

## THIRD DIVISION

[ G.R. No. 193945, June 22, 2015 ]

### REMINGTON INDUSTRIAL SALES CORPORATION, PETITIONER, VS. MARICALUM MINING CORPORATION, RESPONDENT.

#### DECISION

**REYES, J.:**

For review is the Decision<sup>[1]</sup> dated April 26, 2010 and Resolution<sup>[2]</sup> dated September 30, 2010 of the Court of Appeals (CA) in CA-G.R. SP No. 110178, which reversed and set aside the Order dated December 19, 2008 of the Regional Trial Court (RTC) of Manila, Branch 19, in Civil Case No. 84-25858. The CA further ordered petitioner Remington Industrial Sales Corporation (Remington) to return and restitute to respondent Maricalum Mining Corporation (Maricalum) the garnished amounts of P920,755.95 and P32,256.48, with 12% interest *per annum* until fully satisfied.

#### Antecedent Facts

On August 1, 1984, Remington filed a complaint for sum of money with damages against Marinduque Mining and Industrial Corporation (MMIC), docketed as Civil Case No. 84-25858. Remington sought payment of MMIC's unpaid purchases of construction materials from July 16, 1982 to October 4, 1983 in the amount of P921,755.95, with annual interest of 18%. The complaint was amended on September 7, 1984 by impleading the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP) as defendants, in view of the foreclosure sale made on MMIC's real and chattel mortgages covering its personal properties and other assets. Nonoc Mining and Industrial Corporation was also added as defendant. Maricalum and Island Cement Corporation were also subsequently included as defendants, being transferees of MMIC's real and chattel mortgages covering its personal and real properties and other assets, which were foreclosed by PNB and DBP. Later, the Asset Privatization Trust was also impleaded as defendant.<sup>[3]</sup>

On April 10, 1990, the RTC rendered its Decision in favor of Remington holding all the defendants jointly and severally liable to pay the sum of P920,755.95 representing the principal obligation, including the stipulated interest as of June 22, 1984, plus 10% surcharge *per annum* by way of penalty, until the amount is fully paid.<sup>[4]</sup> The dispositive portion of the RTC decision provides:

WHEREFORE, judgment is hereby rendered in favor of [Remington], ordering the defendants [MMIC], [PNB], [DBP], Nonoc Mining and Industrial Corporation, [Maricalum], Island Cement Corporation and Asset Privatization Trust to pay, jointly and severally, the sum of P920,755.95, representing the principal obligation, including the

stipulated interest as of June 22, 1984, plus ten [percent] (10%) surcharge per annum by way of penalty, until the amount is fully paid; the sum equivalent to 10% of the amount due as and for attorney's fees; and to pay the costs.

SO ORDERED.<sup>[5]</sup>

All of the defendants appealed the decision, docketed as CA-G.R. SP No. 27720, and on October 6, 1995, the CA affirmed the RTC decision.<sup>[6]</sup>

Aggrieved, PNB and DBP separately appealed the decision to the Court, docketed as GR. No. 122710 (entitled *Philippine National Bank v. Court of Appeals*)<sup>[7]</sup> and GR. No. 126200 (entitled *Development Bank of the Philippines v. Court of Appeals*),<sup>[8]</sup> respectively.

Maricalum filed a motion for extension of time to file a petition for review and to pay legal fees, but this was denied by the Court in its Resolution dated December 4, 1996 for lack of affidavit of service. The resolution eventually became final and was recorded in the Book of Entries of Judgment on January 30, 1997.<sup>[9]</sup>

Thereafter, the RTC, in an Order dated March 9, 2001, granted Remington's motion for execution against Maricalum. The latter moved for reconsideration but the same was denied in an Order dated May 10, 2001. Consequently, the RTC issued a writ of execution on March 21, 2001, and Maricalum's deposits of P920,755.95 with Global Bank and P32,256.48 with Equitable PCI Bank were garnished. Maricalum, thus, filed a petition for *certiorari* and prohibition with the CA, docketed as CA-G.R. SP No. 65209.<sup>[10]</sup>

In the meantime, Maricalum moved to intervene in the *PNB* case, which was denied by the Court in a Resolution dated July 25, 2001.

On August 16, 2001, the Court decided the *DBP* case, granting DBP's petition and reversing the CA Decision dated October 6, 1995 and Resolution dated August 29, 1996.<sup>[11]</sup> The dispositive portion of the Court's decision states:

**WHEREFORE**, the petition is *GRANTED*. The decision of the [CA] dated October 6, 1995 and its Resolution promulgated on August 29, 1996 is *REVERSED* and *SET ASIDE*. **The original complaint filed in the [RTC] in CV Case No. 84-25858 is hereby *DISMISSED*.**

**SO ORDERED.**<sup>[12]</sup> (Emphasis ours)

Thereafter, the Court rendered its Decision<sup>[13]</sup> dated October 12, 2001 in the *PNB* case, likewise reversing the CA Decision dated October 6, 1995, to wit:

**WHEREFORE**, the Court *REVERSES* the decision of the [CA] and in lieu thereof, enters the judgment ***DISMISSING the complaint of [Remington] in Civil Case No. 84-25858***, [RTC], Branch 19, Manila, as against defendants [PNB] and [DBP].

No costs.

**SO ORDERED.**<sup>[14]</sup> (Emphasis ours)

On February 10, 2003, the CA rendered a Decision<sup>[15]</sup> in CA-G.R. SP No. 65209 affirming the RTC Order dated March 9, 2001 granting Remington's motion for execution. The CA ruled that the respective appeals filed by the PNB and DBP did not inure to the benefit of their co-defendants, including Maricalum, who did not appeal, and nor can it be deemed to be an appeal of such co-defendants from the judgment against them. The CA further stated that the appeals interposed by PNB and DBP, in no way, prevented the decision in CA-G.R. SP No. 27720 from becoming final and executory as against Maricalum and the other defendants, notwithstanding the fact that all of said defendants were held solidarity liable in said decision.

Its motion for reconsideration having been denied, Maricalum appealed said decision to the Court via a petition for review on *certiorari*, docketed as G.R. No. 158332 (entitled *Maricalum Mining Corp. v. Remington Industrial Sales Corp.*).<sup>[16]</sup>

On February 11, 2008, the Court granted Maricalum's petition and annulled the orders of the RTC granting execution.<sup>[17]</sup> The dispositive portion of the decision provides:

**WHEREFORE**, the petition is *GRANTED*. The February 10, 2003 Decision and the May 21, 2003 Resolution in CA-G.R. SP No. 65209 of the [CA] are *REVERSED* and *SET ASIDE* and the March 9, 2001 and May 10, 2001 Orders of the [RTC] in Civil Case No. 84-25858 are *ANNULLED*.

No costs.

**SO ORDERED.**<sup>[18]</sup>

Remington moved for reconsideration but the same was denied by the Court in a Resolution dated June 30, 2008. This prompted Maricalum to file a motion for restitution and supplemental motion before the RTC,<sup>[19]</sup> which is now the subject of the present petition.

### **Ruling of the RTC**

On December 19, 2008, the RTC issued an Order denying Maricalum's motion on the basis of the principle of immutability of final judgment,<sup>[20]</sup> to wit:

The writ of execution having been issued by this Court with neither any restraining order nor injunction against said issuance way back on March 9, 2001, at a time the decision of this Court dated April 10, 1990, as affirmed by the [CA] in its decision of October 6, 1995, had become final and executory as far as movant [Maricalum] is concerned, it would certainly be against the law and equity for this Court now to grant movant's motion and supplemental motion for restitution of the amount garnished by the sheriff pursuant to said final and executory decision of this Court against said movant, the execution of which was a matter of right on plaintiffs part and a ministerial duty on the part of this Court to order. As claimed by plaintiff in its rejoinder of September 22, 2008, the execution was only partially satisfied in view of the several incidental

expenses inherent in the process of implementation thereof leaving a balance of about P1,501,138.69 unsatisfied, but which plaintiff can no longer execute against said movant on account of the decision of the Supreme Court in G.R. No. 158332.

The execution implemented by the Sheriff was based on a valid Order (March 9, 2001) by virtue of the motion for execution filed by plaintiff against movant, xxx. In the interest of justice, fair play and equity, the execution which had been effectuated by the sheriff can no longer be disturbed. The law and principles of equity must be applied. The effects of a valid order, as an operative fact, cannot be invalidated and disregarded, said effects being valid accomplished acts.<sup>[21]</sup> (Emphasis deleted)

Maricalum's motion for reconsideration was denied by the RTC on July 30, 2009, causing it to file a petition for *certiorari* with the CA, docketed as CA-G.R. SP No. 110178.<sup>[22]</sup>

### **Ruling of the CA**

On April 26, 2010, the CA rendered the assailed Decision ordering Remington to return and restitute to Maricalum the garnished amounts, the dispositive portion of which provides:

**WHEREFORE**, the appealed Orders dated December 19, 2008 and July 30, 2009 are **ANNULLED** and **SET ASIDE**. Private respondent [Remington] is ordered to **RETURN** and **RESTITUTE** to petitioner [Maricalum] the garnished amounts of P920/755.95 and P32,256.48, with interest thereon at twelve (12%) percent per annum until fully satisfied.

**SO ORDERED.**<sup>[23]</sup>

Remington's motion for reconsideration<sup>[24]</sup> was also denied by the CA in the assailed Resolution<sup>[25]</sup> dated September 30, 2010.

In granting Maricalum's prayer for restitution, the CA ruled, among others, that the Court's ruling in *DBP* and *PNB* freed Maricalum from any liability to Remington, as its predecessors DBP, PNB, and their transferees are corporate entities separate and distinct from the original obligor, MMIC. The CA further ruled that the dismissal of the complaint in *DBP* constituted a supervening event, which "virtually blotted out" the RTC Decision dated April 10, 1990.

Hence, this petition anchored on the following grounds:

#### **I.**

THE HONORABLE [CA] ERRED IN ANNULING AND SETTING ASIDE THE ORDERS DATED DECEMBER 19, 2008 AND JULY 30, 2009 OF THE [RTC] OF MANILA, BRANCH 19.

#### **II.**

THE HONORABLE [CA] ERRED IN ORDERING IN ITS DECISION OF APRIL 26, 2010 THE RETURN AND RESTITUTION TO [MARICALUM] OF THE GARNISHED AMOUNTS OF P920,755.95 AND P32,256.48.

### III.

THE HONORABLE [CA] EQUALLY ERRED IN ORDERING PAYMENT OF INTEREST IN THE AFORESAID RATE AT 12 % PER ANNUM.<sup>[26]</sup>

In support thereof, Remington points out that the RTC decision in Civil Case No. 84-25858 and the CA decision in CA-G.R. SP No. 27720 had long become final and executory; therefore, it was the ministerial duty of the RTC, as it did, to issue the writ of execution in favor of Remington. Moreover, Remington argues that Maricalum's penchant for unending litigation is untenable as it is contrary to the avowed principle of immutability of final and executory judgments, that is, Remington seeks to achieve a total departure from what has already been settled in specific cases. Further, Remington contends that the alleged "supervening events" as an exception to the principle of immutability of final judgments does not apply in the present case. According to Remington, what CA termed "supervening events" are not supervening but actually succeeding events since the writ of execution had already been implemented and had become an accomplished fact long ago or way back in May 2001 and any supervening event no longer exist to prevent such implementation of the writ already executed in that year.<sup>[27]</sup>

In seeking the denial of the petition, *Maricalum* emphasizes that the Court's decision in Maricalum already annulled the execution orders of the RTC in Civil Case No. 84-25858 and such decision had already become final and executory.<sup>[28]</sup> To rule otherwise, therefore, would constitute undue deprivation of its property rights. Similarly, considering that PNB and DBP have no liability whatsoever to Remington and Maricalum as PNB's successor-in-interest, Remington can no longer claim that the property of Maricalum subject of the execution is still clue it.

### **Ruling of the Court**

The petition is denied.

The final and executory nature of the RTC Decision dated April 10, 1990 as against Maricalum is undisputed. Said RTC decision was, in fact, the source of the orders of execution issued by the RTC dated March 9, 2001 and May 10, 2001. Indeed, the well-settled principle of immutability of final judgments demands that once a judgment has become final, the winning party should not, through a mere subterfuge, be deprived of the fruits of the verdict.<sup>[29]</sup> There are, however, recognized exceptions to the execution as a matter of right of a final and immutable judgment, one of which is the existence of a supervening event.<sup>[30]</sup> "A supervening event is a fact which transpires or a new circumstance which develops after a judgment has become final and executory. This includes matters which the parties were unaware of prior to or during trial because they were not yet in existence at that time."<sup>[31]</sup> To be sufficient to stay or stop the execution, **a supervening event must create a substantial change in the rights or relations of the parties which would render execution of a final judgment unjust, impossible or**