

SECOND DIVISION

[G.R. No. 180572, June 18, 2012]

SPOUSES ATTY. ERLANDO A. ABRENICA AND JOENA B. ABRENICA PETITIONERS, VS. LAW FIRM OF ABRENICA, TUNGOL AND TIBAYAN, ATTYS. ABELARDO M. TIBAYAN AND DANILO N. TUNGOL, RESPONDENTS.

DECISION

SERENO, J.:

The present case is a continuation of G.R. No. 169420^[1] decided by this Court on 22 September 2006. For brevity, we quote the relevant facts narrated in that case:

Petitioner Atty. Erlando A. Abrenica was a partner of individual respondents, Attys. Danilo N. Tungol and Abelardo M. Tibayan, in the Law Firm of Abrenica, Tungol and Tibayan ("the firm").

In 1998, respondents filed with the Securities and Exchange Commission (SEC) two cases against petitioner. The first was SEC Case No. 05-98-5959, for Accounting and Return and Transfer of Partnership Funds With Damages and Application for Issuance of Preliminary Attachment, where they alleged that petitioner refused to return partnership funds representing profits from the sale of a parcel of land in Lemery, Batangas. The second was SEC Case No. 10-98-6123, also for Accounting and Return and Transfer of Partnership Funds where respondents sought to recover from petitioner retainer fees that he received from two clients of the firm and the balance of the cash advance that he obtained in 1997.

The SEC initially heard the cases but they were later transferred to the Regional Trial Court of Quezon City pursuant to Republic Act No. 8799, which transferred jurisdiction over intra-corporate controversies from the SEC to the courts. In a Consolidated Decision dated November 23, 2004, the Regional Trial Court of Quezon City, Branch 226, held that:

WHEREFORE, in view of all the foregoing, judgment is hereby rendered as follows:

CIVIL CASE NO. Q01-42948

1. Ordering the respondent Atty. Erlando Abrenica to render full accounting of the amounts he received as profits from the sale and resale of the Lemery property in the amount of P4,524,000.00;

2. Ordering the respondent Atty. Erlando Abrenica to remit to the law firm the said amount of P4,524,000.00 plus interest of 12% per annum from the time he received the same and converted the same to his own personal use or from September 1997 until fully paid; and

3. To pay the costs of suit.

CIVIL CASE NO. Q01-42959

1. Ordering Atty. Erlando Abrenica to render a full accounting of the amounts he received under the retainer agreement between the law firm and Atlanta Industries Inc. and Atlanta Land Corporation in the amount of P320,000.00.

2. Ordering Atty. Erlando Abrenica to remit to the law firm the amount received by him under the Retainer Agreement with Atlanta Industries, Inc. and Atlanta Land Corporation in the amount of P320,000.00 plus interests of 12% per annum from June 1998 until fully paid;

3. Ordering Atty. Erlando Abrenica to pay the law firm his balance on his cash advance in the amount of P25,000.00 with interest of 12% per annum from the date this decision becomes final; and

4. To pay the costs of suit.

SO ORDERED.

Petitioner received a copy of the decision on December 17, 2004. On December 21, 2004, he filed a notice of appeal under Rule 41 and paid the required appeal fees.

Two days later, respondents filed a Motion for Issuance of Writ of Execution pursuant to A.M. 01-2-04-SC, which provides that decisions in intra-corporate disputes are immediately executory and not subject to appeal unless stayed by an appellate court.

On January 7, 2005, respondents filed an Opposition (To Defendant's Notice of Appeal) on the ground that it violated A.M. No. 04-9-07-SC^[2] prescribing appeal by certiorari under Rule 43 as the correct mode of appeal from the trial court's decisions on intra-corporate disputes.

Petitioner thereafter filed a Reply with Manifestation (To the Opposition to Defendant's Notice of Appeal) and an Opposition to respondents' motion for execution.

On May 11, 2005, the trial court issued an Order requiring petitioner to show cause why it should take cognizance of the notice of appeal in view of A.M. No. 04-9-07-SC. Petitioner did not comply with the said Order.

Instead, on June 10, 2005, he filed with the Court of Appeals a Motion for Leave of Court to Admit Attached Petition for Review under Rule 43 of the Revised Rules of Court. Respondents opposed the motion.

The Court of Appeals denied petitioner's motion in its assailed Resolution dated June 29, 2005 x x x.

x x x x x x x x x

The Court of Appeals also denied petitioner's motion for reconsideration in its August 23, 2005 Resolution.

Given the foregoing facts, we dismissed the Petition in G.R. No. 169420 on the ground that the appeal filed by petitioner was the wrong remedy. For that reason, we held as follows:^[3]

Time and again, this Court has upheld dismissals of incorrect appeals, even if these were timely filed. In *Lanzaderas v. Amethyst Security and General Services, Inc.*, this Court affirmed the dismissal by the Court of Appeals of a petition for review under Rule 43 to question a decision because the proper mode of appeal should have been a petition for certiorari under Rule 65. x x x.

x x x x x x x x x

Indeed, litigations should, and do, come to an end. "Public interest demands an end to every litigation and a belated effort to reopen a case that has already attained finality will serve no purpose other than to delay the administration of justice." In the instant case, the trial court's decision became final and executory on January 3, 2005. Respondents had already acquired a vested right in the effects of the finality of the decision, which should not be disturbed any longer.

WHEREFORE, the petition is *DENIED*. The Court of Appeals Resolutions dated June 29, 2005 and August 23, 2005 in CA-G.R. SP No. 90076 denying admission of petitioner's Petition for Review are *AFFIRMED*.

Thus, respondents sought the execution of the judgment. On 11 April 2007, G.R. No. 169420 became final and executory.^[4]

Apparently not wanting to be bound by this Court's Decision in G.R. No. 169420, petitioners Erlando and Joena subsequently filed with the Court of Appeals (CA) a Petition for Annulment of Judgment with prayer for the issuance of a writ of preliminary injunction and/or temporary restraining order, docketed as CA-G.R. SP No. 98679. The Petition for Annulment of Judgment assailed the merits of the RTC's Decision in Civil Case Nos. Q-01-42948 and Q-01-42959, subject of G.R. No. 169420. In that Petition for Annulment, Petitioners raised the following grounds:

- I. The lower court erred in concluding that both petitioners and respondents did not present direct documentary evidence to substantiate [their] respective claims.
- II. The lower court erred in concluding that both petitioners and respondents relied mainly on testimonial evidence to prove their respective position[s].
- III. The lower court erred in not ruling that the real estate transaction entered into by said petitioners and spouses Roman and Amalia Aguzar was a personal transaction and not a law partnership transaction.
- IV. The lower court erred in ruling that the testimonies of the respondents are credible.
- V. The lower court erred in ruling that the purchase price for the lot involved was ₱3 million and not ₱8 million.
- VI. The lower court erred in ruling that petitioner's retainer agreement with Atlanta Industries, Inc. was a law partnership transaction.
- VII. The lower court erred when it failed to rule on said petitioners' permissive counterclaim relative to the various personal loans secured by respondents.
- VIII. The lower court not only erred in the exercise of its jurisdiction but more importantly it acted without jurisdiction or with lack of jurisdiction. [5]

We note that petitioners were married on 28 May 1998. The cases filed with the Securities and Exchange Commission (SEC) on 6 May 1998 and 15 October 1998 were filed against petitioner Erlando only. It was with the filing of CA-G.R. SP No. 98679 on 24 April 2007 that Joena joined Erlando as a co-petitioner.

On 26 April 2007, the CA issued a Resolution^[6] dismissing the Petition. First, it reasoned that the remedy of annulment of judgment under Rule 47 of the Rules of Court is available only when the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of petitioners.^[7] Considering that the dismissal of the appeal was directly attributable to them, the remedy under Rule 47 was no longer available.

Second, the CA stated that the grounds alleged in the Petition delved on the merits of the case and the appreciation by the trial court of the evidence presented to the latter. Under Rule 47, the grounds for annulment are limited only to extrinsic fraud and lack of jurisdiction.

Lastly, the CA held that the fact that the trial court was not designated as a special commercial court did not mean that the latter had no jurisdiction over the case. The appellate court stated that, in any event, petitioners could have raised this matter

on appeal or through a petition for certiorari under Rule 65, but they did not do so.

Petitioners filed an Amended Petition for Annulment of Judgment dated 2 May 2007, but the CA had by then already issued the 26 April 2007 Resolution dismissing the Petition.

On 24 May 2007, the 26 April 2007 Resolution in CA-G.R. SP No. 98679 became final and executory.^[8]

Petitioners did not give up. They once again filed a 105-page Petition for Annulment of Judgment with the CA dated 25 May 2007^[9] docketed as CA-G.R. SP No. 99719. This time, they injected the ground of extrinsic fraud into what appeared to be substantially the same issues raised in CA-G.R. SP No. 98679. The following were the grounds raised in CA-G.R. SP No. 99719:

A. Extrinsic fraud and/or collusion attended the rendition of the Consolidated Decision x x x based on the following badges of fraud and/or glaring errors deliberately committed, to wit:

- I. The lower court deliberately erred in concluding that both petitioners and respondents did not present direct documentary evidence to substantiate their respective claims, as it relied purely on the gist of what its personnel did as regards the transcript of stenographic notes the latter [sic] in collusion with the respondents.
- II. The lower court deliberately erred in concluding that both petitioners and respondents relied mainly on testimonial evidence to prove their respective positions by relying totally on what was presented to it by its personnel who drafted the Consolidated Decision in collusion with the respondents.
- III. The lower court deliberately erred in not ruling that the real estate transaction entered into by said petitioners and spouses Roman and Amalia Aguzar was a personal transaction and not a law partnership transaction for the same reasons as stated in Nos. 1 and II above.
- IV. The lower court deliberately erred in ruling that the testimonies of the respondents are credible as against the petitioner Erlando Abrenica and his witnesses for the same reasons as stated in Nos. I and II above.
- V. The lower court deliberately erred in ruling that the purchase price for the lot involved was P3 million and not P8 million for the same reasons as stated in Nos. 1 and II above.
- VI. The lower court deliberately erred in ruling that petitioner's retainer agreement with Atlanta Industries, Inc. was a law partnership transaction for the same reasons as stated in Nos.