

FIRST DIVISION

[G.R. No. 168251, July 27, 2011]

**JESUS M. MONTEMAYOR, PETITIONER, VS. VICENTE D. MILLORA,
RESPONDENT.**

D E C I S I O N

DEL CASTILLO, J.:

When the dispositive portion of a judgment is clear and unequivocal, it must be executed strictly according to its tenor.

This Petition for Review on *Certiorari* [1] assails the Decision [2] dated May 19, 2005 of the Court of Appeals (CA) in CA-G.R. SP No. 81075, which dismissed the petition for *certiorari* seeking to annul and set aside the Orders dated September 6, 2002 [3] and October 2, 2003 [4] of the Regional Trial Court (RTC) of Quezon City, Branch 98 in Civil Case No. Q-93-17255.

Factual Antecedents

On July 24, 1990, respondent Atty. Vicente D. Millora (Vicente) obtained a

loan of P400,000.00 from petitioner Dr. Jesus M. Montemayor (Jesus) as evidenced by a promissory note [5] executed by Vicente. On August 10, 1990, the parties executed a loan contract [6] wherein it was provided that the loan has a stipulated monthly interest of 2% and that Vicente had already paid the amount of P100,000.00 as well as the P8,000.00 representing the interest for the period July 24 to August 23, 1990.

Subsequently and with Vicente's consent, the interest rate was increased to 3.5% or P10,500.00 a month. From March 24, 1991 to July 23, 1991, or for a period of four months, Vicente was supposed to pay P42,000.00 as interest but was able to pay only P24,000.00. This was the last payment Vicente made. Jesus made several demands [7] for Vicente to settle his obligation but to no avail.

Thus, on August 17, 1993, Jesus filed before the RTC of Quezon City a Complaint [8] for Sum of Money against Vicente which was docketed as Civil Case No. Q-93-17255. On October 19, 1993, Vicente filed his Answer [9] interposing a counterclaim for attorney's fees of not less than P500,000.00. Vicente claimed that he handled several cases for Jesus but he was summarily dismissed from handling them when the instant complaint for sum of money was filed.

Ruling of the Regional Trial Court

In its Decision [10] dated October 27, 1999, the RTC ordered Vicente to pay Jesus

his monetary obligation amounting to P300,000.00 plus interest of 12% from the time of the filing of the complaint on August 17, 1993 until fully paid. At the same time, the trial court found merit in Vicente's counterclaim and thus ordered Jesus to pay Vicente his attorney's fees which is equivalent to the amount of Vicente's monetary liability, and which shall be set-off with the amount Vicente is adjudged to pay Jesus, viz:

WHEREFORE, premises above-considered [sic], JUDGMENT is hereby rendered ordering defendant Vicente D. Millora to pay plaintiff Jesus M. Montemayor the sum of P300,000.00 with interest at the rate of 12% per annum counted from the filing of the instant complaint on August 17, 1993 until fully paid and whatever amount recoverable from defendant shall be set off by an equivalent amount awarded by the court on the counterclaim representing attorney's fees of defendant on the basis of "quantum meruit" for legal services previously rendered to plaintiff.

No pronouncement as to attorney's fees and costs of suit.

SO ORDERED. [11]

On December 8, 1999, Vicente filed a Motion for Reconsideration [12] to which Jesus filed an Opposition. [13] On March 15, 2000, Vicente filed a Motion for the Issuance of a Writ of Execution [14] with respect to the portion of the RTC Decision which awarded him attorney's fees under his counterclaim. Jesus filed his Urgent Opposition to Defendant's Motion for the Issuance of a Writ of Execution [15] dated May 31, 2000.

In an Order [16] dated June 23, 2000, the RTC denied Vicente's Motion for Reconsideration but granted his Motion for Issuance of a Writ of Execution of the portion of the decision concerning the award of attorney's fees.

Intending to appeal the portion of the RTC Decision which declared him liable to Jesus for the sum of P300,000.00 with interest at the rate of 12% per annum counted from the filing of the complaint on August 17, 1993 until fully paid, Vicente filed on July 6, 2000 a Notice of Appeal. [17] This was however denied by the RTC in an Order [18] dated July 10, 2000 on the ground that the Decision has already become final and executory on July 1, 2000. [19]

Meanwhile, Jesus filed on July 12, 2000 a Motion for Reconsideration and Clarification [20] of the June 23, 2000 Order granting Vicente's Motion for the Issuance of a Writ of Execution. Thereafter, Jesus filed on September 22, 2000 his Motion for the Issuance of a Writ of Execution. [21] After the hearing on the said motions, the RTC issued an Order [22] dated September 6, 2002 denying both motions for lack of merit. The Motion for Reconsideration and Clarification was denied for violating Section 5, [23] Rule 15 of the Rules of Court and likewise the Motion for the Issuance of a Writ of Execution, for violating Section 6, [24] Rule 15 of the same Rules.

Jesus filed his Motion for Reconsideration [25] thereto on October 10, 2002 but this was eventually denied by the trial court through its Order [26] dated October 2, 2003.

Ruling of the Court of Appeals

Jesus went to the CA *via* a Petition for *Certiorari* [27] under Rule 65 of the Rules of Court.

On May 19, 2005, the CA issued its Decision the dispositive portion of which provides:

WHEREFORE, the foregoing considered, the petition for certiorari is **DENIED** and the assailed Orders are **AFFIRMED** in toto. No costs.

SO ORDERED. [28]

Not satisfied, Jesus is now before this Court *via* a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court.

Issue

NOTWITHSTANDING THE FINALITY OF THE TRIAL COURT'S DECISION OF OCTOBER 27, 1999, AS WELL AS THE ORDERS OF SEPTEMBER 6, 2002 AND OCTOBER 2, 2003, THE LEGAL ISSUE TO BE RESOLVED IN THIS CASE IS WHETHER X X X [DESPITE] THE ABSENCE OF A SPECIFIC AMOUNT IN THE DECISION REPRESENTING RESPONDENT'S COUNTERCLAIM, THE SAME COULD BE VALIDLY [OFFSET] AGAINST THE SPECIFIC AMOUNT OF AWARD MENTIONED IN THE DECISION IN FAVOR OF THE PETITIONER. [29]

Petitioner's Arguments

Jesus contends that the trial court grievously erred in ordering the implementation of the RTC's October 27, 1999 Decision considering that same does fix the amount of attorney's fees. According to Jesus, such disposition leaves the matter of computation of the attorney's fees uncertain and, hence, the writ of execution cannot be implemented. In this regard, Jesus points out that not even the Sheriff who will implement said Decision can compute the judgment awards. Besides, a sheriff is not clothed with the authority to render judicial functions such as the computation of specific amounts of judgment awards.

Respondent's Arguments

Vicente counter-argues that the October 27, 1999 RTC Decision can no longer be made subject of review, either by way of an appeal or by way of a special civil action for *certiorari* because it had already attained finality when after its promulgation,

Jesus did not even file a motion for reconsideration thereof or interpose an appeal thereto. In fact, it was Vicente who actually filed a motion for reconsideration and a notice of appeal, which was eventually denied and disapproved by the trial court.

Our Ruling

The petition lacks merit.

The October 27, 1999 Decision of the RTC is already final and executory, hence, immutable.

At the outset, it should be stressed that the October 27, 1999 Decision of the RTC is already final and executory. Hence, it can no longer be the subject of an appeal. Consequently, Jesus is bound by the decision and can no longer impugn the same. Indeed, well-settled is the rule that a decision that has attained finality can no longer be modified even if the modification is meant to correct erroneous conclusions of fact or law. The doctrine of finality of judgment is explained in *Gallardo-Corro v. Gallardo*: [30]

Nothing is more settled in law than that once a judgment attains finality it thereby becomes immutable and unalterable. It 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 fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land. Just as the losing party has the right to file an appeal within the prescribed period, the winning party also has the correlative right to enjoy the finality of the resolution of his case. 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 some definite time fixed by law; otherwise, there would be no end to litigations, thus setting to naught the main role of courts of justice which is to assist in the enforcement of the rule of law and the maintenance of peace and order by settling justiciable controversies with finality. [31]

To stress, the October 27, 1999 Decision of the RTC has already attained finality. "Such definitive judgment is no longer subject to change, revision, amendment or reversal. Upon finality of the judgment, the Court loses its jurisdiction to amend, modify or alter the same. Except for correction of clerical errors or the making of *nunc pro tunc* entries which cause no prejudice to any party, or where the judgment is void, the judgment can neither be amended nor altered after it has become final and executory. This is the principle of immutability of final judgment." [32]

The amount of attorney's fees is ascertainable from the RTC Decision. Thus, compensation is possible.

Jesus contends that offsetting cannot be made because the October 27, 1999 judgment of the RTC failed to specify the amount of attorney's fees. He maintains

that for offsetting to apply, the two debts must be liquidated or ascertainable. However, the trial court merely awarded to Vicente attorney's fees based on *quantum meruit* without specifying the exact amount thereof.

We do not agree.

For legal compensation to take place, the requirements set forth in Articles 1278 and 1279 of the Civil Code, quoted below, must be present.

ARTICLE 1278. Compensation shall take place when two persons, in their own right, are creditors and debtors of each other.

ARTICLE 1279. In order that compensation may be proper, it is necessary:

(1) That each one of the obligors be bound principally, and that he be at the same time a principal creditor of the other;

(2) That both debts consist in a sum of money, or if the things due are consumable, they be of the same kind, and also of the same quality if the latter has been stated;

(3) That the two debts be due;

(4) That they be liquidated and demandable;

(5) That over neither of them there be any retention or controversy, commenced by third persons and communicated in due time to the debtor.

"A debt is liquidated when its existence and amount are determined. It is not necessary that it be admitted by the debtor. Nor is it necessary that the credit appear in a final judgment in order that it can be considered as liquidated; it is enough that its exact amount is known. And a debt is considered liquidated, not only when it is expressed already in definite figures which do not require verification, but also when the determination of the exact amount depends only on a simple arithmetical operation x x x." [33]

In *Lao v. Special Plans, Inc.*, [34] we ruled that:

When the defendant, who has an unliquidated claim, sets it up by way of counterclaim, and a judgment is rendered liquidating such claim, it can be compensated against the plaintiff's claim from the moment it is liquidated by judgment. We have restated this in *Solinap v. Hon. Del Rosario* [35] where we held that compensation takes place only if both obligations are liquidated.

In the instant case, both obligations are liquidated. Vicente has the obligation to pay