

FIRST DIVISION

[G.R. No. 175863, February 18, 2015]

NATIONAL POWER CORPORATION, PETITIONER, VS. LUCMAN M. IBRAHIM, ATTY. OMAR G. MARUHOM, ELIAS G. MARUHOM, BUCAY G. MARUHOM, MAMOD G. MARUHOM, FAROUK G. MARUHOM, HIDJARA G. MARUHOM, ROCANIA G. MARUHOM, POTRISAM G. MARUHOM, LUMBA G. MARUHOM, SINAB G. MARUHOM, ACMAD G. MARUHOM, SOLAYMAN G. MARUHOM, MOHAMAD M. IBRAHIM, CAIRONESA M. IBRAHIM AND MACAPANTON K. MANGONDATA RESPONDENTS.

D E C I S I O N

PEREZ, J.:

At bench is a petition for review on *certiorari*^[1] assailing the Decision^[2] dated 24 June 2005 and Resolution^[3] dated 5 December 2006 of the Court of Appeals in CA-G.R. CV No. 68061.

The facts:

The Subject Land

In 1978, petitioner took possession of a 21,995 square meter parcel of land in Marawi City (subject land) for the purpose of building thereon a hydroelectric power plant pursuant to its *Agus 1* project. The subject land, while in truth a portion of a private estate registered under Transfer Certificate of Title (TCT) No. 378-A^[4] in the name of herein respondent Macapanton K. Mangondato (Mangondato),^[5] was occupied by petitioner under the mistaken belief that such land is part of the vast tract of public land reserved for its use by the government under *Proclamation No. 1354, s. 1974*.^[6]

Mangondato first discovered petitioner's occupation of the subject land in 1979—the year that petitioner started its construction of the *Agus 1* plant. Shortly after such discovery, Mangondato began demanding compensation for the subject land from petitioner.

In support of his demand for compensation, Mangondato sent to petitioner a *letter*^[7] dated 28 September 1981 wherein the former detailed the origins of his ownership over the lands covered by TCT No. 378-A, including the subject land. The relevant portions of the letter read:

Now let me trace the basis of the title to the land adverted to for particularity. The land titled in my name was originally consisting of

seven (7) hectares. This piece of land was particularly set aside by the Patriarch Maruhom, a fact recognized by all royal datus of Guimba, to belong to his eldest son, Datu Magayo-ong Maruhom. This is the very foundation of the right and ownership over the land in question which was titled in my name because as the son-in-law of Hadji Ali Maruhom the eldest son of, and only lawyer among the descendants of Datu Magayo-ong Maruhom, the authority and right to apply for the title to the land was given to me by said heirs after mutual agreement among themselves besides the fact that I have already bought a substantial portion of the original seven (7) hectares.

The original title of this seven (7) hectares has been subdivided into several TCTs for the other children of Datu Magayo-ong Maruhom with whom I have executed a quit claim. Presently, only three (3) hectares is left to me out of the original seven (7) hectares representing those portion [sic] belonging to my wife and those I have bought previously from other heirs. This is now the subject of this case.^[8]

Petitioner, at first, rejected Mangondato's claim of ownership over the subject land; the former then adamant in its belief that the said land is public land covered by Proclamation No. 1354, s. 1974. But, after more than a decade, petitioner finally acquiesced to the fact that the subject land is private land covered by TCT No. 378-A and consequently acknowledged Mangondato's right, as registered owner, to receive compensation therefor.

Thus, during the early 1990s, petitioner and Mangondato partook in a series of communications aimed at settling the amount of compensation that the former ought to pay the latter in exchange for the subject land. Ultimately, however, the communications failed to yield a genuine consensus between petitioner and Mangondato as to the fair market value of the subject land.

Civil Case No. 605-92 and Civil Case No. 610-92

With an agreement basically out of reach, Mangondato filed a complaint for reconveyance against petitioner before the Regional Trial Court (RTC) of Marawi City in July 1992. In his complaint, Mangondato asked for, among others, the recovery of the subject land and the payment by petitioner of a monthly rental from 1978 until the return of such land. Mangondato's complaint was docketed as **Civil Case No. 605-92**.

For its part, petitioner filed an expropriation complaint^[9] before the RTC on 27 July 1992. Petitioner's complaint was docketed as **Civil Case No. 610-92**.

Later, Civil Case No. 605-92 and Civil Case No. 610-92 were consolidated before Branch 8 of the Marawi City RTC.

On 21 August 1992, Branch 8 of the Marawi City RTC rendered a Decision^[10] in Civil Case No. 605-92 and Civil Case No. 610-92. The decision upheld petitioner's right to expropriate the subject land: it denied Mangondato's claim for reconveyance and decreed the subject land condemned in favor of the petitioner, effective July of

1992, subject to payment by the latter of just compensation in the amount of P21,995,000.00. Anent petitioner's occupation of the subject land from 1978 to July of 1992, on the other hand, the decision required the former to pay rentals therefor at the rate of P15,000.00 per month with 12% interest per annum. The decision's *fallo* reads:

WHEREFORE, the prayer in the recovery case for [petitioner's] surrender of the property is denied but [petitioner] is ordered to pay monthly rentals in the amount of P15,000.00 from 1978 up to July 1992 with 12% interest per annum xxx and the property is condemned in favor of [petitioner] effective July 1992 upon payment of the fair market value of the property at One Thousand (P1,000.00) Pesos per square meter or a total of Twenty-One Million Nine Hundred Ninety-Five Thousand (P21,995,000.00) [P]esos.^[11]

Disagreeing with the amount of just compensation that it was adjudged to pay under the said decision, petitioner filed an appeal with the Court of Appeals. This appeal was docketed in the Court of Appeals as **CA-G.R. CV No. 39353**.

Respondents Ibrahims and Maruhoms and Civil Case No. 967-93

During the pendency of CA-G.R. CV No. 39353, or on 29 March 1993, herein respondents the Ibrahims and Maruhoms^[12] filed before the RTC of Marawi City a complaint^[13] against Mangondato and petitioner. This complaint was docketed as **Civil Case No. 967-93** and was raffled to Branch 10 of the Marawi City RTC.

In their complaint, the Ibrahims and Maruhoms disputed Mangondato's ownership of the lands covered by TCT No. 378-A, including the subject land. The Ibrahims and Maruhoms asseverate that they are the real owners of the lands covered by TCT No. 378-A; they being the lawful heirs of the late *Datu Magayo-ong Maruhom*, who was the original proprietor of the said lands.^[14] They also claimed that Mangondato actually holds no claim or right over the lands covered by TCT No. 378-A except that of a trustee who merely holds the said lands *in trust* for them.^[15]

The Ibrahims and Maruhoms submit that since they are the real owners of the lands covered by TCT No. 378-A, they should be the ones entitled to any rental fees or expropriation indemnity that may be found due for the subject land.

Hence, the Ibrahims and Maruhoms prayed for the following reliefs in their complaint:^[16]

1. That Mangondato be ordered to execute a *Deed of Conveyance* transferring to them the ownership of the lands covered by TCT No. 378-A;
2. That petitioner be ordered to pay to them whatever indemnity for the subject land it is later on adjudged to pay in Civil Case No. 605-92 and Civil Case No. 610-92;

3. That Mangondato be ordered to pay to them any amount that the former may have received from the petitioner by way of indemnity for the subject land;
4. That petitioner and Mangondato be ordered jointly and severally liable to pay attorney's fees in the sum of P200,000.00.

In the same complaint, the Ibrahims and Maruhoms also prayed for the issuance of a temporary restraining order (TRO) and a writ of preliminary injunction to enjoin petitioner, during the pendency of the suit, from making any payments to Mangondato concerning expropriation indemnity for the subject land.^[17]

On 30 March 1993, Branch 10 of the Marawi City RTC granted the prayer of the Ibrahims and Maruhoms for the issuance of a TRO.^[18] On 29 May 1993, after conducting an appropriate hearing for the purpose, the same court likewise granted the prayer for the issuance of a writ of preliminary injunction.^[19]

In due course, trial then ensued in Civil Case No. 967-93.

*The Decision of the Court of Appeals in CA-G.R. CV No. 39353
and the Decision of this Court in G.R. No. 113194*

On 21 December 1993, the Court of Appeals rendered a Decision in CA-G.R. CV No. 39353 denying the appeal of petitioner and affirming *in toto* the 21 August 1992 Decision in Civil Case No. 605-92 and Civil Case No. 610-92. Undeterred, petitioner next filed a petition for review on *certiorari* with this Court that was docketed herein as **G.R. No. 113194**.^[20]

On 11 March 1996, we rendered our Decision in G.R. No. 113194 wherein we upheld the Court of Appeals' denial of petitioner's appeal.^[21] In the same decision, we likewise sustained the appellate court's affirmance of the decision in Civil Case No. 605-92 and Civil Case No. 610-92 subject only to a reduction of the rate of interest on the monthly rental fees from 12% to 6% per annum.^[22]

Our decision in G.R. No. 113194 eventually became final and executory on 13 May 1996.^[23]

*Execution of the 21 August 1992 Decision in Civil Case No. 605-92 and
Civil Case No. 610-92, as Modified*

In view of the finality of this Court's decision in G.R. No. 113194, Mangondato filed a motion for execution of the decision in Civil Case No. 605-92 and Civil Case No. 610-92.^[24] Against this motion, however, petitioner filed an opposition.^[25]

In its opposition, petitioner adverted to the existence of the writ of preliminary injunction earlier issued in Civil Case No. 967-93 that enjoins it from making any payment of expropriation indemnity over the subject land in favor of Mangondato.^[26] Petitioner, in sum, posits that such writ of preliminary injunction constitutes a legal impediment that effectively bars any meaningful execution of the decision in Civil Case No. 605-92 and Civil Case No. 610-92.

Finding no merit in petitioner's opposition, however, Branch 8 of the Marawi City RTC rendered a Resolution^[27] dated 4 June 1996 ordering the issuance of a writ of execution in favor of Mangondato in Civil Case No. 605-92 and Civil Case No. 610-92. Likewise, in the same resolution, the trial court ordered the issuance of a notice of garnishment against several of petitioner's bank accounts^[28] for the amount of **P21,801,951.00**—the figure representing the total amount of judgment debt due from petitioner in Civil Case No. 605-92 and Civil Case No. 610-92 less the amount then already settled by the latter. The dispositive portion of the resolution reads:

WHEREFORE, let a Writ of Execution and the corresponding order or notice of garnishment be immediately issued against [petitioner] and in favor of [Mangondato] for the amount of Twenty One Million Eight Hundred One Thousand and Nine Hundred Fifty One (P21,801,951.00) Pesos.

x x x.^[29]

Pursuant to the above resolution, a notice of garnishment^[30] dated 5 June 1996 for the amount of P21,801,951.00 was promptly served upon the Philippine National Bank (PNB)—the authorized depository of petitioner. Consequently, the amount thereby garnished was paid to Mangondato in full satisfaction of petitioner's judgment debt in Civil Case No. 605-92 and Civil Case No. 610-92.

Decision in Civil Case No. 967-93

Upon the other hand, on 16 April 1998, Branch 10 of the Marawi City RTC decided Civil Case No. 967-93.^[31] In its decision, Branch 10 of the Marawi City RTC made the following relevant findings:^[32]

1. The Ibrahims and Maruhoms—not Mangondato—are the true owners of the lands covered by TCT No. 378-A, which includes the subject land.
2. The subject land, however, could no longer be reconveyed to the Ibrahims and Maruhoms since the same was already expropriated and paid for by the petitioner under Civil Case No. 605-92 and Civil Case No. 610-92.
3. Be that as it may, the Ibrahims and Maruhoms, as true owners of the subject land, are the rightful recipients of whatever rental fees and indemnity that may be due for the subject land as a result of its expropriation.

Consistent with the foregoing findings, Branch 10 of the Marawi City RTC thus required payment of all the rental fees and expropriation indemnity due for the subject land, as previously adjudged in Civil Case No. 605-92 and Civil Case No. 610-92, to the Ibrahims and Maruhoms.

Notable in the trial court's decision, however, was that it held both Mangondato and the petitioner *solidarily liable* to the Ibrahims and