

## SECOND DIVISION

[ G.R. No. 174642, October 30, 2009 ]

**DOMINADOR C. VILLA, PETITIONER, VS. GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), REPRESENTED HEREIN BY ANGELINA A. PATINO, IN HER CAPACITY AS FIELD OFFICE MANAGER, GSIS, DINALUPIHAN, BATAAN BRANCH, AND/OR WINSTON F. GARCIA, PRESIDENT AND GENERAL MANAGER, GSIS, RESPONDENTS.**

### DECISION

**BRION, J.:**

This is a petition for contempt under Rule 71 of the Revised Rules of Civil Procedure filed by Dominador C. Villa (*petitioner*) to cite the Government Service Insurance System (GSIS) for indirect contempt for its failure to implement the Resolutions dated March 31, 2004 and June 23, 2004 of the Supreme Court issued in G.R. No. 161807, entitled *Government Service Insurance System v. Dominador C. Villa*. The Court ordered the GSIS in this case to pay the petitioner his permanent total disability benefit under Republic Act No. 8291 (*RA 8291*, or the Government Insurance Act of 1997). The petitioner also seeks the issuance of a new *writ* of execution to enforce the above-stated Resolutions of the Court.

#### The Factual Antecedents

The petitioner was a Municipal Agrarian Reform Officer of Hermosa, Bataan who filed a claim for compensation benefits under Presidential Decree (*PD*) No. 626, as amended (the Employees Compensation Act), after suffering from a succession of illnesses. On December 28, 1996, he was admitted to the Philippine Heart Center for fever and headache, associated with productive cough and changes in sensorium. On January 11, 1997, he was diagnosed to be suffering from TB meningitis, lichen simplex chronicus, and sensori-neural hearing loss. On April 24, 1997, the petitioner was again confined in the hospital due to mastoiditis with otegenic meningitis.

The GSIS initially denied the petitioner's claim; on reconsideration however, it granted the petitioner his temporary total disability benefits within a period of ninety (90) days counted from December 28, 1996, and another sixty (60) days counted from April 24, 1997.

Not satisfied with the action taken by the GSIS and believing that his condition constituted permanent total disability, the petitioner asked for the conversion of his disability status to permanent total disability. The GSIS denied his request for two reasons: *first*, the petitioner's condition did not satisfy the criteria for permanent total disability; and *second*, his ailment, sensori-neural hearing loss, is not a work-connected disease, being merely secondary to meningitis.

The petitioner appealed the GSIS' denial to the Employees Compensation Commission (ECC) which fully supported the GSIS' ruling. The ECC ruled that the petitioner's ailment of TB meningitis did not meet the criteria for permanent total disability.

From the ECC, the petitioner sought recourse with the Court of Appeals (CA) *via* a petition for review under Rule 43. The CA reversed the rulings of the GSIS and the ECC and held that the petitioner is entitled to the conversion of his disability status to permanent total disability, thus entitling him to permanent total disability benefits.<sup>[1]</sup> The CA ruled:

As certified by Dr. J. Carlos P. Reyes, petitioner Villa has developed bilateral profound sensori-neural hearing loss as a complication of TB Meningitis. Despite appropriate medications, no significant improvement in his hearing capabilities was observed... From this information, we could deduce that his recovery from such condition is medically remote. Being totally deprived of his sense of hearing, petitioner was rendered incapable of performing his usual duties and responsibilities as a MARO, which duties included conducting ocular inspections in far-flung areas, and of course, interacting with people in connection with his job.

The CA reasoned out that the definition of temporary total disability under Section 2(t) of RA 8291 is one that "accrues or arises when the impaired physical and/or mental faculties can be rehabilitated or restored to their normal functions." The CA observed that the petitioner's physical impairment continued to persist despite the medical attention given, thus negating the temporary nature of his total disability.

The CA also relied on Section 2, Rule 7 of the Amended Rules on Employees Compensation, which defined permanent total disability as the condition when the employee is unable to perform any gainful occupation for a continuous period exceeding 120 days as a result of the injury or sickness. In this regard, the CA noted that the petitioner was awarded a total number of 150 days of temporary total disability benefits.

The GSIS elevated the CA decision to this Court for review (docketed as G.R. No. 161807) *via* a petition for review on *certiorari* under Rule 45. By Resolution dated March 31, 2004, the Court denied the petition considering the issues raised were factual; at the same time, the GSIS also failed to show any reversible error committed by the CA. The Court subsequently denied GSIS' motion for reconsideration in its Resolution of June 23, 2004. **These Resolutions became final and executory per Entry of Judgment of the Resolution dated March 31, 2004 on August 12, 2004.**

On April 21, 2005, the petitioner filed, in G.R. No. 161807, a *Motion to Remand Case Folder with Motion for Issuance of a Writ of Execution* of the Resolution dated March 31, 2004. The Court resolved to refer to the *court of origin for appropriate action the [petitioner's] motion ... praying that a writ of execution be issued in this case.*<sup>[2]</sup> On September 1, 2005, the Judgment Division of the Court wrote the Executive Director of ECC referring the above motion of the petitioner.<sup>[3]</sup> ECC, in

turn, indorsed the said motion and the entire original records of the case to the GSIS and requested compliance with the final decision in the case within fifteen (15) days from receipt.<sup>[4]</sup> The GSIS indorsed this request to the Vice-President, Area I of GSIS for his appropriate action and enclosing therewith the entire records of the case, the decision of the CA (in CA-G.R. SP No. 60517), the entry of judgment in G.R. No. 161807, and the order dated July 20, 2005 directing the issuance of a *writ* of execution to pay the petitioner.<sup>[5]</sup>

On May 15, 2006, the petitioner wrote the Court Administrator a letter complaining of the failure of GSIS to execute the Resolutions of March 31, 2004 and June 23, 2004. In a 1<sup>st</sup> Indorsement dated May 30, 2006, the Office of the Court Administrator indorsed the petitioner's letter to the Public Attorney's Office (PAO) for appropriate action. In compliance therewith, the PAO filed the present petition for indirect contempt under Rule 71 of the Rules of Court.<sup>[6]</sup>

### **The Petition**

The petitioner claims in this petition that the GSIS refused to comply with the decision of the Court in G.R. No. 161807 on the view that the decision is wrong. The petitioner also accuses the GSIS of resorting to schemes to delay, if not avoid, in paying him the permanent total disability benefits due him. The petitioner posits that this refusal on the part of GSIS constitutes disobedience or resistance to a lawful judgment of the Court that is contumacious conduct under Section 3 (b) and (d) of Rule 71. The petitioner likewise posits that GSIS' conduct obstructs and degrades the administration of justice.

GSIS denies the petitioner's allegations and asserts that it had undertaken efforts to pay the claim. GSIS also asserts that it issued a check payable to the petitioner on February 8, 2007, which the petitioner returned for some "unfathomable reasons." GSIS also argues that the return of the check should be deemed compliance with its legal obligation to pay the petitioner's claim in accordance with applicable laws.

### **The Issue**

The petition presents to us the issue of whether the acts of the GSIS in executing the final and executory judgment of the Court in G.R. No. 161807 constituted contumacious conduct punishable as indirect contempt.

### **The Court's Ruling**

#### **We find the petition meritorious.**

Contempt of court is defiance of court authority that tends to degrade the dignity of the court and bring the administration of the law into disrespect, or an act that interferes with or prejudices parties-litigants or their witnesses during litigation thereby impeding the administration of justice.<sup>[7]</sup> It is also defined as the disobedience to the Court by acting in opposition to its authority, justice, and dignity, and signifies a willful disregard or disobedience of the court's orders; it is conduct that tends to bring the authority of the court and the administration of law into disrepute or otherwise impedes the administration of justice.<sup>[8]</sup>

The power of contempt is a very powerful weapon, as the court determines for itself whether its authority, dignity and effectiveness in the administration of justice have been prejudicially affected. Thus, the rule is to use this power sparingly and only in the defensive and preservative spirit. Yet, the Court will not hesitate and has never hesitated to wield its power where the contumacious conduct exhibited by a person or entity is patently and clearly derogatory to the authority of the courts in their sworn duties. It is with these thoughts that we decide the issue before us.

We start our consideration of the case by examining the premise that should underlie the execution of every court judgment - *i.e.*, the finality of the judgment under execution.

The records clearly show that the Resolutions of March 31, 2004 and June 23, 2004 of this Court in G.R. No. 161807, affirming the CA decision granting the petitioner permanent total disability benefits, have long become final and executory. Entry of judgment has in fact been made.

At this point, the doctrine of immutability of judgment became fully operational. Under this doctrine, a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the Highest Court of the land.<sup>[9]</sup> Any act which violates this principle must immediately be struck down. The only exceptions to this rule are: (1) the correction of clerical errors; (2) the so-called *nunc pro tunc* entries which cause no prejudice to any party; (3) void judgments; and (4) whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable.<sup>[10]</sup> In the absence of any effective invocation of these exceptions - and none has so been made in this case - the judgment of the court must be implemented according to its terms.

**Thus, at this point, it is not for any party, certainly not for GSIS, to say that it will implement the judgment in a manner *it deems correct* under its reading of the applicable law.**

The records show that GSIS tried to pay the petitioner his permanent total disability retirement benefit on three separate occasions, all in the year 2007.<sup>[11]</sup>

The first attempt was made on February 8, 2007 when the GSIS sent the petitioner a check in the amount of P292,165.38, computed from December 28, 1996 (the date of the petitioner's retirement), less deductions in the amount of P20,759.85. The petitioner returned the check because of the wrong computation of his awarded benefits; these should have been computed on the basis of RA 8291, not on the basis of PD 1146 and its amendments.<sup>[12]</sup> A reading of the CA decision we affirmed shows the application of RA 8291 as the basis in granting the petitioner permanent total disability benefits. Hence, the petitioner is correct that his disability benefit should be computed under the terms of RA 8291.

The second GSIS attempt to settle the claim was made on February 23, 2007 through a letter written by Field Office Manager Angelina A. Patino<sup>[13]</sup> addressed to the petitioner informing him that his disability retirement proceeds under RA 8291