

THIRD DIVISION

[G.R. NOS. 117622-23, October 23, 2006]

FRANCISCO MOTORS CORP., PETITIONER, VS. HON. COURT OF APPEALS AND ANTONIO RAQUIZA, RESPONDENTS.

DECISION

VELASCO, JR., J.:

It is the spirit and not the form of law that keeps justice alive.
- former US Chief Justice Earl Warren

The Court, at times, bends in its regimen of strictly enforcing its own rules and issuances when technicalities would becloud the serving of equity and fairness—especially when protracted litigation ensues and such prolonged dispute bars litigants from having a genuine day in court. However, protracted litigation, which by its nature puts the odds against a party, should not be a bar to discovering the truth and ruling on the merits of a case.

The Case

This petition for review^[1] challenges the April 28, 1994 Decision^[2] of the Court of Appeals in CA-G.R. SP No. 15512 and CA-G.R. SP No. 15515 entitled *Antonio Raquiza v. Hon. Milagros Caguioa, Judge, RTC of Pasig, M.M. Branch 165*. The assailed Decision granted respondent Raquiza's right to the issuance of a writ of execution against the lot which was in the name of petitioner Francisco Motors Corporation (FMC).

The Facts

We reiterate the facts found by the Court of Appeals, in addition to those borne by the records.

The present controversy originated in 1958 concerning the annulment of public auction sales of parcels of land in San Jose and Norzagaray, Bulacan; Antipolo; and Las Piñas, Metro Manila owned by spouses Epifanio Alano and Cecilia Pading-Alano. Records show that Raquiza was the lawyer of the Alano spouses in Civil Case Nos. 2608 and 4622.^[3] As payment for Raquiza's legal services, the Alano spouses agreed in a written contract to pay him attorney's fees equivalent to 30% of the properties in litigation. Raquiza, however, was subsequently dismissed by the Alano spouses without justifiable cause. Hence, he was allowed to intervene in the civil cases with respect to his claim for attorney's fees.^[4]

On May 30, 1958, the Court of First Instance of Rizal, Branch VI, granted the motion of Raquiza to have his contract of legal retainer annotated in the titles involved in Civil Case No. 4622, which includes Transfer Certificate of Title (TCT) No. 56520

covering a parcel of land in Las Piñas (Las Piñas property) then in the name of Miguel Campos. On January 30, 1959, said annotation of attorney's lien was cancelled.^[5]

On December 11, 1970, Presiding Judge Herminio C. Mariano of the Court of First Instance (CFI) of Pasig, Branch 10, rendered a Joint Decision^[6] in Civil Case Nos. 2608 and 4622. The dispositive portion partly reads:

Regarding the claim of intervenor, Atty. Antonio V. Raquiza, the Court declares that said intervenor is entitled to 30% of whatever rights and interests the Alanos may have in the Natalia Realty, Inc. as stockholder thereof considering that the Contract of Legal Retainer is obviously on a contingent basis. The Alanos are further ordered to reimburse Atty. Antonio V. Raquiza the sum of P10,000.00 representing various advances made by the latter to the former and as litigation and other expenses.

SO ORDERED.^[7]

Separate appeals were filed by Raquiza and the Alanos before the Court of Appeals (CA) which were docketed as CA-G.R. Nos. 52159-60-R. Meanwhile, the Las Piñas property was transferred from Miguel Campos to CPJ Corporation as nominee of the Alano spouses, and TCT No. 56520 was replaced with TCT No. 190712 in the name of CPJ Corporation on May 18, 1967. The property was transferred to the Alano spouses on October 3, 1973, but the Deed of Reconveyance was not immediately presented to the Register of Deeds for registration. On December 7, 1973, the Alano spouses executed a Deed of Sale with First Mortgage in favor of petitioner FMC.^[8] Both the Deed of Reconveyance and Deed of Sale with First Mortgage were presented to the Register of Deeds of Rizal only on January 21, 1974. On the same date, TCT No. 190712 was cancelled and replaced by TCT No. 432260 in the name of the Alanos, which in turn, was cancelled and replaced by TCT No. 432261^[9] in the name of petitioner FMC.

On January 17, 1980, the Special First Division of the CA rendered a Decision in CA-G.R. Nos. 52159-60-R. The dispositive portion reads:

IN VIEW OF THE FOREGOING, the judgment of the lower Court in Civil Cases Nos. 2608 and 4622 is *MODIFIED insofar as the claim of Atty. Raquiza for attorney's fees is concerned in the sense that he shall be entitled to 30% pro indiviso interest in all the properties reconveyed by Campos, Philamgen and Philamlife under the Compromise Agreement of December 28, 1965, except the Antipolo properties covered by the Deed of Sale of September 10, 1953 in favor of Natalia Realty, and to 30% interest in the participation of the Alanos as shareholder of Natalia Realty, subject to his reimbursing the Alanos the amount of P195,000.00, representing 30% of the consideration paid by the Alanos for said reconveyance. The Alanos shall also reimburse Atty. Raquiza the sum of P10,000.00, representing various advances made by him to the Alanos.*

In all other respects, the appealed decision is **AFFIRMED** in toto with costs against appellant Alanos.

SO ORDERED.^[10] (Emphasis supplied.)

This Decision became final and executory on July 13, 1981.^[11]

On October 1, 1980, Raquiza filed with the trial court an Ex-Parte Motion for Execution of the Decision of the CA. He also filed an Ex-Parte Motion for Production of Title alleging that the title which eventually replaced TCT No. 56520, TCT No. 190712, is missing in the Register of Deeds.^[12] A Writ of Execution was issued on February 10, 1982 ordering the Sheriff of Pasig to implement the judgment of the CA within 60 days from receipt of the writ.^[13]

On April 15, 1982 and May 19, 1982, Raquiza filed with the trial court Motions for the Issuance of a Separate Transfer Certificate of Title^[14] in his name covering the area corresponding to his attorney's fees. This was opposed by the Alano spouses on June 14, 1982 through the filing of an Opposition.^[15]

On October 8, 1982, the trial court issued an Order granting Raquiza's motion for the issuance of a separate title, thus:

WHEREFORE, premises considered, and in accordance with the decision of the Court of Appeals dated January 17, 1980 which has long become final and executory, as prayed for, a portion with an area of 162,576.60 sq.m. of the real property with Transfer Certificate of Title No. S-65162 is hereby ordered segregated from the total area of the real property covered by said titles S-65161 and S-65162 and a separate transfer certificate of title be issued in the name of Antonio Epifanio J. Alano, Sr. and Cecilia P. Alano and Trans-Resource Management and Development Corporation are further ordered to surrender Transfer Certificate of Title No. 190713 (S-65161) and Transfer Certificate of Title No. 190714 (now S-65162) to the custody of this Court within fifteen (15) days from receipt hereof in order that the corresponding segregation and issuance of a separate transfer certificate of title in favor of Antonio V. Raquiza can be effected.

SO ORDERED.^[16]

On May 8, 1983, Trans-Resource Management and Development Corporation, a party in one of the original civil cases, appealed the above Order through a Petition for Certiorari and Prohibition.^[17] The appeal was dismissed by the Intermediate Appellate Court (IAC) on August 27, 1985.^[18]

On January 31, 1986, Raquiza filed with the lower court a Supplemental Motion for Execution^[19] alleging that the October 8, 1982 Order failed to include the lot covered by TCT No. 56520, that is, the Las Piñas property which was acquired by petitioner FMC.

On February 5, 1986, the trial court, through Judge Efcio Acosta, issued an Order of Execution directing FMC to surrender its title so that Raquiza's 30% of the property can be segregated. The Order reads:

AS PRAYED FOR by Intervenor Antonio V. Raquiza in his supplemental Motion for Execution and there being no objection thereto, the Court hereby orders the segregation of the 30% of the parcel of land previously covered by Transfer Certificate of Title No. 56521^[20] of the Register of Deeds of Rizal in the name of CPJ Corporation which the said company later transferred and conveyed to Francisco Motors, Inc., and the issuance of a new Certificate of Title over said portion in the name of the intervenor Antonio V. Raquiza and that Francisco Motors, Inc. is hereby ordered to surrender to this Court the title of the subject parcel of land so that the segregation and issuance of a separate transfer of certificate of title in favor of the intervenor over 30% can be effected.

SO ORDERED.^[21]

On February 14, 1986, Raquiza filed an Urgent Ex-Parte Motion for correction of the above Order. He alleged that upon further inquiry, what was conveyed to FMC was the parcel of land covered by TCT No. 190712 in the name of CPJ Corporation, not TCT No. 56521.^[22] Finding merit in the motion, the lower court, on February 18, 1986, issued an Order correcting the February 5, 1986 Order by changing TCT No. 56521 to TCT No. 190712.^[23]

On March 10, 1986, Raquiza filed an Ex-Parte Motion praying that FMC be ordered to explain why it had not surrendered TCT No. 190712.^[24] In its March 13, 1986 Opposition, FMC alleged *inter alia* that it is a buyer in good faith as the attorney's lien of Raquiza was not annotated at the back of TCT No. 190712.^[25] On June 3, 1986, FMC filed a Motion to Quash the Writ of Execution.^[26]

On June 6, 1986, the lower court, also through Judge Efcio Acosta, granted Raquiza's motion. It held that FMC's defense of good faith was without merit. The dispositive portion of the order reads:

WHEREFORE, premises considered, the motion to quash writ of execution filed by Francisco Motors Corporation is hereby denied. The opposition to motion of intervenor Raquiza filed by Francisco Motors Corporation is hereby denied and the Orders of this Court dated February 5, 1986 and February 18, 1986 stand. Francisco Motors Corporation is hereby ordered to submit to the Court the portion of the property it prefers to hold so that the remaining portion shall be segregated and titled in the name of the intervenor Antonio Raquiza.

SO ORDERED.^[27]

On June 19, 1986, Raquiza filed an Ex-Parte Motion for the Issuance of a Writ of Execution pursuant to the orders dated February 5 and 18, 1986.^[28]

On July 8, 1986, FMC filed a Motion for Reconsideration of the said Order. FMC alleged that it purchased the property from the Alano spouses as early as December 7, 1973, while Raquiza's attorney's fees were awarded by the CA much later, or only on January 17, 1980; hence, it cannot be levied upon to answer for his attorney's fees.^[29]

On September 23, 1986, the lower court, through Judge Nicolas Galing, issued an Order quashing the writ of execution issued by Judge Efcio Acosta on the ground that the land, having been sold by the Alano spouses to FMC as early as December 7, 1973, long before the Court of Appeals awarded Raquiza's attorney's fees, could no longer be reached by execution.^[30] On November 4, 1986, Raquiza filed a Motion for Reconsideration while FMC opposed.^[31]

On June 10, 1987, Raquiza filed a Motion to Enforce his Motion to Execute alleging that the decision sought to be enforced had long become final and executory. He prayed that the writ of execution, which was quashed in the order dated September 23, 1986, be reinstated and enforced immediately.^[32] FMC and Alano spouses opposed the motion. Meanwhile, the entire judiciary was reorganized. The cases were re-raffled to Branch 164. Subsequently, Branch 164 was converted into a Special Criminal Court; hence, the cases were re-raffled to Branch 165 which was presided by Judge Milagros V. Caguioa.^[33]

On January 19, 1988, the lower court denied Raquiza's Motion to Enforce the Motion to Execute for lack of merit on the ground that the decision sought to be enforced had become final and executory after the lapse of five years, and the same Decision could no longer be enforced by a mere motion.^[34]

On February 11, 1988, Raquiza filed a Motion for Reconsideration citing the delay in the implementation of the judgment which was brought about by various causes. Again, spouses Alano and FMC opposed the motion. On May 13, 1988, respondent court denied the Motion for Reconsideration.^[35]

On June 21, 1988, Raquiza filed a Motion for Extension of Time to file a petition for certiorari before the Supreme Court. In the July 4, 1988 Resolution, this Court granted Raquiza 30 days within which to file a petition for certiorari.^[36] The petition^[37] was filed on July 25, 1988 and the case was docketed as G.R. No. 83718-19. In that petition, Raquiza prayed that the Court (1) give due course to the petition, (2) include FMC as respondent, and (3) reverse the Decision of Judge Caguioa and order the execution of the January 17, 1980 Decision of the CA. In the August 15, 1988 Resolution, the Court remanded the case to the CA.^[38] The case was docketed as CA-G.R. SP No. 15512 and 15515^[39] which is now for review.

The Ruling of the Court of Appeals

The April 28, 1994 Decision of the CA set aside the January 19 and May 13, 1988 Orders of the trial court, citing the following three (3) reasons: (1) that Raquiza's motions dated April 15 and May 19, 1982 for the segregation of titles were for the execution of the decision in his favor; thus, the subsequent motions should be treated as mere follow-up;^[40] (2) that FMC, as a successor-in-interest in relation to the property of the Alano spouses and transferee *pendente lite*, was bound to recognize the encumbrances attached to the land, including the attorney's liens, although not inscribed in the title;^[41] and (3) it justified Raquiza's petition for certiorari after finding the appeal was not a speedy or sufficient remedy.^[42]

FMC's Motion for Reconsideration was denied by the CA in its October 26, 1994