

THIRD DIVISION

[G.R. No. 185407, June 22, 2015]

SIO TIAT KING, PETITIONER, VS. VICENTE G. LIM, MICHAEL GEORGE O. LIM, MATHEW VINCENT O. LIM, MEL PATRICK O. LIM, MOISES FRANCIS W. LIM, MARVIN JOHN W. LIM, AND SAARSTAHL PHILIPPINES, INC., RESPONDENTS.

DECISION

REYES, J.:

In Civil Case No. 94-71083, the Spouses Victoriano and Evelyn Calidguid (Spouses Calidguid) executed a Compromise Agreement^[1] binding themselves to pay the amount of P2,520,000.00 to the Spouses Jaime Lee (Jaime) and Lim Dechu (collectively, Spouses Lee), which was approved by the Regional Trial Court (RTC) of Manila, Branch 4 in its Decision^[2] dated April 24, 1995. However, the Spouses Calidguid failed to comply with the terms of the said decision, leading the Spouses Lee to avail of the remedy of execution. A Writ of Execution^[3] was issued on August 2, 1995 to satisfy the compromise judgment and a property belonging to the Spouses Calidguid covered by Transfer Certificate of Title (TCT) No. 85561 was levied on execution. During its sale at a public auction, the judgment creditor, Jaime emerged as the highest bidder and a corresponding Certificate of Sale^[4] was issued in his favor.

As an assignee of the Spouses Calidguid, Sio Tiat King (King) redeemed the subject property on October 30, 1996, before the expiration of the one-year period of right of redemption. Hence, the sheriff executed a Certificate of Redemption.^[5]

More than 11 years after the redemption of the subject property, King filed a motion for the issuance of a writ of possession, which was granted by the RTC in its Order^[6] dated January 22, 2008. A Writ of Possession^[7] was thereafter issued on January 25, 2008. Pursuant to this, Sheriff Cesar Javier served a Notice to Vacate^[8] addressed to the Spouses Calidguid, their agents and all other persons claiming rights under them at 109 P. Florentino Street corner Araneta Avenue, Sto. Domingo, Quezon City, which is the location of the subject property.

On February 19, 2008, Michael George O. Lim, Mathew Vincent O. Lim, Mel Patrick O. Lim, Moises Francis W. Lim and Marvin John W. Lim (Lims) filed a Joint Affidavit of Third Party Claim,^[9] alleging that they are the registered owners of the property situated at 109 P. Florentino Street corner Araneta Avenue, Sto. Domingo, Quezon City under TCT No. 122207.

On February 21, 2008, the Lims filed an Entry of Appearance with Motion to Quash Writ of Execution.^[10] On March 14, 2008, the RTC issued an Order setting the case for preliminary conference on April 11, 2008. On March 18, 2008, the actual and

physical possession of a part of the subject property was turned over to King, prompting the Lims to file an Extremely Urgent Motion to Issue *Status Quo Ante* Order.^[11] On April 4, 2008, the motion filed by the Lims was granted but to last only until April 11, 2008.^[12]

The Lims filed a Petition for *Certiorari*^[13] before the Court of Appeals (CA), alleging among others, that the RTC judge committed grave abuse of discretion when they were ousted from their property by virtue of the writ of possession, without a separate and independent action to resolve the issue of ownership.^[14]

Subsequently on April 11, 2008, the RTC issued an Order^[15] commanding the sheriff to defer completion of the implementation of the writ of possession while the resolution of the motion to quash the writ of execution is pending.

The RTC issued an Order^[16] dated April 28, 2008, denying the motion to quash of the Lims. The RTC also resolved that the TCT of the Spouses Calidguid was issued at an earlier date; therefore it shall prevail over the TCT of the Lims. This led the Lims to file a Motion to Admit the Attached Supplemental Petition,^[17] which the CA granted in its Resolution^[18] dated May 28, 2008. The CA also issued a temporary restraining order to preserve the rights of both parties while awaiting resolution of the petition.^[19] On June 4, 2008, the RTC issued an Order^[20] suspending the execution of its Order dated April 28, 2008 and all allied processes pertinent to the case.

On July 22, 2008, the CA rendered a Decision,^[21] annulling the Order dated April 28, 2008 of the RTC. The dispositive portion reads:

WHEREFORE, the petition is **GRANTED**. The *Order* dated April 28, 2008 issued by the Regional Trial Court, Branch 4, Manila in *Civil Case No. 94-71083* is **ANNULLED** and **SET ASIDE**. Accordingly, the Writ of Possession issued on January 25, 2008 is **QUASHED**, without prejudice to any separate action which private respondent Sio Tiat King may file against all parties concerned for the enforcement of whatever right he may have over the subject property.

SO ORDERED.^[22]

The CA decision granted the petition filed by the Lims for the following reasons:

Firstly, Section 33, Rule 39 of the Rules of Court is not applicable. The second paragraph of said rule provides:

"Upon expiration of the right of redemption, the purchaser or redemptioner shall be substituted to and acquire all the rights, title, interest and claim of the judgment obligor to the property as of the time of the levy. The possession of the property shall be given to the purchaser or last redemptioner by the same officer unless a third party is actually holding the property adversely to the judgment obligor."

The above-rule contemplates two situations wherein a writ of possession may issue: (1) *only* upon the expiration of the period of redemption and no such redemption having been made[;] and (2) *only* to a purchaser or redemptioner in the execution sale.

In relation thereto, Sec. 27 of the same Rule enumerates the persons who are entitled to exercise the right of redemption over a property sold on execution, thus:

"Sec. 27. *Who may redeem real property so sold.* - Real property sold as provided in the last preceding section, or any part thereof sold separately, may be redeemed in the manner hereinafter provided, by the following persons:

(a) The **judgment obligor**, or his **successor-in-interest** in the whole or any part of the property;

(b) A creditor having a lien by virtue of an attachment, judgment or mortgage on the property sold, or on some part thereof, subsequent to the lien under which the property was sold. Such redeeming creditor is termed as **redemptioner**."

The "successor-in-interest" contemplated under Sec. 27 includes *a person to whom the judgment debtor has transferred his right of redemption, or one to whom he has conveyed his interests in the property for purposes of redemption, or one who succeeds to his property by operation of law, or a person with a joint interest in the property, or his spouse or heirs.* Hence, King, by virtue of a Deed of Assignment of Real Property and Right of Redemption, is included within the term "successor in interest."

In this case, not only was there a redemption made by King within the redemption period but moreover, the writ of possession was issued not to a purchaser or redemptioner but to King himself, a successor-in-interest of Spouses Calidguid, the judgment obligors. Hence, it was no longer a ministerial duty of respondent Judge to issue the writ of possession.

Secondly, contrary to the position of respondent Judge and the contending parties, the writ of possession applied for by King cannot be deemed to be a continuation of the execution proceedings in *Civil Case No. 94-71083* which had been terminated long ago after the issuance of the *Certificate of Redemption* and the satisfaction of the claims of the judgment creditors [Spouses Lee], x x x

x x x x

It must be noted that King, by virtue of a Deed of Assignment of Real Property and Right of Redemption, redeemed the property in question as an "assignee" of Sps. Calidguid, the judgment debtors in *Civil Case No. 94-71083*, and as such is deemed subrogated to the rights and obligations of the latter, x x x In this case, full ownership of the subject property was restored to the judgment debtors, Spouses Calidguid, who

were substituted by King, after the redemption made by the latter as evidenced by the *Certificate of Redemption*, which reads:

X X X X

WHEREAS, by virtue of a **Deed of Assignment of Real Property and Right of Redemption**, dated October 30, 1996, the **Assignee, [King]**, now offers to **redeem the property from** the highest bidder, **[Jaime]**, the sum of PHP2,941,478.53 in Equitable Banking Corporation Cashier Check No. 0066-724519 **in full satisfaction of the bid price including all interests, rights, shares titles, claims and participation of [Jaime] relative to the aforesaid parcel of land covered by TCT No. 85561, subject matter of Civil Case No. 94-71083 of the Regional Trial Court, Branch 04, Manila;**

X X X X

WHEREFORE, in view of all the foregoing, the undersigned hereby executed **this Certificate of Redemption** and **hereby restores the [Spouses Calidguid], now being substituted by the Assignee, [King], full ownership of the above-mentioned levied and sold property.**

X X X X

Thirdly, it is improper to issue a writ of possession when there has been a redemption made by the judgment debtor, as in this case, considering that it would be very difficult to implement the same. The dispositive portion of the *Order* dated January 22, 2008 granting the *Writ of Possession* reads:

"WHEREFORE, finding the motion to be meritorious, the same is hereby granted. As prayed for, let a writ of possession be issued directing the Sheriff of this Court to place movant [King] in actual physical possession of the levied property covered by [TCT] No. 85561 of the Registry of Deeds of Quezon City and to eject therefrom [Spouses Calidguid] their agents and such other persons claiming rights under them."

while the *Notice to Vacate* reads:

"TO: Sps. Evelyn P. Calidguid & Victoriano Calidguid,
their agents and ALL OTHER PERSONS
CLAIMING RIGHTS UNDER THEM
109 P. Florentino St., cor. Araneta Ave., SMH,
Quezon City

Greetings:

You are hereby notified by virtue of the Writ of Possession xxx being served upon you and all other persons claiming rights