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THIRD DIVISION

[G.R. No. 139370. July 4, 2002]

RENE KNECHT and KNECHT, INC., *petitioners, vs.* **UNITED CIGARETTE CORP., represented by ENCARNACION GONZALES WONG, and EDUARDO BOLIMA, Sheriff, Regional Trial Court, Branch 151, Pasig City,** *respondents.*

SYNOPSIS

Rose Packing Company, Inc. (Rose Packing) owns three parcels of land, one of which was mortgaged to Philippine Commercial and Industrial Bank (PCIB). Later on, the same parcel of land mortgaged was sold to United Cigarette Corporation (UCC), owned by Rene Knecht. UCC agreed to assume the loan, and to secure the deal UCC paid Rose Packing an amount as earnest money. Before the sale could be executed, the parties found that the amount of the loan exceeded that which UCC agreed to assume, so PCIB demanded additional collateral from UCC. UCC did not comply. Without UCC's knowledge and without returning to the latter the earnest money it paid earlier, Rose Packing offered to sell the subject lot to another prospective buyer. UCC filed a complaint for specific performance and recovery of damages against Rose Packing with the then Court of First Instance (CFI). UCC won the case; hence, Rose Packing appealed to the Court of Appeals. During the pendency of the case, UCC's life expired. Thereafter, the CA affirmed the CFI decision and the same became final and executory. Unfortunately, several supervening incidents hampered the execution of the CFI decision. Rose Packing's corporate life had been dissolved. Knecht, Inc., a domestic corporation, undertook the liquidation of Rose Packing. UCC, through its liquidator Alberto Wong, sought the execution of the CFI decision thru a motion for leave to intervene. Knecht, Inc. opposed the motion and claimed that the decision can not longer be enforced since more than 10 years had elapsed from its finality. The motion was granted then later the court issued an order granting the writ of execution. Knecht, Inc. appealed

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to the CA. The CA affirmed the trial court's order. Hence, this petition.

The Supreme Court denied the petition. According to the Court, the dissolution of the UCC itself, or the expiration of its three-year liquidation period, should not bar the enforcement of its right as a corporation. There is not doubt that the assailed judgment became final and executory and the Supreme Court decided that this judgment should still be enforceable with finality. The expiration of the second *alias* writ was attributable to petitioners alone who deliberately caused the filing of numerous and unmeritorious petitions to the CA and the Supreme Court to thwart the long delayed execution of the final and executory decision. The assailed decision of the Court of Appeals was affirmed.

SYLLABUS

1. **MERCANTILE LAW; PRIVATE CORPORATIONS; CORPORATION; DISSOLUTION THEREOF NOT A BAR TO THE ENFORCEMENT OF ITS RIGHTS; APPLICATION IN CASE AT BAR.** — Indeed, the rights of a corporation (dissolved pending litigation) are accorded protection by law. This is clear from Section 145 of the Corporation Code, thus: "Section 145. *Amendment or repeal. No right or remedy in favor of* or *against any corporation*, its stockholders, members, directors, trustees, or officers, nor any liability incurred by any such corporation, stockholders, members, directors, trustees, or officers, *shall be removed or impaired either by the subsequent dissolution of said corporation* or by any subsequent amendment or repeal of this Code or of any part thereof." The dissolution of UCC itself, or the expiration of its three-year liquidation period, should not be a bar to the enforcement of its rights as a corporation. One of these rights, to be sure, includes the UCC's right to seek from the court the execution of a valid and final judgment in Civil Case No. 9165 – through its trustee/liquidator Encarnacion Gonzales Wong — for the benefit of its stockholders, creditors and any other person who may have legal claims against it. To hold otherwise would be to allow petitioners to unjustly enrich themselves at the expense of UCC. This, in effect, renders nugatory all the efforts and expenses of UCC in its quest to secure justice, not to mention the undue delay in disposing of this case prejudicial to the administration of justice.

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2. REMEDIAL LAW; RULES OF COURT; DESIGNED TO FACILITATE THE ATTAINMENT OF JUSTICE; EFFECT THEREOF. — It may now be trite, but apt, to stress that the Rules of Court "shall be liberally construed in order to promote their objective of securing a just, speedy and inexpensive disposition of every action and proceeding." They are mere tools designed to facilitate the attainment of justice. Any rigid application of the rules which would tend to frustrate, rather than promote, substantial justice is abhorred. Every litigation must come to an end. While a litigant's right to initiate an action in court is fully respected, however, once his case has been adjudicated by a competent court in a valid final judgment, he should not be permitted to initiate similar suits hoping to secure a favorable ruling, for this will result to endless litigations detrimental to the administration of justice, as in this case.

APPEARANCES OF COUNSEL

Ramon A. Gonzalez for petitioners.

Gutierrez, Sundiam, Villanueva & Dononilla for private respondent.

D E C I S I O N

SANDOVAL-GUTIERREZ, *J.*:

Before us is a petition for review on *certiorari*[1] seeking to set aside the Decision dated May 19, 1999 of the Court of Appeals in CA-G.R. SP No. 47978 upholding the validity of the Orders dated June 27, 1997 and May 12, 1998 issued by the Regional Trial Court, Branch 151, Pasig City in Civil Case No. 9165.

The facts are:

Rose Packing Company, Inc. (Rose Packing), a domestic corporation, owns three (3) parcels of land with a total area

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[1] Filed under Rule 45 of the 1997 Rules of Civil Procedure, as amended.

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of 31, 842 square meters situated in Sto. Domingo, Cainta, Rizal. The largest among these parcels has an area of 31,447 square meters covered by Transfer Certificate of Title (TCT) No. 73620 of the Registry of Deeds of Rizal. The other two remaining parcels are unregistered. The area covered by TCT No. 73620 is mortgaged with the Philippine Commercial and Industrial Bank (PCIB).

On October 26, 1965, Rose Packing, through its President Rene Knecht, sold to the United Cigarette Corporation (UCC), a domestic corporation, the said parcels of land, with all the buildings and improvements thereon, for ₱800,000.00.[2] Rose Packing made a warranty that the lots are free from all liens and encumbrances, except the real estate mortgage constituted over the area covered by TCT No. 73620. For its part, UCC promised to pay the purchase price under the following terms and conditions: (a) a ₱250,000.00 down payment must be made upon signing of the deed of sale with mortgage; (b) it will assume Rose Packing's ₱250,000.00 overdraft line obligation with the PCIB, subject to the latter's approval; and (c) the balance of ₱300,000.00 shall be paid in two annual installments at ₱150,000.00 each (within 12 and 14 months) from the date of sale, with 10% annual interest. To secure the deal, UCC initially paid Rose Packing ₱80,000.00 as earnest money.

Before the deed of sale could be executed, the parties found that Rose Packing's actual obligation with the PCIB far exceeded the ₱250,000.00 which UCC assumed to pay under their agreement. So the PCIB demanded additional collateral from UCC as a condition precedent for the approval of the sale of the mortgaged property. However, UCC did not comply.

Meanwhile, Rose Packing again offered to sell the same lots to other prospective buyers without the knowledge of UCC and without returning to the latter the earnest money it earlier paid.[3]

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[2] Court of Appeals (CA) *rollo*, pp. 116-117.

[3] CA *rollo*, p. 125.

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Aggrieved, UCC, on March 2, 1966, filed with the then Court of First Instance (CFI) of Rizal, Branch I, a complaint against Rose Packing and Rene Knecht for specific performance and recovery of damages, docketed as Civil Case No. 9165.

On July 15, 1969, the CFI rendered a Decision holding that Rose Packing was in bad faith when it did not inform UCC the amount of its actual obligation with the PCIB. Considering that UCC agreed to assume the overdraft line obligation of Rose Packing with the PCIB only to the extent of ₱250,000.00, it (UCC) cannot be compelled to assume the excess obligation. The dispositive portion of the CFI Decision reads:

"PREMISES CONSIDERED, this Court orders defendants Rose Packing Company's, Inc. and its President, Rene Knecht to convey and deliver to plaintiff, United Cigarette Corporation, the three parcels of land object of the complaint, together with all the buildings and improvements thereon, with the exception of machines for canning factory, and to execute the corresponding deed of sale with mortgage covering said properties for the purchase price of ₱800,000.00 under the following terms and conditions: ₱250,000.00 as down payment upon the signing of the Deed of Sale with Mortgage, less the ₱80,000.00 which plaintiff had paid to defendant company as earnest money and less the amount in excess of the ₱250,000.00 overdraft line obligation of defendant corporation with Philippine Commercial and Industrial Bank which the parties had agreed will be assumed by the plaintiff; assumption by the plaintiff of the total of the overdraft line obligation of defendant corporation to the Philippine Commercial and & Industrial Bank for which the properties are answerable; and the balance of ₱300,000.00 to be paid in two equal installments payable 12 months and 24 months from date of sale with 10% annual interest each installment to be covered by draft accepted by the Philippine Bank of Commerce; provided, that, together with the ₱80,000.00 earnest money paid by plaintiff to defendant, should the sum of defendant corporation's overdraft line obligation to the Philippine Commercial and Industrial Bank (which obligation will be assumed by plaintiff) total more than ₱420,000.00, which is the total of the ₱170,000.00 still due as down payment and the ₱250,000.00 agreed portion of the obligation to the Philippine Commercial and Industrial Bank to be assumed by plaintiff, the excess over said amount of ₱420,000.00, as well as the other amounts which plaintiff may have to pay for existing attachments and other encumbrances authorized by existing orders

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and the expenses in connection with the same, shall be insufficient from the 2nd installment as well.

"Should the total balance of ₱720,000.00 of the purchase price be insufficient to free the properties from the obligation of defendant corporation for which they are or have been made answerable, defendant corporation is hereby ordered to reimburse plaintiff the amount of the excess and to execute the appropriate and effective deed without mortgage transferring and conveying the subject properties to plaintiff.

"Defendant Rose Packing Company, Inc., is also ordered to pay plaintiff the amount of ₱10,000.00 in moral damages and to indemnify plaintiff United Cigarette Corporation in the amount of ₱20,000.00 as litigation expenses which include the costs of this suit and attorney's fees.

"SO ORDERED."[4]

Rose Packing interposed an appeal to the Court of Appeals (CA), docketed as CA-G.R. No. 45525-R. On March 30, 1973 and during the pendency of this appeal, UCC's corporate life expired.[5] Alberto Wong, one of UCC's major stockholders, was appointed trustee/liquidator of the dissolved corporation. He then represented UCC in the proceedings in Civil Case 9165.[6]

On June 26, 1976, the CA affirmed the CFI Decision with modification in the sense that the award of moral damages was deleted. This prompted Rose Packing and Rene Knecht to file with this Court a petition for review on *certiorari*, docketed as G.R. No. L-44977. In a Resolution dated January 5, 1977, this Court denied the petition for lack of merit.[7] They filed a motion for reconsideration but was denied. On March 23, 1977, this Court's Decision became final and executory.[8]

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[4] CA *rollo*, pp. 118-119.

[5] *Rollo*, p. 31.

[6] *Ibid.*, pp. 131-132.

[7] CA *rollo*, p. 133.

[8] *Ibid.*, p. 134.

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Unfortunately, several supervening incidents hampered the due execution of the CFI Decision.

The records show that on July 15, 1968, even before the trial court could render its Decision in Civil Case No. 9165, Rose Packing filed Civil Case No. 11015 with Branch 2 of the same CFI, praying among others, to enjoin the PCIB from proceeding with the foreclosure sale of the land covered by TCT No. 73620. The CFI denied the application for injunction. Thus, the foreclosure sale proceeded and title over the subject lot was consolidated in the name of the PCIB through the issuance of TCT No. 286176 by the Registry of Deeds of Rizal.[9] On appeal by Rose Packing, docketed as CA-G.R. No. 43198-R, the Court of Appeals upheld the validity of the foreclosure sale but declared void *ab initio* the consolidation of ownership in the name of PCIB over the subject property for being premature. The appellate court granted Rose Packing a 60-day period within which to redeem the foreclosed property. Unsatisfied, Rose Packing filed a petition for review on certiorari with this Court, docketed as G.R. No. L.-33084.[10]

On November 14, 1988, this Court rendered a Decision in G.R. No. L.-33084[11] declaring the foreclosure sale void and remanding Civil Case No. 11015 to the lower court for further proceedings to determine the exact amount of Rose Packing's liability with the PCIB. In effect, ownership over the subject property reverted to Rose Packing. At that time, however, Rose Packing (like UCC) had been dissolved with the expiration of its corporate charter on June 10, 1986. Thereupon, Knecht, Inc., a domestic corporation, undertook the liquidation of Rose Packing's assets as well as the winding-up of its pending affairs.

Subsequently, on July 19, 1990, UCC, through its liquidator Alberto Wong, filed with the CFI, Branch 2 a motion for leave to intervene and to admit its complaint-in-intervention in Civil

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[9] *Rollo*, pp. 151-152.

[10] Entitled *Rose Packing Co., Inc. vs. Court of Appeals.*

[11] See 167 SCRA 309 (1988).

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Case No. 11015, which case was then absorbed by Branch 152 of the Regional Trial Court (RTC), Pasig City pursuant to the implementation of Batas Pambansa Blg. 129 (the Judiciary Reorganization Act of 1981).[12] The complaint-in-intervention sought to compel Rose Packing to comply with the Decision in Civil Case No. 9165 and prayed that a writ of execution be issued to enforce that decision. Rose Packing, through its liquidator/trustee, Knecht, Inc., opposed the motion claiming that the Decision in Civil Case No. 9165 which became final on March 23, 1977 can no longer be enforced since more than ten (10) years had elapsed from its finality.[13]

Despite the opposition, the RTC of Pasig (Branch 152), in an Order dated December 10, 1990, granted UCC's motion for leave to intervene and admitted its complaint-in-intervention. On October 10, 1991, the same court issued an Order granting the writ of execution prayed for by UCC to enforce the Decision in Civil Case No. 9165.

Rose Packing, through Knecht, Inc. then questioned the validity of these twin orders via a petition for *certiorari* with the CA, docketed as CA-G.R. SP No. 26545. The CA, in its Decision dated March 5, 1992,[14] nullified the CFI Orders dated December 10, 1990 and October 10, 1991, holding that UCC's intervention in Civil Case No. 11015 is not warranted since the "only purpose is to execute the judgment obtained by UCC against petitioner (Rose Packing) in Civil Case No. 9165." Thus, the RTC of Pasig City (Branch 152) has no jurisdiction to admit the complaint-in-intervention and to issue the assailed writ of execution.

While it nullified the Orders dated December 10, 1990 and October 10, 1991, the CA nonetheless stressed that *"UCC's*

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[12] This law abolished the Courts of First Instance. Their functions and jurisdiction were absorbed by and vested in the Regional Trial Courts. The Regional Trial Court of Pasig City absorbed all cases and incidents left pending by the defunct CFI of Rizal.

[13] CA *rollo*, pp. 138-139.

[14] CA *rollo*, pp. 136-157.

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right to execute the judgment in Civil Case No. 9165 has not yet prescribed insofar as the parcel of land covered by TCT No. 73620 is concerned" because this land was involved in Civil Case No. 11015. Its execution can be availed of in Branch 151, not in Branch 152, of the RTC, Pasig City. As regards the two other unregistered parcels of land, the judgment *has already prescribed because these properties were not involved in Civil Case No. 11015, hence, UCC should have then sought the execution of the judgment with respect to said properties.*

Pursuant to the CA Decision in CA-G.R. SP No. 26545, the RTC of Pasig City (Branch 151) issued an Order on June 17, 1992[15] granting UCC's motion for the issuance of a writ of execution of the judgment in Civil Case No. 9165 with respect to the land covered by TCT 73620 (then still in the name of PCIB under TCT No. 286176).

In seeking the annulment of this order, Rose Packing, through Knecht, Inc. and Rene Knecht, filed with the CA CA-G.R. SP No. 28333 for *certiorari*. For the second time, it assailed the validity of the judgment in Civil Case No. 9165 and reiterated its position that UCC's right to enforce that judgment had already prescribed.

On March 18, 1993, the CA rendered a Decision[16] in CA-G.R. SP No. 28333 reiterating its ruling in CA-G.R. No. 26545 that UCC's right to file a motion for execution of the Decision in Civil Case No. 9165 has not yet prescribed insofar as the titled land is concerned, and that Rose Packing could no longer re-litigate Civil Case No. 9165 which had long become final and executory.

Forthwith, Rose Packing filed a petition for review on *certiorari* with this Court, docketed as G.R. No. 109385. On August 30, 1993, this Court denied the petition[17] on the ground

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[15] CA *rollo*, p. 160.

[16] *Ibid.*, pp. 163-167.

[17] CA *rollo*, p. 168.

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that *no reversible error was committed by the CA* in rendering the questioned decision in CA-G.R. SP No. 28333. Rose Packing filed a motion for reconsideration but it was denied *with finality* by this Court in a Resolution dated October 20, 1993.

On November 14, 1993, Knecht, Inc. and Rene Knecht, claiming that they had just discovered UCC's dissolution on April 10, 1973 and that the three-year period to liquidate its affairs had already expired, again questioned before the RTC of Pasig City, Branch 151, the validity of the June 17, 1992 Order granting the writ of execution in Civil Case No. 9165. They averred that upon its dissolution, UCC may no longer move for execution.

On March 24, 1994, the trial court ordered the issuance of an *alias* writ of execution in favor of UCC.[18] The *alias* writ was subsequently issued on April 19, 1994.

When the *alias* writ was about to be implemented, Rose Packing, through Knecht, Inc. and Rene Knecht, instituted another petition with the CA, docketed as CA-G.R. SP No. 33852.[19] They assailed the validity of the writ, reiterating that the judgment in Civil Case No. 9165 which had become final and executory in 1977 cannot be enforced in favor of UCC due to the latter's dissolution in 1973.

The CA, on October 25, 1994, dismissed the petition.[20] It ruled that the validity and propriety of the enforcement of the

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[18] *Ibid.*, pp. 171-172.

[19] CA-G.R. SP No 33852 was consolidated with CA-G.R. SP No. 33357, a petition also initiated by Knecht, Inc. to assail the order issued by the RTC, Branch 73, Antipolo, Rizal which dropped Rose Packing as a party litigant in the expropriation action commenced by the Municipality of Cainta, Rizal over the land covered by TCT No. 73620.

Like CA-G.R. SP No 33852, CA-G.R. SP No. 33357 was also dismissed by the CA, reiterating that by virtue of the CFI Decision in Civil Case No. 9165 which had long become final and executory, Rose Packing has been divested of any title, right and interest over the subject property and that, for all intent and purposes, UCC has become its owner. Thus, Rose Packing is clearly not a real party in interest to question the expropriation action filed by the Municipality of Cainta, Rizal over the subject land.

[20] CA *rollo*, pp. 175-180.

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Decision in Civil Case No. 9165 had been resolved with finality in CA-G.R. SP No. 26545 and CA-G.R. SP No 28333, and affirmed by this Court in G.R. No. 109385.

Aggrieved, Knecht, Inc. and Rene Knecht again filed a petition with this Court, docketed as G.R. Nos. 118183-84, questioning the Decision of the Court of Appeals in CA-G.R. SP No. 33852. In a Resolution dated January 30, 1995, this Court denied the petition for being technically infirm. Their motion for reconsideration was denied *with finality* on March 15, 1995.[21]

On July 15, 1995, UCC, thru Encarnacion Gonzales Wong, its new trustee/liquidation, filed a motion for the issuance of a *second alias* writ of execution to enforce the decision in Civil Case No. 9165 insofar as the land covered by TCT No. 73620 is concerned. Surprisingly, for unknown reasons, title over the subject realty (then already substituted by TCT No. 286176 in the name of PCIB) underwent an anomalous transfer in the name of Knecht, Inc. under TCT No. 613113.[22]

On November 8, 1995, upon UCC's motion, the trial court issued a *Second Alias Writ of Execution*.[23]

To further derail the implementation of the second *alias* writ of execution over the property covered by TCT No. 613113, Knecht, Inc. and Rene Knecht filed a petition with the CA, docketed as CA G.R. SP No. 39003. They contended anew that Civil Case No. 9165 can no longer be enforced for having been rendered moot and academic because of UCC's dissolution in 1973 and that of Rose Packing in 1986. Finding the contention devoid of merit, the CA in its Decision dated May 8, 1996,[24] dismissed the petition. It held that the three-year period allowed to a dissolved corporation for liquidating its assets and winding up of its affairs can be extended under certain circumstances

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[21] *Ibid.*, pp. 182-184.

[22] *Rollo*, p. 50.

[23] CA *rollo*, pp. 185-186.

[24] *Ibid.*, pp. 189-200.

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where, as here, the suit filed by UCC during its corporate existence necessarily prolonged that period. Moreover, mere dissolution of a corporation cannot be invoked by Rose Packing to unjustly enrich itself at the expense of the dissolved corporation.

Knecht, Inc. and Rene Knecht filed with this Court a petition for review, docketed as G.R. No. 124983, questioning the CA Decision in CA-G.R. SP No. 39003. In a Resolution dated August 26, 1996, this Court dismissed the petition for petitioners' failure to pay the prescribed docketing and other fees within the reglementary period. On November 11, 1996, their motion for reconsideration was denied with finality.[25]

Thereafter, the trial court, upon motion[26] by UCC, issued an Order dated June 27, 1997[27] directing Sheriff Eduardo L. Bolima of Branch 151, RTC, Pasig City to execute the corresponding deed of sale with mortgage in compliance with the judgment in Civil Case No. 9165.

Rene Knecht filed a motion for reconsideration[28] insisting that the execution of the judgment in Civil Case No. 9165 cannot be availed of anymore whether against Rose Packing or in favor of UCC because both corporations had been dissolved. This motion was denied by the trial court in an Order dated May 12, 1998.[29]

Undaunted, Rene Knecht and Knecht, Inc. filed a petition with the CA, docketed as CA-G.R. SP No. 47978, assailing the trial court's jurisdiction to issue the June 27, 1997 and May 12, 1998 Orders. They impleaded as respondents Hon. Deogracias O. Felizardo (Judge, RTC, Branch 151, Pasig City),

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[25] CA *rollo*, pp. 201-202.

[26] Urgent *Ex-Parte* Motion for Branch Sheriff to Execute a Deed of Absolute Sale.

[27] CA *rollo*, p. 53.

[28] *Ibid.*, pp. 55-62.

[29] *Ibid.*, pp. 67-69.

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Sheriff Eduardo L. Bolima and UCC. Pending resolution of this petition, Sheriff Bolima executed a "Sheriff's Deed of Absolute Sale"[30] dated June 16, 1998 transferring to UCC the parcel of land covered by TCT No. 613113 for a consideration of ₱720,000.00 (which is the difference between the agreed purchase price of ₱800,000.00 and the amount of ₱80,000.00 paid by UCC as earnest money). UCC deposited the ₱720,000.00 with the Cashier of the Clerk of Court, RTC, Pasig City.

On May 10, 1999, the CA rendered the now questioned Decision,[31] upholding the twin orders of the trial court dated June 27, 1997 and May 12, 1998. The CA emphasized that all the issues raised in the petition — including the validity of the enforcement of the decision and the corresponding writ of execution issued in Civil Case No. 9165 in favor of UCC — had already been finally decided and judicially laid to rest in the several *certiorari* proceedings filed by Rene Knecht and Knecht, Inc. with the Court of Appeals and this court. These issues cannot be reopened and re-litigated without violating the rule on *res judicata*. Furthermore, the *certiorari* proceedings directed against the enforcement of the same decision and writ of execution constitute forum-shopping which, in essence, "degrades the administration of justice."

Upon denial by the CA of their motion for reconsideration, Rene Knecht and Knecht, Inc. filed the present petition for review on *certiorari* assailing the Decision in CA-G.R. SP No. 47978.

In the main, petitioners vehemently aver that the absence of a statutory authority for the extension of the life of UCC for the purpose of pursuing Civil Case No. 9165 after its dissolution rendered void the July 15, 1969 Decision of the trial court in that case. A void decision can be attacked any time either directly or collaterally without violating the rules on *res judicata* and non-forum shopping. Necessarily, the writs of execution

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[30] CA *rollo*, pp. 282-288.

[31] *Rollo*, pp. 62-72.

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and all other orders issued by the trial court to implement that void decision are likewise void. In support of this contention, petitioners cite *Sumera vs. Valencia*,[32] *National Abaca and Other Fibers Corporation vs. Pore*[33] and *Board of Liquidators vs. Kalaw*.[34]

Furthermore, petitioners claim that the November 8, 1995 second *alias* writ of execution cannot be implemented by the June 27, 1997 Order of the trial court because: (1) the second *alias* writ varied the terms of the judgment in Civil Case No. 9165 resulting in the deprivation of petitioner Knecht, Inc. of its property without due process; and (2) the said writ having expired, became *functus officio*.

The petition lacks merit.

Viewed from the facts stated above, it appears that petitioners have filed a total of eight (8) appeals and/or petitions (including the present petition) with this Court and the CA, all geared towards frustrating the execution of the judgment in Civil Case No. 9165, to wit:

1. CA-G.R. SP No. 28333 — Petition for *certiorari* filed with the CA to annul the June 17, 1992 Order of the RTC, Branch 151, Pasig City allowing the issuance of a writ of execution to enforce the decision in Civil Case No. 9165 (in accordance with the Decision of the CA in CA-G.R. SP No. 26545). Petitioners insisted that the judgment in Civil Case No. 9165 cannot be enforced due to prescription. The CA dismissed the petition and upheld the questioned order of the trial court;
2. G.R. No. 109385 — Petition for review on *certiorari* filed with this Court questioning the CA Decision in CA-G.R. SP No. 28333. This Court found no reversible error on the part of the CA;

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[32] 67 Phil. 721 (1939).

[33] 2 SCRA 989 (1961).

[34] 20 SCRA 987 (1967).

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3. CA-G.R. SP No. 33852 — Petition for *certiorari* filed with the CA seeking to enjoin the enforcement of an *alias* writ of execution issued by the trial court on April 19, 1994. Petitioners interposed the new argument that the judgment in Civil Case No. 9165 cannot be enforced due to the dissolution of UCC on March 30, 1973. The CA dismissed the petition;

4. G.R. Nos. 118183 and 118184 — Petition for review on *certiorari* filed with this Court questioning the CA Decision in CA-G.R. SP No. 33852. This Court dismissed the petition in a Resolution dated January 30, 1995;

5. CA-G.R. SP No. 39003 — Petition for *certiorari* and prohibition with prayer for the issuance of temporary restraining order filed with the CA seeking, among others, the annulment of the second *alias* writ of execution issued by the trial court on November 8, 1995. Petitioners reiterated that the judgment in Civil Case No. 9165 cannot anymore be enforced for having been rendered moot and academic by the dissolution of UCC. The CA denied this petition for lack of merit and upheld the validity of the second *alias* writ of execution;

6. G.R. No. 124983 — Petition for review on *certiorari* filed with this Court questioning the CA Decision in CA-G.R. SP No. 39003. This Court denied the petition in a Resolution dated August 26, 1996;

7. CA-G.R. SP No. 47978 — Petition for *certiorari* filed with the CA seeking to annul the June 27, 1997 Order of the trial court directing Sheriff Eduardo L. Bolima of Branch 151, RTC, Pasig City to execute the corresponding deed of sale with mortgage in compliance with the judgment and the second *alias* writ of execution issued in Civil Case No. 9165. Petitioners persistently claimed that the decision in Civil Case No. 9165 is voided by the expiration of UCC's three-year period of liquidation from its dissolution. Furthermore, they theorized that the second *alias* writ of execution is improper because it varied the terms of the judgment and also deprived Knecht, Inc. of its property without due process of law. The CA denied this petition and cited petitioners guilty of forum shopping;

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8. G.R. No. 139370 – The present petition for review filed with this Court questioning the decision of the CA in CA-G.R. SP No. 47978.

Petitioners' basis in filing these multiple petitions is the expiration of UCC's corporate existence.

There is no doubt that the judgment in Civil Case No. 9165 became final and executory on March 23, 1977. That this judgment is still enforceable was decided with finality by this Court in G.R. No. 109385.

In *Reburiano vs. Court of Appeals*,[35] a case with similar facts, this Court held:

"the trustee (of a dissolved corporation) may commence a suit which can proceed to final judgment *even beyond the three-year period (of liquidation)* x x x, *no reason can be conceived why a suit already commenced by the corporation itself during its existence*, not by a mere trustee who, by fiction, merely continues the legal personality of the dissolved corporation, *should not be accorded similar treatment — to proceed to final judgment and execution thereof."* (Italics ours)

Indeed, the rights of a corporation (dissolved pending litigation) are accorded protection by law. This is clear from Section 145 of the Corporation Code, thus:

"Section 145. *Amendment or repeal. No right or remedy in favor of or against any corporation,* its stockholders, members, directors, trustees, or officers, nor any liability incurred by any such corporation, stockholders, members, directors, trustees, or officers, *shall be removed or impaired either by the subsequent dissolution of said corporation* or by any subsequent amendment or repeal of this Code or of any part thereof." (Italics ours)

The dissolution of UCC itself, or the expiration of its three-year liquidation period, should not be a bar to the enforcement of its rights as a corporation. One of these rights, to be sure,

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[35] 301 SCRA 342 (1999), citing *Gelano vs. Court of Appeals*, 103 SCRA 90 (1981).

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includes the UCC's right to seek from the court the execution of a valid and final judgment in Civil Case No. 9165 – through its trustee/liquidator Encarnacion Gonzales Wong – for the benefit of its stockholders, creditors and any other person who may have legal claims against it. To hold otherwise would be to allow petitioners to unjustly enrich themselves at the expense of UCC. This, in effect, renders nugatory all the efforts and expenses of UCC in its quest to secure justice, not to mention the undue delay in disposing of this case prejudicial to the administration of justice.

Next, petitioners aver that the November 8, 1995 second *alias* writ of execution, implemented in the June 27, 1997 Order of the trial court, varied the judgment in Civil Case No. 9165 resulting in the deprivation of their property without due process.

Their argument is fallacious.

Suffice it to state that the final decision sought to be enforced in the *alias* writ only pertains to the area covered by TCT No. 73620, not to the other two unregistered lots. The said writ was intended only for the execution of the judgment respecting one and the same parcel of land which, as elucidated earlier, underwent series of transfer from Rose Packing (TCT No. 73620) to PCIB (TCT No. 286176) and later to petitioner Knecht, Inc. (TCT No. 613113). As aptly found by the CA:

> "x x x what is being commanded to be conveyed in the judgment is Lot 2, Parcel 20, Plan 11-8099, Amd-2, *formerly covered by TCT No. 73620,* Book No. T-645, Page No. 20 of the Registry of Deeds of Rizal, *presently covered by TCT No. 613113, due to what respondent UCC claims to be anomalous transfers. Verily, not because the title to a parcel of land is cancelled and replaced by a new one makes it a new or different lot.*"[36]

Lastly, petitioners submit that the November 8, 1995 second *alias* writ of execution cannot be implemented by the June 27, 1997 Order of the trial court on the ground that the said writ

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[36] *Rollo*, pp. 69-70.

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had already expired and, therefore, had become *functus officio* pursuant to former Section 11, Rule 39 of the Rules of Civil Procedure. We quote with approval the following disquisition of the CA in rejecting petitioners' argument:

"Petitioners protestation that the second *alias* writ of execution dated November 8, 1995 could no longer be enforced after its life span of (sixty) 60 days is incorrect. At the present times, the life span of a writ of execution is without limit for as long as the judgment has not been satisfied, although it is returnable to the court issuing it immediately after the judgment has been satisfied in part or in full. If the judgment cannot be satisfied in full within thirty (30) days after receipt of the writ, the officer's duty is to report to the court and state the reason therefor (Section 14, Rule 39, 1997 Rules). There is, therefore, no more need to ask an *alias* writ of execution under the new Rules."[37]

To be sure, the expiration of the second alias writ is attributable to petitioners alone who deliberately caused the filing of numerous and unmeritorious petitions with the CA and this Court to thwart the long-delayed execution of the final and executory Decision in Civil Case No. 9165.

It may now be trite, but apt, to stress that the Rules of Court "shall be liberally construed in order to promote their objective of securing a just, speedy and inexpensive disposition of every action and proceeding."[38] They are mere tools designed to facilitate the attainment of justice. Any rigid application of the rules which would tend to frustrate, rather than promote, substantial justice is abhorred.[39]

Every litigation must come to an end. While a litigant's right to initiate an action in court is fully respected, however, once his case has been adjudicated by a competent court in a

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[37] *Rollo*, p. 69.

[38] Section 6, Rule 1 of the 1997 Rules of Civil Procedure, as amended.

[39] *Dayag vs. Canizares, Jr.*, 287 SCRA 181 (1998); *Ramos vs. Court of Appeals*, 269 SCRA 34 (1997); *Ramos vs. Court of Appeals*, 275 SCRA 167 (1997).

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valid final judgment, he should not be permitted to initiate similar suits hoping to secure a favorable ruling, for this will result to endless litigations detrimental to the administration of justice, as in this case.

WHEREFORE, the instant petition is DENIED and the assailed Decision of the Court of Appeals in CA-G.R. SP No. 47978 is AFFIRMED. Treble costs against petitioners.

SO ORDERED.

Puno (Chairman), Panganiban, and *Carpio, JJ.*, concur.

FIRST DIVISION

[G.R. No. 139790. July 4, 2002]

PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* **GEORGE ASALDO** *y* **CELESTIAL,** *accused-appellant.*

SYNOPSIS

Accused-appellant and his two co-accused were charged with murder for the death of one Vicente Alarcon. When arraigned, the three accused assisted by counsel pleaded not guilty to the crime charged, waived pre-trial and prayed for the immediate trial on the merits. After trial, appellant was found guilty of the crime charged and sentenced to suffer the penalty of *reclusion perpetua* on the basis of the eyewitness accounts of Baltazar Millares who positively identified him as the assailant. The trial court found Millares' testimony as positive, consistent, straightforward, and clear. His two co-accused were both acquitted for insufficiency of evidence. Hence, this appeal, anchored on the lone assignment of error that of giving credence to the testimony of the prosecution eyewitness despite its alleged infirmities and inconsistencies.