12]

In the Order,^[13] dated October 28, 2005, the motion for execution was deemed withdrawn upon motion of Atty. Aguas.

On November 20, 2005, Atty. Aguas filed a pleading denominated as *Motions to Resolve Motion for Substitution of Parties, dated July 31, 2001 or Considered it Deemed Admitted, and Thereafter Issue Writ of Execution of the Judgment, dated May 2, 2001, in the name of Yolanda Liongson as Substituting Party for Plaintiff Jose Liongson*.^[14] In the said motion, it was prayed that Yolanda be allowed to substitute her deceased husband and that a writ of execution be issued in her favor. Attached to the motion was a copy of the death certificate^[15] of Jose indicating that the latter died on November 28, 2000.

In the Order,^[16] dated March 17, 2006, the RTC denied the motion to resolve the motion for substitution of parties and the motion for issuance of a writ of execution for lack of merit.

In the meantime, Yolanda filed a petition for issuance of letters of administration of the estate of Jose, her deceased husband, before the Regional Trial Court, Branch 274, Parañaque City. In the December 29, 2006 Order, the Letter of Administration was issued appointing Yolanda as administratrix of the estate of Jose.

Thus, acting as the administratrix of the estate of Jose, Yolanda filed a motion for execution of the May 2, 2001 decision.^[17] It was, however, denied in an Order,^[18] dated September 14, 2007, on the ground that no proper substitution had been made yet.

Unperturbed, Yolanda, thru her new counsel, Atty. Bonifacio G. Caboboy (Atty. Caboboy), filed her Motion to Substitute the Plaintiff Jose Liongson^[19] which was finally granted by the RTC in the Order,^[20] dated January 25, 2008.

Defendant spouses then filed a motion for reconsideration of the January 25, 2008 Order.^[21] On May 22, 2008, the RTC denied the said motion.^[22]

Defendant spouses then filed a petition for *certiorari* before the CA, docketed as CA-G.R. SP No. 104667, assailing the January 25, 2008 and May 22, 2008 orders of the RTC. They insisted that the issue of substitution had been laid to rest by the RTC on three (3) occasions and Yolanda did not question the propriety of its denial. Hence, she was forever barred from effecting the substitution.

Meanwhile, Yolanda filed her Motion for Execution of Judgment^[23] which was granted by the RTC in its Order,^[24] dated July 25, 2008. On August 1, 2008, a writ of execution^[25] was issued and the Notice to Pay,^[26] dated August 5, 2008, was served upon defendant spouses. The latter then filed a motion to recall or hold in abeyance the implementation of the writ of execution and the sheriffs notice to pay.

Without waiting for the RTC to rule on the said motion, defendant spouses filed another petition for *certiorari* under Rule 65 of the Rules of Court before the CA, docketed as *CA-G.R. SP No. 105568*, this time questioning the July 25, 2008 Order and the August 1, 2008 Writ of Execution issued by the RTC. Defendant spouses insisted that the RTC gravely abused its discretion when it allowed the substitution and then issued the writ of execution.

In its January 16, 2009 Order,^[27] the RTC denied the motion to recall or hold in abeyance the implementation of the August 1, 2008 writ of execution and the August 5, 2008 sheriffs notice to pay for lack of merit. Thereafter, the notice of garnishment and the notice of levy were issued. Spouses Navarra's property, covered by TCT No. 103473, was levied and subsequently sold in a public auction pursuant to the writ of execution.^[28]

Meanwhile, on October 28, 2009, the CA rendered a Decision,^[29] in **CA-G.R. SP No. 104667**, dismissing the petition for *certiorari* and declaring the substitution of plaintiff in order. The CA held that the rule on substitution was not a matter of jurisdiction but a requirement of due process; and that considering that both parties had already completed the presentation of their evidence in chief before Jose died, neither of them was denied due process of law. Thus, the CA stated that the belated substitution of Jose as plaintiff to the case did not affect the validity of the final and executory judgment.

On December 8, 2011, a decision^[30] was rendered in *CA-G.R. SP No. 105568*, in favor of defendant spouses. The CA *reversed* and *set aside* the questioned RTC order granting the motion for execution and the issuance of the writ of execution. The CA held that the complaint for damages, arising from malicious prosecution filed by Jose against defendant spouses was a purely personal action that did not survive upon his death; and because the action was deemed abated upon his death, the RTC was found to have gravely abused its discretion when it allowed the substitution of Jose and issued the writ of execution. The CA further stated that upon the death of Jose, the RTC lost jurisdiction over the case and the decision rendered therein was a void judgment; hence, all acts performed pursuant thereto and all claims emanating therefrom had no legal effect.

On January 6, 2012, the December 8, 2011 decision of the CA in *CA-G.R. SP No. 105568* became final and executory and the entry of judgment^[31] was issued.

On December 16, 2013; almost two years later, Yolanda filed her Urgent Omnibus Motion^[32] praying for the recall/lifting of the entry of judgment and for the admission of the attached motion for reconsideration. Yolanda contended that she was totally unaware of this petition for *certiorari* filed before the CA and docketed as *CA-G.R. SP No. 105568*; that although notices were sent to her counsel, Atty. Caboboy, the latter did not inform or furnish her with copies of the notices and the

petition; that Atty. Caboboy did not file any comment on the petition or a motion for reconsideration; and that Atty. Caboboy's gross negligence and mistake should not bind her because the said negligence and mistake would amount to deprivation of her property without due process of law.

On August 28, 2014, the CA promulgated an amended decision in CA-G.R. SP No. 105568. While the CA took note that no comment was filed by defendant spouses despite notice, it granted the omnibus motion and the motion for reconsideration filed by Yolanda. The appellate court recalled and set aside the entry of judgment and reversed its December 8, 2011 decision in the interest of substantial justice. The CA discovered that the appellate court rendered two conflicting decisions in CA-G.R. SP No. 104667 and CA-G.R. SP No. 105568. In CA-G.R. SP No. 104667, earlier filed by defendant spouses, the appellate court arrived at a decision allowing the substitution of Jose. The same issue of substitution was debunked in the December 8, 2011 CA decision in CA-G.R. SP No. 105568.

In its amended decision, the CA did not apply the general rule that the negligence of counsel would bind the client so as not to deprive Yolanda of her right to due process of law. On the merits, the CA ruled that the action filed by Jose before the RTC was not extinguished upon his death as it was one for recovery of damages for injury to his person caused by defendant spouses tortuous conduct of maliciously filing an unfounded suit.

Spouses Navarra (*petitioners*) filed their separate motions for reconsideration, but both were denied by the CA in a Resolution,^[33] dated April 16, 2015.

Hence, this petition anchored on the following -

GROUND FOR THE PETITION

THE COURT OF APPEALS DECIDED THE INSTANT CASE IN A WAY NOT IN ACCORD WITH LAW AND WITH THE APPLICABLE DECISIONS OF THE SUPREME COURT.

- A. THE COURT OF APPEALS BREACHED THE WELL-SETTLED RULE THAT A FINAL AND EXECUTORY JUDGMENT MAY NO LONGER BE MODIFIED IN ANY RESPECT, EVEN IF THE MODIFICATION IS MEANT TO CORRECT WHAT IS PERCEIVED TO BE AN ERRONEOUS CONCLUSION OF LAW OR FACT.**
- B. THE COURT OF APPEALS ERRED WHEN IT AMENDED A FINAL AND EXECUTORY DECISION UPON PRIVATE RESPONDENT'S MERE MOTION FOR RECONSIDERATION.**
- C. THE COURT OF APPEALS LEGALLY ERRED IN EXCEPTING THE INSTANT CASE FROM THE RULE THAT THE MISTAKE OR NEGLIGENCE OF COUNSEL BINDS THE CLIENT.**
- D. AT ALL EVENTS, THE COURT OF APPEALS LEGALLY ERRED IN DISMISSING THE PETITION IN CA-G.R. SP NO. 105568.^[34]**

Petitioners argue that it is beyond the power of the CA to amend its original decision in this case, dated December 8, 2011, for it violates the principle of finality of judgment and its immutability. They point out that the said CA decision had acquired finality, hence, it could no longer be modified in any respect even if the modification was meant to correct erroneous conclusions of fact or law, or it would be made by the court that rendered it or by the highest court of the land.

Petitioners also aver that there was no conflict in the decisions rendered by the CA in CA-G.R. SP No. 104667 and in the present case as the two cases involved different issues. The former case ruled on the validity of the January 25, 2008 Order of the RTC which granted the *substitution* of Jose by Yolanda, while the present case questioned the July 25, 2008 Order of the RTC which *granted* the motion for *execution* of judgment filed by Yolanda.

Finally, petitioners assert that the CA erred when it granted the motion for reconsideration filed by Yolanda after almost two years from the time the decision was rendered. They point out that Yolanda did not even indicate in her motion for reconsideration the exact date of her receipt of the copy of the December 8, 2011 decision, and that it could not be presumed that she learned of it only two (2) years after its issuance. They contend that the respondent was negligent because she waited for two long years before she filed a motion for reconsideration. They added that she should have made efforts to ascertain the status of the case considering that she was appointed administratrix of the estate of Jose.

Respondent Yolanda counters that the CA was correct when it reversed and set aside its December 8, 2011 decision and dismissed the petition for *certiorari* as the issues therein had already been laid to rest in the October 28, 2009 CA decision in CA-G.R. SP No. 104667. She argues that because the petitions in both CA-G.R. SP No. 104667 and CA-G.R. SP No. 105568, involved the same issues and parties under similar factual and legal settings, the decision rendered in the first case became final and could no longer be changed, revised or reversed.

All the arguments by both parties boil down to the lone issue of whether or not the CA erred and violated the principle of immunity of judgment when it amended its December 8, 2011 decision.

The Court's Ruling

The petition is not meritorious.

Well-settled is the rule that a judgment that has acquired finality "becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the Highest Court of the land."^[35] The rationale of this doctrine is to avoid delay in the administration of justice and in order to put an end to judicial controversies. In the case of *Manotok Realty, Inc. v. CLT Realty Development Corp.*,^[36] the Court explained the principle of immunity of judgment in this wise:

The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice, and that, at the risk of occasional errors, the judgments or orders of courts must become final at