

FIRST DIVISION

[G.R. No. 170126, June 09, 2009]

PHILIPPINE VETERANS BANK, PETITIONER, VS. SOLID HOMES, INC.,^[1] RESPONDENT.

D E C I S I O N

CORONA, J.:

This petition for review traces its history to a compromise agreement,^[2] executed on April 3, 1992, between petitioner Philippine Veterans Bank and respondent Solid Homes, Inc. The agreement provided, among others, for the repurchase by respondent of all existing rights and interests of petitioner in various mortgaged properties for P57,875,931.90. Petitioner allegedly violated the terms of the agreement prompting respondent to file a complaint for specific performance, sum of money and damages in the Regional Trial Court (RTC) of Pasig City, Branch 68.

In its answer, petitioner averred that the compromise agreement was breached by respondent which allegedly failed to pay the agreed amortizations as they became due. Petitioner allegedly merely exercised its right to unilaterally rescind the compromise agreement.

Respondent eventually filed a motion for summary judgment. In response, petitioner filed a motion to dismiss.

In a resolution dated February 22, 1994, the RTC of Pasig City denied petitioner's motion to dismiss and granted respondent's motion for summary judgment.^[3] Petitioner filed a motion for reconsideration but it was denied.^[4] Petitioner then belatedly filed a notice of appeal which it later withdrew. Instead, petitioner assailed the February 22, 1994 resolution in a petition for certiorari^[5] which was dismissed.^[6] Petitioner elevated the case to us but the same was denied for having been filed out of time.^[7]

On March 31, 1999, respondent filed a motion for clarification, for entry and issuance of a notice of judgment,^[8] which was granted by the RTC in an order dated May 6, 1999.^[9]

Petitioner assailed the May 6, 1999 order in a petition for certiorari in this Court. We affirmed the RTC's May 6, 1999 order.^[10]

Respondent filed a motion for the issuance of a writ of execution^[11] (to enforce the February 22, 1994 resolution) on June 14, 2005. Petitioner filed its opposition.^[12] In an order dated July 12, 2005,^[13] the RTC granted respondent's motion for the

issuance of a writ of execution. A writ of execution was issued on July 15, 2005.^[14]

Petitioner (yet again) assailed the July 12, 2005 order and the July 15, 2005 writ of execution in a petition for certiorari and prohibition filed in the CA. In a resolution dated August 17, 2005,^[15] the petition was once more dismissed because petitioner did not file a motion for reconsideration of the July 12, 2005 order. The CA likewise denied petitioner's motion for reconsideration in a resolution dated October 14, 2005.^[16]

In this petition for review on certiorari, petitioner assails the August 17, 2005 and October 14, 2005 resolutions of the CA. Petitioner avers that respondent can no longer execute the February 22, 1994 resolution because it has prescribed and that subsequent incidents did not interrupt the running of the ten-year prescriptive period.^[17]

We rule against petitioner.

It is settled that a judgment or order becomes final upon the lapse of the period to appeal, without an appeal being perfected or a motion for reconsideration being filed. In this case, petitioner received a copy of the February 22, 1994 resolution on March 10, 1994.^[18] Petitioner had 15 days from March 10, 1994 (or until March 25, 1994) within which to file either a motion for reconsideration or a notice of appeal.

On the 11th day of the 15-day period (or on March 21, 1994), petitioner filed a motion for reconsideration^[19] which was denied. Petitioner received the denial on June 3, 1994.^[20] Petitioner had only four days (or until June 7, 1994) to file a notice of appeal^[21] but filed one only on June 13, 1994 or 10 days after receiving a copy of the denial of its motion for reconsideration. The February 22, 1994 resolution therefore became final and executory on June 8, 1994.^[22]

A final and executory judgment may be executed by motion within five years or by action for revival of judgment within ten years reckoned from the *date of entry of judgment*.^[23] The date of entry, in turn, is the same as the date of finality of judgment.^[24] Here, the February 22, 1994 resolution became final and executory on June 8, 1994. *By operation of law*, June 8, 1994 is likewise the date of entry of judgment. The prescriptive period for execution of the February 22, 1994 resolution must be reckoned from June 8, 1994.

Petitioner, on one hand, argues that respondent had only until June 8, 2004 within which to execute the February 22, 1994 resolution. Respondent, on the other hand, posits that events,^[25] *i.e.*, various actions filed by petitioner itself assailing the rulings against it subsequent to the February 22, 1994 resolution, interrupted the running of the prescriptive period for its execution. Allegedly, these actions, except for the motion for clarification, for entry and issuance of a notice of judgment, were interposed to delay the execution of the February 22, 1994 resolution.

We partly agree with respondent.

After its promulgation, the February 22, 1994 resolution was subject to two separate

spates of attacks by petitioner. The first spate came when petitioner filed a motion for reconsideration. Failing in that, petitioner attempted to appeal. When appeal was no longer available as a remedy, petitioner assailed the February 22, 1994 resolution through a petition for certiorari filed in the CA (CA-G.R. SP No. 36500) and thereafter, a petition for review on certiorari filed with us (G.R. No. L-125418). In all these actions, petitioner lost. The last of these was in 1996.

The second set of attacks came rather indirectly. The copies of the February 22, 1994 resolution sent to the parties contained an interest rate of 8% *per annum* on respondent's obligation. However, the copy of the February 22, 1994 resolution on file with the RTC was altered without authority, changing the interest rate imposed on respondent's obligation from 8% to 18% *per annum*. Because of the variance, respondent filed a motion for clarification which eventually was resolved in its favor on May 6, 1999. Petitioner assailed the May 6, 1999 resolution in a petition for certiorari (G.R. No. 138993) filed directly with us.

Did any of the numerous actions filed by petitioner toll the running of the prescriptive period for execution? Yes.

It is settled that an original action for certiorari is an independent action and is neither a continuation nor a part of the trial resulting in the judgment complained of.^[26] It does not interrupt the course of the original action if there was no writ of injunction, even if in connection with a pending case in a lower court.^[27] Section 7, Rule 65 of the Rules of Court is explicit:

SEC. 7. Expediting proceedings; injunctive relief. - The court in which the petition is filed may issue orders expediting the proceedings, and it may also grant a temporary restraining order or a writ of preliminary injunction for the preservation of the rights of the parties pending such proceedings. **The petition shall not interrupt the course of the principal case unless a temporary restraining order or a writ of preliminary injunction has been issued against the public respondent from further proceeding on the case.** (emphasis supplied)

Clearly, the petition for certiorari (CA-G.R. SP No. 36500) assailing the February 22, 1994 resolution did not toll the running of the prescriptive period. The petition for review on certiorari (G.R. No. L-125418) had the same effect because it was merely a continuation of CA-G.R. SP No. 36500. Even if these actions sought a reversal of the February 22, 1994 resolution, they did not suspend the running of the prescriptive period for execution in favor of respondent. The very nature of a certiorari proceeding militates against considering it in favor of respondent. Besides, no writ of injunction was issued in favor of respondent which could have validly suspended the running of the prescriptive period.

However, the same rule cannot be applied to G.R. No. 138993. Despite being an original certiorari proceeding, G.R. No. 138993 tolled the running of the prescriptive period. An analysis of its peculiar nature justifies taking it out of the ambit of the rule that certiorari proceedings do not toll the running of the prescriptive period.

In G.R. No. 138993, petitioner ascribed grave abuse of discretion on the RTC when it

fixed the interest rate at 8% *per annum*. In resolving G.R. No. 138993 in favor of respondent, we stressed:

[T]hat the May 6, 1999 resolution did not amend or modify the Resolution of February 22, 1994, which had become final and executory. The assailed order merely clarified the interest rate prescribed in the earlier Resolution, which disposed of the case on the merits, to rectify a falsification of the copy of the said resolution appended to the original records. In the exercise of its supervisory powers over the execution of a final and executory judgment, special circumstances attending its execution impelled the trial court to issue the assailed order clarifying the interest rate prescribed in the February 22, 1994 Resolution.^[28]

Respondent already had a clear right to pay its obligation (under the February 22, 1994 resolution) at an interest rate of only 8% *per annum*. The clarity of the interest rate could not have been made better when we admonished petitioner in the *ponencia* in G.R. No. 138993:

The petitioner cannot now feign ignorance of the interest rate prescribed therein because in its petition for certiorari in [CA-G.R. No 36500 assailing the February 22, 1994 resolution], the petitioner declared that the rate of interest fixed by the trial court in its February 22, 1994 resolution was 8% per annum, to wit:

(c) The penult of his judgment states:

"The plaintiff is however directed to pay the remaining balance of P28,937,965.95 (sic) in six (6) equal quarterly installments, the first installment shall start WITHIN 30 DAYS from finality of this decision/resolution and the succeeding installment to be paid within the first five (5) days of the month of the succeeding quarter thereafter plus 8% interest thereon per annum from this date.

Under the Compromise Agreement of the parties, the balance of P28,937,965.95 (sic) shall be paid in SIX equal monthly installments. The first installment shall be paid within thirty days from date of the payment of P17,362,779.55 and the succeeding installments shall be payable within the first five (5) days of every month thereafter.

xxx

Worse, the Respondent Judge ordained payment of interest at EIGHT (8%) per cent less than what was stipulated in the parties' contract, without any factual and legal justification. Again, a constitutional violation.

^[29]

Petitioner clearly knew and acknowledged the fact that the interest rate *as imposed by the RTC* in the February 22, 1994 resolution was 8%, not 18%. Otherwise, it would not have questioned the propriety of the rate imposed by the RTC when it filed CA-G.R. SP No. 36500. Petitioner may not have acquiesced to the 8% rate, but

it can no longer question it under the doctrine of immutability of judgments.

By filing G.R. No. 138993, petitioner pretended to be ignorant of the interest rate fixed by the RTC in the February 22, 1994 resolution. It vainly attempted to modify an already final and executory judgment. In pursuance thereof, petitioner blatantly undermined established rules of procedure in the guise of enforcing a right which it perfectly knew did not exist.

Unfortunately for petitioner, we saw through its feigning. When we dismissed G.R. No. 138993, we did not heed petitioner's rigmarole. We will do the same in this case. Hence, we exclude the time during which respondent's motion for clarification was filed, as well as the filing and eventual resolution of G.R. No. 133893. The motion for clarification was filed on March 31, 1999.^[30] It was finally decided in G.R. No. 138993 on June 27, 2003,^[31] after four years, two months and 27 days. Therefore, this period must be excluded from the running of the prescriptive period for execution. All told, respondent's right has not prescribed.

Respondent's motion for execution was filed only on June 14, 2005, or six years and nine months from entry of judgment. It was clearly beyond the five-year period but within the ten-year prescriptive period. We have, at various occasions, allowed a mere motion for execution even if filed beyond the five-year period, for reasons of equity. We apply the same liberality in this case in view of the peculiar situation in this case.

We will not countenance petitioner's brazen use of technicalities to defeat its legal obligation to respondent. Procedural rules are designed to facilitate the adjudication of cases^[32] but they must not defeat a just claim. Moreover, petitioner cannot legally invoke a strict application of the rules of procedure because the delays were due to its own maneuvers to prolong the case. In *Camacho v. CA and Dizon, et al.*,^[33] we held:

It is revolting to the conscience to allow petitioner to further avert the satisfaction of her obligation because of sheer literal adherence to technicality. After all, the Rules of Court mandates that a liberal construction of the Rules be adopted in order to promote their object and to assist the parties in obtaining just, speedy and inexpensive determination of every action and proceeding. This rule of construction is [s]pecially useful in the present case where adherence to the letter of the law would result in absurdity and manifest injustice.^[34]

It would be unjust to frustrate respondent's effort to execute the February 22, 1994 resolution on sheer technicality. While strict compliance to the rules of procedure is desired, liberal interpretation is warranted in cases where a strict enforcement of the rules will not serve the ends of justice.^[35]

WHEREFORE, the petition is hereby **DENIED**.

Costs against petitioner.

SO ORDERED.