

# Republic of the Philippines Supreme Court

# Manila

#### **SECOND DIVISION**

# MINDANAO TERMINAL AND BROKERAGE SERVICE, INC., Petitioner,

G.R. No. 163286

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-versus-

# COURT OF APPEALS AND PHILIPPINE PORTS AUTHORITY,

Respondents.

X - - - - - - - - - - - - - - - - X

PHILIPPINE AUTHORITY,

X - -

#### PORTS

G.R. No. 166025

Petitioner,

-versus-

HON. CESAR M. SOLIS, PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH 14, MANILA AND MINDANAO TERMINAL AND BROKERAGE SERVICE, INC.,

Respondents.

----X

Decision

2

G.R. Nos. 163286, 166025 and 170269

PHILIPPINE AUTHORITY, PORTS

G.R. No. 170269

Petitioner,

Present:

-versus-

CARPIO, *J.*, Chairperson, DE CASTRO,\* PEREZ, SERENO, and REYES, *JJ*.

HON. CESAR M. SOLIS, PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH 14, MANILA AND MINDANAO TERMINAL AND BROKERAGE SERVICE, INC., Respondents.

X-----

Promulgated:

AUG 2 2 2012 Handbahadengertre

#### DECISION

#### PEREZ, J.:

Before us are the consolidated petitions which the Philippine Ports Authority (PPA), a government owned and controlled corporation, tasked with the management and control of all government and privately-owned ports in the country<sup>1</sup> filed against the Mindanao Terminal and Brokerage Services, Inc. (MINTERBRO), a private domestic corporation and grantee of a PPA-issued special permit for stevedoring services at the Davao City's government and privately-owned wharves.<sup>2</sup>

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- <sup>1</sup> PPA's Brief for the Court of Appeals. CA *rollo*, pp. 62-95.
- MINTERBRO's Brief for the Court of Appeals. Id. at 21-47.

<sup>\*</sup> Per S.O. No. 1286 dated 22 August 2012.

#### The Facts

On 28 August 1990, the Regional Trial Court (RTC), Br. 14, Manila rendered a decision in *Philippine Ports Authority v. Mindanao Terminal amd Brokerage Service, Inc.*,<sup>3</sup> ordering MINTERBRO to pay PPA the sum of Thirty Six Million Five Hundred Eighty Five Thousand Nine Hundred One Pesos and Eighteen Centavos (P36,585,901.18), as government's ten percent (10%) share in MINTERBRO's gross income from its port-related services,<sup>4</sup> *viz:* 

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiff [PPA] and against the defendant [MINTERBRO], ordering the latter to pay the former the sum of THIRTY SIX MILLION FIVE HUNDRED EIGHTY FIVE THOUSAND NINE HUNDRED ONE PESOS and EIGHTEEN CENTAVOS (#36,585,901.18) and the costs of suit.<sup>5</sup>

Aggrieved, MINTERBRO assailed the RTC decision before the Court of Appeals. The Court of Appeals in a Decision<sup>6</sup> dated **21 November 2002**, affirmed *in toto* the RTC decision:

WHEREFORE, premises considered and pursuant to applicable law and jurisprudence on the matter, the appealed Decision (dated August 28, 1990) of the Regional Trial Court (Branch XIV) in Manila in Civil Case No. 87-42747, is hereby AFFIRMED *in toto*. Costs against the appellant.<sup>7</sup>

On even date, copies of the said Decision were sent *via* registered mail to the parties' respective counsels along with the Notice of the Decision stating that:

<sup>&</sup>lt;sup>3</sup> Civil Case No. 87-42747 was decided by Judge Inocencio D. Maliaman. *Rollo* (G.R. No. 166025), pp. 38-44.

<sup>&</sup>lt;sup>4</sup> Presidential Decree No. 857 and Letter of Instruction No. 1005-A.

<sup>&</sup>lt;sup>5</sup> *Rollo* (G.R. No. 166025), p. 44.

<sup>&</sup>lt;sup>6</sup> Penned by Associate Justice Jose L. Sabio, Jr. with Associate Justices Portia Aliño-Hormachuelos and Amelita G. Tolentino, concurring. Id. at 45-56.

<sup>&</sup>lt;sup>7</sup> Id. at 55-56.

Please take notice that on November 21, 2002, a DECISION, copy hereto attached, was rendered by the TENTH DIVISION of the Court of Appeals in the above-entitled case, the original copy of which is on file with this Office.

You are hereby required to inform this Court, within five (5) days from receipt hereof, of the date when you received this notice and a copy of the DECISION.<sup>8</sup>

While the PPA filed "Compliance" on 17 January 2003 manifesting its receipt of the decision, MINTERBRO failed to do the same, constraining the Court of Appeals' Division Clerk of Court to send a letter-tracer to the Postmaster of Pasig City with the following directive:

Upon instruction of the Court, you are HEREBY REQUIRED to INFORM this Office within ten (10) days from receipt hereof, of the exact date when Registered Letter No. 6270-B mailed at Manila on November 27, 2002 and addressed to <u>Atty. Rafael S. Dizon of 6/F, Padilla Bldg.</u>, <u>Emerald Ave., Ortigas Commercial Center, Pasig City</u>, was delivered to and received by the addressee.

If the said registered letter, however, is still in your possession, unclaimed by the addressee notwithstanding the required notices, sent to and received by him/her, you are directed to return and mail to this Court within the same period indicated above together with your certification of the date the first notice was sent to and received by the said addressee, the person receiving the same and how delivery thereof was made.<sup>9</sup> (Underscoring and emphasis supplied)

In reply, the Postmaster of Pasig City - Central Post Office advised the Court of Appeals that **registered letter No. 6270-B was received by Virgie Cabrera (Cabrera) at the stated address on 4 December 2002.**<sup>10</sup>

Counted from that date, 4 December 2002, the Court of Appeals Decision became final and executory on 20 December 2002 or 15 days after Cabrera's receipt of the decision. The decision was, thus, recorded in

<sup>&</sup>lt;sup>8</sup> CA *rollo*, p. 116.

<sup>&</sup>lt;sup>9</sup> Id. at 131.

<sup>&</sup>lt;sup>10</sup> Id. at 132.

the Book of Entries of Judgments.<sup>11</sup> Copies of the Entry of Judgment were sent on 1 August 2003 to the parties' counsels, with MINTERBRO's copy having been addressed to <u>Atty. Rafael Dizon (Atty. Dizon), 6/F Padilla</u> <u>Building, Emerald Avenue, Ortigas Commercial Center, Pasig City</u>.<sup>12</sup>

On 29 August 2003, Atty. Dizon, filed a Motion for Reconsideration of the Declaration of Finality and to Set Aside Entry of Judgment. Atty. Dizon argued that he did not receive the 21 November 2002 Court of Appeals Decision, and, hence, "considering the fact that the Decision rendered by this Honorable Court [Court of Appeals] has not been served on the defendant-appellant, it is without doubt that the reglementary period to appeal has not commenced and therefore, the aforesaid decision has not become final."<sup>13</sup> Atty. Dizon added that since the Court of Appeals decision has not yet become final, the issuance by the Division Clerk of Court of the Entry of Judgment was premature.<sup>14</sup>

The Court of Appeals, however, in a Resolution dated 21 April 2004, denied Atty. Dizon's motion and re-affirmed the finality of the questioned decision.<sup>15</sup>

MINTERBRO assailed the 21 April 2004 Resolution *via* petition for review on *certiorari*<sup>16</sup> before this Court which was docketed as <u>**G.R. No.**</u> <u>**163286**</u>.

Meanwhile, the PPA, by virtue of the Entry of Judgment, filed a Motion for the Issuance of a Writ of Execution<sup>17</sup> which was granted by the

<sup>13</sup> Id. a <sup>14</sup> Id

<sup>&</sup>lt;sup>11</sup> Id. at 147.

<sup>&</sup>lt;sup>12</sup> Id. at 147-148. <sup>13</sup> Id. at 150.

<sup>&</sup>lt;sup>15</sup> *Rollo* (G.R. No. 163286), pp. 29-31.

<sup>&</sup>lt;sup>16</sup> Id. at 4.

RTC of Manila, Br. 14. This not withstanding, the RTC later held in abeyance the execution of judgment, per motion of MINTERBRO.<sup>18</sup> The RTC Order, penned by Judge Cesar M. Solis, dated 26 February 2004, ratiocinated that:

Admittedly, the case now pending before the Court of Appeals questioning the finality of judgment before the Court of Appeals (sic) in this case warrants the stay of the execution. Indeed, to execute the judgment at this stage would certainly result in grave injustice if and when the Court of Appeals would grant the defendant's Motion for Reconsideration of the Declaration of Finality and to Set Aside Entry of Judgment.

Besides, to implement the Decision at this juncture, pending the resolution of the incident before the appellate court would render the adjudication of issue therein, moot and academic. While the Court of Appeals did not issue any restraining order to prevent this Court from taking any action with regard to its Order granting plaintiff's Motion for Execution, it is deemed proper upon this Court to refrain from enforcing the Decision. Due respect to the latter court and practical and ethical considerations should prompt this court to wait for the final determination of the Motion now pending with the <u>Court of Appeals</u>.<sup>19</sup> (Underscoring and emphasis supplied)

The PPA's Motion for Reconsideration of the above Order was denied,<sup>20</sup> constraining PPA to file a second motion for reconsideration, which the RTC again denied in an Order dated 17 September 2004.<sup>21</sup> Noticeably, though, this order purportedly reiterating its earlier resolution, held the execution in abeyance "until after the Petition for Review of the defendant shall have been resolved by the <u>Supreme Court</u>," in stark contrast with the tone of the Order dated 26 February 2004 holding in abeyance only "until after the Petition for Review of the defendant shall have been resolved by the <u>Court of Appeals</u>."

<sup>&</sup>lt;sup>17</sup> *Rollo* (G.R. No. 166025), p. 9.

<sup>&</sup>lt;sup>18</sup> Id. at 35-37.

<sup>&</sup>lt;sup>19</sup> CA *rollo*, p. 192.

<sup>&</sup>lt;sup>20</sup> RTC Order issued by Judge Cesar M. Solis dated 28 May 2004. *Rollo* (G.R. No. 166025), p. 33.

<sup>&</sup>lt;sup>21</sup> Id. at 30-32.

The original Resolution dated 26 February 2004 stated:

WHEREFORE, and in view of the foregoing considerations, the Motion for Reconsideration of the defendant is hereby GRANTED. The execution of the Decision rendered in this case is hereby held **in abeyance** until the Motion for Reconsideration of the Declaration of Finality and to Set Aside Entry of Judgment shall have been resolved by the <u>Court of Appeals</u>.<sup>22</sup> (Underscoring and emphasis supplied)

While the Order dated 17 September 2004 said:

WHEREFORE, and in view of the foregoing considerations, the instant Motion for Reconsideration of the plaintiff is DENIED. Accordingly, this Court hereby **REITERATES** its February 26, 2004 and May 28, 2004<sup>23</sup> Orders holding in abeyance the execution of the Decision in this Case until after the Petition for Review of the defendant shall have been resolved by the <u>Supreme Court with Finality</u>.<sup>24</sup> (Underscoring and emphasis supplied)

Hence, PPA filed a petition for *certiorari, via* Rule 65, assailing the RTC Orders, holding in abeyance the execution of judgment, which was docketed as **G.R. No. 166025**.

While G.R. Nos. 163286 and 166025 were pending before this Court, MINTERBRO filed with the RTC, again, with the *sala* of Judge Cesar M. Solis, a *Motion for Issuance of Status Quo Ante Order* to compel the PPA to renew its port operator's permit,<sup>25</sup> which Judge Cesar M. Solis **granted** in an Order dated 20 June 2005 despite PPA's opposition:

WHEREFORE, let a Status *Quo Ante* Order be issued against plaintiff Philippine Ports Authority (PPA) to (1) CEASE and DESIST from imposing certain requirements in consideration of defendant Mindanao Terminal and Brokerage Service, Inc.'s application for

<sup>&</sup>lt;sup>22</sup> Id. at 35-37.

On 28 May 2004, the RTC issued an order holding in abeyance the resolution of petitioner's Motion for Reconsideration. Id. at 33.
Id. et 22

<sup>&</sup>lt;sup>24</sup> Id. at 32.

<sup>&</sup>lt;sup>25</sup> RTC Order dated 10 June 2005. *Rollo* (G.R. No. 170269), pp. 36-38.

renewal/issuance of its COR/PTO permits, and to (2) Act Immediately upon the said defendant's pending application without necessarily considering the existence of such disputed account, should it be warranted by the other circumstances, subject to the satisfaction of the monetary requirement as determined finally by the competent authority.<sup>26</sup>

This prompted the PPA to seek this Court's direct intervention through a petition for *certiorari* under Rule 65, now docketed as <u>G.R. No.</u> **170269.** 

#### **ISSUES:**

#### <u>G.R. No. 163286</u>

- a. Whether the Court of Appeals Decision dated 21 November 2002 had become final and executory; and
- b. Whether the decision was properly served on MINTERBRO's counsel.<sup>27</sup>

#### <u>G.R. No. 166025</u>

Whether or not the RTC committed grave abuse of discretion amounting to lack or in excess of jurisdiction when it refused to implement/execute its 28 August 1990 Decision which had already become final and executory, in the absence of an injunction or temporary restraining order from higher courts?<sup>28</sup>

# G.R. No. 170269

Whether the RTC committed grave abuse of discretion when:

- a. it resolved issues alien to the main case; and
- b. it supplanted PPA's constitutionally protected right to contract.<sup>29</sup>

<sup>&</sup>lt;sup>26</sup> Id. at 41.

<sup>&</sup>lt;sup>27</sup> *Rollo* (G.R. No. 163286), p. 8. <sup>28</sup> *Rella* (G.R. No. 16(025), p. 18

<sup>&</sup>lt;sup>28</sup> *Rollo* (G.R. No. 166025), p. 18.

<sup>&</sup>lt;sup>29</sup> *Rollo* (G.R. No. 170269), p. 22.

#### **Our Ruling**

The service of judgment serves as the reckoning point to determine whether a decision had been appealed within the reglementary period or has already become final.

The threshold issue that must be resolved first is whether the Court of Appeals Decision dated 21 November 2002 was properly served on MINTERBRO's counsel in accordance with service of judgment under Sections 9 and 10, Rule 13 of the Rules of Court, which require that:

Section 9. Service of judgments, final orders, or resolutions. — Judgments, final orders or resolutions shall be served either personally or by registered mail. When a party summoned by publication has failed to appear in the action, judgments, final orders or resolutions against him shall be served upon him also by publication at the expense of the prevailing party.

**Section 10.** Completeness of service. — Personal service is complete upon actual delivery. Service by ordinary mail is complete upon the expiration of ten (10) days after mailing, unless the court otherwise provides. Service by registered mail is complete upon actual receipt by the addressee, or after five (5) days from the date he received the first notice of the postmaster, whichever date is earlier.

The first point is crucial for the service of judgment serves as the reckoning point to determine whether a decision was appealed within the reglementary period, because otherwise, *i.e.*, in the absence of an appeal or if the appeal was made beyond the reglementary period, the decision would, as a consequence, become final.

Atty. Dizon contends that he was not properly served with the Court of Appeals decision since Cabrera who received the decision was not connected with his office. She was a front desk receptionist at the **Prestige** 

**Tower Condominium,** where Atty. Dizon was holding his office,<sup>30</sup> as shown by the affidavits executed by Cabrera and the Prestige Tower's management. Atty. Dizon rhetorically argued: "Who is this Virgie Cabrera? Is she an employee of the counsel of record of the petitioner? Is she authorized to receive a copy of a judgment ordering the petitioner to pay PPA the amount of  $\clubsuit$ 36,585,901.18?"

To him, the decision, as the rules dictate, if served by way of registered mail, must be actually received by the addressee or any person in his office, otherwise, service cannot be considered complete.<sup>31</sup> Because no valid service was made, the period to appeal did not prescribe and the decision has not yet attained finality.<sup>32</sup>

There is no dispute that as dictated by the Rules on Civil Procedure, Rule 13, Section 10 thereof, service by registered mail is complete upon actual receipt by the addressee, or five (5) days from the date he received the first notice of the postmaster, whichever date is earlier.

The purpose of the afore-quoted rule on service is to make sure that the party being served with the pleading, order or judgment is duly informed of the same so that such party can take steps to protect the interests, *i.e.*, enable to file an appeal or apply for other appropriate reliefs before the decision becomes final.<sup>33</sup>

Atty. Dizon, however, has forgotten that it was his elementary responsibility to have informed the Court of Appeals of his change of address **from** 6/F Padilla Building, Emerald Avenue, Ortigas Commercial

<sup>&</sup>lt;sup>30</sup> *Rollo* (G.R. No. 163286), pp. 11-13.

<sup>&</sup>lt;sup>31</sup> Id. at 12.

<sup>&</sup>lt;sup>32</sup> Id. at 4.

<sup>&</sup>lt;sup>3</sup> R.J. FRANCISCO, *Civil Procedure*, Rule 1-22, Vol. I (1<sup>st</sup> ed.) 2001, p. 444.

Center, Pasig City, <u>to</u> Suite 402, Prestige Tower, Emerald Avenue, Ortigas Center, Pasig City. The records show that Atty. Dizon only informed the Court of Appeals of his change of address on 12 November 2003.<sup>34</sup> This was almost one year after the entry of judgment was made on 20 December 2002.

It did not escape us that Atty. Dizon filed on 29 August 2003 a Motion for Reconsideration of the Declaration of Finality and to Set Aside Entry of Judgment, months prior to his filing of change of address. The said motion conspicuously bore his old address at Padilla Building, the same address where the postmaster delivered the Court of Appeals decision where it was received by Cabrera. Atty. Dizon's reason therefore, that Cabrera is not his employee but that of Prestige Tower Condominium does not persuade us, because, as certified by the postmaster, Cabrera received the letter on 4 December 2002 or a year before Atty. Dizon's change of address, and while his office address was at the Padilla Building. On that particular date, therefore, his office at the Prestige Tower Condominium was yet non-existent. At the very least, if it were true that he already moved to his new address, he should have indicated his new address in his motion for reconsideration. But even then, still, the responsibility was with Atty. Dizon to inform the Court of Appeals of such change.

As between the claim of non-receipt of notices of registered mail by a party and the assertion of an official whose duty is to send notices, which assertion is fortified by the presumption that the official duty has been regularly performed, the choice is not difficult to make.<sup>35</sup> As shown in the records, the postmaster included in his certification the manner, date and the

<sup>&</sup>lt;sup>34</sup> CA *rollo*, p. 153.

Santos v. Court of Appeals, G.R. No. 128061, 3 September 1998, 295 SCRA 147, 155.

recipient of the delivery, a criterion for the proper service of judgment which this Court enunciated in *Santos v. Court of Appeals, viz:* 

Clearly then, proof should always be available to the post office not only of whether or not the notices of registered mail have been reported delivered by the letter carrier but also of how or to whom and when such delivery has been made. Consequently, it cannot be too much to expect that when the post office makes a certification regarding delivery of registered mail, such certification should include the data not only as to whether or not the corresponding notices were issued or sent but also as to how, when and to whom the delivery thereof was made.<sup>36</sup>

An examination of the postmaster's certification shows that:

# x x x registered letter No. 6270-B was received by Virgie Cabrera on 4 December 2002.<sup>37</sup> (Emphasis supplied)

This certification, the form of which came from the Supreme Court, and which only needs to be filled-up by the postmaster, to the mind of this Court, satisfies the requirement stated in *Santos*.

Atty. Dizon has no one to blame but himself for allowing his client to lose the multi-million case because of his negligence to appeal the same within the reglementary period. Losing a case on account of a counsel's negligence is a bitter pill to swallow for the litigant.<sup>38</sup> But then, the Court is duty-bound to observe its rules and procedures. And, in the observance thereof, for the orderly administration of justice, it cannot countenance the negligence and ineptitude of lawyers who wantonly jeopardize the interests of their clients. On his part, a lawyer shall observe the rules of procedure and shall not misuse them to defeat the ends of justice.<sup>39</sup>

<sup>&</sup>lt;sup>36</sup> Id.

<sup>&</sup>lt;sup>37</sup> CA *rollo*, p. 132. <sup>38</sup> *Vill Transport Sa* 

<sup>&</sup>lt;sup>38</sup> *Vill Transport Services, Inc. v. Court of Appeals,* 271 Phil. 25, 31 (1991).

<sup>&</sup>lt;sup>39</sup> Id. at 31-32.

Decision

Once a judgment becomes final, the prevailing party is entitled as a matter of right to a writ of execution.

As a matter of law, once a judgment becomes final, the prevailing party is entitled as a matter of right to a Writ of Execution<sup>40</sup> as mandated by Section 1, Rule 39 of the 1997 Rules of Civil Procedure, which states that:

Section 1. Execution upon judgments or final orders. — Execution shall issue as a matter of right, on motion, upon a judgment or order that disposes of the action or proceeding upon the expiration of the period to appeal therefrom if no appeal has been duly perfected. (Emphasis supplied)

The rule is clear that it becomes mandatory or ministerial duty of the court to issue a writ of execution to enforce the judgment which has become executory.

Hence, this Court holds that the RTC abused its discretion when it held in abeyance the issuance of the writ of execution of the judgment in Civil Case No. 87-42747 entitled *Philippine Ports Authority v. Mindanao Terminal and Brokerage Services, Inc.*, notwithstanding the fact that the same had already become final and executory — this notwithstanding that MINTERBRO filed before this Court a petition for *certiorari* under Rule 65 of the Rules of Court. It did not escape this Court that the RTC Order dated 26 February 2004, holding in abeyance the writ of execution was only "until after the Petition for Review of the defendant shall have been resolved by the <u>Court of Appeals</u>."<sup>41</sup> After the Court of Appeals, however, decided and held that its decision was already final and executory, the RTC issued another Order dated 17 September 2004, which in the guise of reiterating the

Balintawak Construction Supply Corp. v. Valenzuela, G.R. No. L-57525, 30 August 1983, 124
SCRA 333, 336.
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<sup>&</sup>lt;sup>41</sup> CA *rollo*, pp. 35-37.

24 February 2004 order, changed its tone to the effect of holding in abeyance "until after the Petition for Review of the defendants hall have been resolved by the Supreme Court with Finality."<sup>42</sup> It is a basic rule that a petition for *certiorari* under Rule 65 does not by itself interrupt the course of the proceedings. It is necessary to avail of either a temporary restraining order or a writ of preliminary injunction to be issued by a higher court against a public respondent so that it may, during the pendency of the petition, refrain from further proceedings.<sup>43</sup>

This was the Court's ruling in *Peza v. Hon. Alikpala*,<sup>44</sup> where this Court ruled that:

It is elementary that the mere pendency of a special civil action for *certiorari*, commenced in relation to a case pending before a lower Court, does not interrupt the course of the latter when there is no writ of injunction restraining it.<sup>45</sup>

In *Balintawak Construction Supply Corp. v. Valenzuela*,<sup>46</sup> this Court held that:

It is basic that once a judgment becomes final, the prevailing party is entitled as a matter of right to a Writ of Execution, and the issuance thereof is the Court's ministerial duty, compellable by Mandamus. In fact, it has been fittingly said that "an execution is the fruit and end of the suit, and is very aptly called the life of the law." Petitioner, therefore, as the prevailing party was entitled as a matter of right to the execution of the judgment x x x in its favor that had become final and executory.<sup>47</sup>

To this day, these rules remain the same.

<sup>&</sup>lt;sup>42</sup> *Rollo* (G.R. No. 166025), p. 10. <sup>43</sup> Pieze *Civil* Press *Luce* (2001).

<sup>&</sup>lt;sup>43</sup> Riano, *Civil Procedure* (2001), p. 538.

<sup>&</sup>lt;sup>44</sup> 243 Phil. 196 (1988).

<sup>&</sup>lt;sup>45</sup> Id. at 200.

<sup>&</sup>lt;sup>46</sup> Supra note 40.

<sup>&</sup>lt;sup>47</sup> Id. at 336.

This Court, likewise, rules that Judge Cesar M. Solis, the presiding judge of the cases in controversy, gravely abused his discretion when he ordered the PPA to act immediately on MINTERBRO's application for renewal of the latter's Certificate of Registration/Permit to Operate (COR/PTO) when its prior registration expired, and for PPA to cease and desist from imposing certain requirements in consideration of MINTERBRO's application for renewal of said COR/PTO.<sup>48</sup>

It is noteworthy that Civil Case No. 87-42747, the principal case in controversy was already appealed to and decided by the Court of Appeals, which decision, in fact, had, by the records, already become final and executory, and has been consequently entered in the book of judgments. The only issue that remained in litigation was whether or not the decision of the Court of Appeals affirming the trial court's decision in favor of PPA is no longer appealable. On that issue, we did not grant any temporary restraining order.

Notably, the trial court lost its jurisdiction over the case from the time MINTERBRO perfected its appeal of the RTC decision to the Court of Appeals.<sup>49</sup> From that time on, the RTC was divested of any authority over the substantive issues of the case. This is clear from the reading of Section 8, Rule 42 of the Rules of Court, thus:

Sec. 8. Perfection of appeal: effect thereof. -

(a) Upon the timely filing of a petition for review and the payment of the corresponding docket and other lawful fees, the appeal is deemed perfected as to the petitioner.

The Regional Trial Court loses jurisdiction over the case upon the perfection of the appeals filed in due time and the expiration of the time to appeal of the other parties.

<sup>&</sup>lt;sup>48</sup> *Rollo* (G.R. No. 170269), pp. 36-38.

<sup>&</sup>lt;sup>49</sup> *Fernandez v. Court of Appeals*, 397 Phil. 205, 219 (2000).

However, before the Court of Appeals gives due course to the petition, the Regional Trial Court may issue orders for the protection and preservation of the rights of the parties which do not involve any matter litigated by the appeal, approve compromises, permit appeals of indigent litigants, order execution pending appeal in accordance with Section 2 of Rule 39, and allow withdrawal of the appeal. (Emphasis supplied)

While Judge Cesar M. Solis anchors his action in citing the same afore-quoted provision "that the RTC may issue orders for the protection and preservation of the rights of the parties which do not involve any matter litigated by the appeal,"<sup>50</sup> the same is applicable only "before the Court of Appeals gives due course to the petition," as mandated by the very same provision cited by Judge Cesar M. Solis. This was the Court's pronouncement in Atty. Fernandez v. Court of Appeals,<sup>51</sup> where this Court held that "this residual jurisdiction of the trial court (referring to Section 8[a] par. 3, Rule 42, 1997 Rules on Civil Procedure) is available at a stage in which the court is normally deemed to have lost jurisdiction over the case or the subject matter involved in the appeal. This stage is reached upon the perfection of the appeals by the parties or upon the approval of the records on appeal, but prior to the transmittal of the original records or the records on appeal."<sup>52</sup> At the time that Judge Cesar M. Solis issued his Status Quo Ante Order of 20 June 2005, even the Court of Appeals has lost jurisdiction over the issue of finality of decision. This Court has by then taken over.

# WHEREFORE, premises considered, this Court HOLDS that:

(A) There was proper service of judgment on MINTERBRO's counsel; and

<sup>&</sup>lt;sup>50</sup> *Rollo* (G.R. No. 170269), p. 37.

<sup>&</sup>lt;sup>51</sup> 497 Phil. 748 (2005).

<sup>&</sup>lt;sup>52</sup> Id. at 758-759.

(B) The Court of Appeals Decision dated 21 November 2002 in CA G.R. CV No. 35884 had become final and executory.

This Court further **RESOLVES TO:** 

- (A) DIRECT the Regional Trial Court, Manila, Br. 14, to ISSUE THE WRIT OF EXECUTION in Civil Case No. 87-42747, and to implement and execute the same without delay; and
- (B) NULLIFY the Orders of the RTC dated 10 June 2005, 20 June 2005, and 6 September 2005, granting MINTERBRO's Motion for Issuance of Status Quo Ante Order, issuing the Status Quo Ante Order, and, denying PPA's Motion to lift the Status Quo Ante Order, respectively.

SO ORDERED.

OSF EREZ Associate Justice

WE CONCUR:

ANTONIO T. CARPIO Senior Associate Justice Chairperson

Decision

G.R. Nos. 163286, 166025 and 170269

e Castro DO-DE CASTRO

Associate Justice

maparent **MARIA LOURDES P. A. SERENO** 

Associate Justice

**BIENVENIDO L. REYES Associate Justice** 

# **CERTIFICATION**

I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

Gn

ANTONIO T. CARPIO Senior Associate Justice (Per Section 12, R.A. 296 The Judiciary Act of 1948, as amended)