



SUPREME COURT OF THE PHILIPPINES  
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Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

**ENGRACIO U. ANG, JR.,**  
Petitioner,

**G.R. No. 223046**

- versus -

**Present:**

PERALTA, C.J., Chairperson,  
REYES, J., JR.,  
CARANDANG,\*  
LAZARO-JAVIER, and  
INTING,\*\* JJ.

**SPOUSES BENJAMIN M.  
BITANGA and MARILYN ANDAL  
BITANGA, MANILA GOLF &  
COUNTRY CLUB, INC., BANK OF  
THE PHILIPPINE ISLANDS-  
STOCK TRANSFER OFFICE and  
WILFRED T. SIY,**

Respondents.

**Promulgated:**

**NOV 28 2019**

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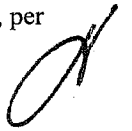
**DECISION**

**PERALTA, C.J.:**

At bench is a petition for review on *certiorari*<sup>1</sup> assailing the Orders dated October 7, 2014<sup>2</sup> and June 15, 2015<sup>3</sup> of the Regional Trial Court (RTC), Branch 66, Makati City in Civil Case No. 13-682.

The facts:

\* Designated as additional member, in lieu of Associate Justice Alfredo Benjamin S. Caguioa, per Special Order No. 2734 dated November 8, 2019.

\*\* Designated additional member per Special Order No. 2726 dated October 25, 2019. 

<sup>1</sup> Rollo, vol. I, pp. 11-48. The petition was filed under Rule 45 of the Rules of Court.

<sup>2</sup> Id. at 54-60. The Order was penned by Presiding Judge Joselito C. Villarosa.

<sup>3</sup> Id. at 52-53. The Order was penned by Presiding Judge Joselito C. Villarosa.

*The Construction Agreement, Compromise Agreement and Contract of Guaranty*<sup>4</sup>

Pyramid Construction Engineering Corporation (*Pyramid*) is a domestic construction firm.

In 1997, Macrogen Realty (*Macrogen*) engaged the services of Pyramid for the construction of a shopping mall in Sucat, Parañaque City. A corresponding construction agreement was executed by Macrogen and Pyramid on March 26, 1997. Pyramid began working on the construction project in May 1997.<sup>5</sup>

In August 1998, Pyramid stopped work on the project due to Macrogen's failure to settle its outstanding obligations under the construction agreement. On September 1, 1998, Pyramid initiated arbitration proceedings before the Construction Industry Arbitration Commission (*CIAC*) in order to compel Macrogen to settle its debts.<sup>6</sup>

On April 17, 2000, however, Pyramid and Macrogen entered into a compromise agreement which effectively abated the progress of the arbitration proceedings. Under the terms of the compromise agreement, Macrogen agreed to pay Pyramid the amount of ₱6,000,000.00 in six (6) equal monthly installments beginning in June 2000.<sup>7</sup>

The fulfillment by Macrogen of the above obligation was secured by a guaranty of respondent Benjamin Bitanga (*Bitanga*), the president of Macrogen. In the contract of guaranty he executed in favor of Pyramid, Bitanga "*absolutely, unconditionally and irrevocably*" guaranteed the full and complete payment by Macrogen of its obligation under the compromise agreement in the amount of ₱6,000,000.00.<sup>8</sup>

The CIAC approved the compromise agreement on April 25, 2000.<sup>9</sup>

Yet, as it happened, Macrogen failed to pay any of the monthly installments agreed upon under the compromise agreement. Thus, on September 7, 2000, Pyramid filed with the CIAC a motion for the issuance of a writ of execution against Macrogen. The CIAC granted the motion.<sup>10</sup>

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<sup>4</sup> Portions of this section were derived from the factual narration in the case of *Bitanga v. Pyramid Construction Engineering Corp.*, 585 Phil. 537 (2008).

<sup>5</sup> *Id.* at 540.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 541-542.

<sup>9</sup> *Id.* at 542.

<sup>10</sup> *Id.*

On November 29, 2000, the sheriff of the CIAC filed a return on the writ of execution, stating that he was unable to locate any property of Macrogen, *except* the latter's bank deposit in the amount of ₱20,242.23 with Planter's Bank, Buendia Branch.<sup>11</sup>

On January 3, 2001, Pyramid sent a written demand to Bitanga, as guarantor of Macrogen, to pay the latter's unpaid obligation under the compromise agreement or to point out available properties of Macrogen within the country sufficient to cover such obligation. This demand, however, went unheeded.<sup>12</sup>

Complaint for Specific Performance, Notice of Garnishment and Execution Sale

In September 2001, Pyramid filed before the RTC, Quezon City (QC) a complaint for specific performance,<sup>13</sup> with an application for the issuance of a writ of preliminary attachment, against Bitanga and the latter's wife, Marilyn. In it, Pyramid sought to enforce the contract of guaranty, and hold Bitanga and his wife liable for the remaining debt of Macrogen under the compromise agreement. The complaint was docketed as Civil Case No. Q-01-45041 and raffled to Branch 96 of the RTC-QC.

On September 10, 2001, the RTC-QC granted Pyramid's application and issued a writ of preliminary attachment.

Implementing the above writ, the sheriff<sup>14</sup> of the RTC-QC issued a notice of garnishment<sup>15</sup> on September 28, 2001. According to Pyramid, the said notice was intended to place under attachment the shares of stock of Bitanga in respondent Manila Golf & Country Club, Inc. (MGCCI), covered by Membership Certificate (MC) No. 2254.<sup>16</sup>

Pyramid claimed that the notice of garnishment was served on the corporate secretary of MGCCI<sup>17</sup> who, in turn, forwarded the same to MGCCI's stock transfer agent, respondent Bank of the Philippine Islands-Stock Transfer Office (BPI-STO).<sup>18</sup>

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Rollo*, vol. I, pp. 78-91. The complaint was docketed as Civil Case No. Q-01-45041 and raffled to Branch 96 of the RTC-QC.

<sup>14</sup> Namely, Deputy Sheriff Jose G. Martinez. See *rollo*, vol. I, p. 93.

<sup>15</sup> *Rollo*, vol. I, pp. 92-93.

<sup>16</sup> See *rollo*, vol. I, pp. 62-63.

<sup>17</sup> Namely, Alfonso Reyno III. See *rollo*, vol. I, p. 94.

<sup>18</sup> See *rollo*, vol. I, p. 95.

On November 29, 2002, the RTC-QC rendered a Partial Decision<sup>19</sup> finding Bitanga and his wife solidarily liable to Pyramid for the remaining debt of Macrogen under the compromise agreement. Accordingly, the trial court directed Bitanga and his wife to pay Pyramid the sum of ₱5,979,757.77 (*i.e.*, the difference between the ₱6,000,000.00 original amount of obligation under the compromise agreement *less* the ₱20,242.23 from Macrogen's account with Planter's Bank). Bitanga and his wife appealed to the Court of Appeals (CA).<sup>20</sup>

On April 11, 2006, the CA issued a Decision modifying the RTC-QC's Decision.<sup>21</sup> The CA maintained Bitanga's liability as a guarantor, but absolved Bitanga's wife from any liability to Pyramid. Undeterred, Bitanga next appealed to this Court.<sup>22</sup>

On August 28, 2008, this Court rendered its Decision<sup>23</sup> in *G.R. No. 173526*, denying Bitanga's appeal and affirming the CA's Decision. This Decision eventually became final and, thereupon, was remanded to the RTC-QC, the court of origin, for execution.

On March 4, 2009, the RTC-QC responded with a writ of execution. Pursuant to such writ, the sheriff<sup>24</sup> of the RTC-QC caused the sale in public auction of, among others,<sup>25</sup> Bitanga's stocks or membership certificate in MGCCI—the same stocks thought to be under attachment by virtue of the notice of garnishment dated September 28, 2001. In that auction, Pyramid emerged as the winning bidder and was subsequently awarded with a corresponding certificate of sale<sup>26</sup> on March 13, 2009.

Buoyed by the certificate of sale, Pyramid promptly requested MGCCI for the transfer of MC No. 2254—the membership certificate covering Bitanga's stocks—in its (Pyramid's) name. This request, however, was turned down by MGCCI.<sup>27</sup>

In its letter to Pyramid dated April 27, 2009, MGCCI explained that it could not accommodate the aforesaid request because MC No. 2254 was no

<sup>19</sup> *Rollo*, vol. I, pp. 96-101. The Partial Decision was penned by then Judge Lucas P. Bersamin (now a retired Chief Justice of the Supreme Court).

<sup>20</sup> Prior to the appeal, the RTC-QC issued an Order dated January 26, 2003 (*id.* at 102), denying the motion for reconsideration of Bitanga and his wife.

<sup>21</sup> *Rollo*, vol. II, p. 863.

<sup>22</sup> Prior to the appeal, the CA issued a Resolution dated July 5, 2006, denying the motion for reconsideration of Bitanga. See *rollo*, vol. II, p. 861.

<sup>23</sup> *Rollo*, vol. II, pp. 863-880.

<sup>24</sup> Namely, Sheriff IV Joseph Bisnar. See *rollo*, vol. II, p. 847.

<sup>25</sup> The auction also involved the sale of Bitanga's share in the capital stock of Sta. Elena Golf Club, Inc. See *rollo*, vol. II, p. 881.

<sup>26</sup> *Rollo*, vol. I, p. 279.

<sup>27</sup> Letter of MGCCI (by its counsel, Ocampo & Manalo) to Pyramid dated April 27, 2009. *Id.* at 123-125.

longer Bitanga's since July 30, 2008.<sup>28</sup> MGCCI disclosed that, as of the said date, MC No. 2254 was already transferred to, and recorded in the books of the corporation under the name of, respondent Wilfred Siy (*Siy*),<sup>29</sup> pursuant to a Deed of Absolute Sale<sup>30</sup> executed by Bitanga.

Bitanga, as it turned out, sold his MGCCI stocks to Siy on March 3, 2008.<sup>31</sup> The sale was then recorded in the books of MGCCI and, in due course, precipitated the transfer of MC No. 2544 to Siy.

MGCCI professed that it allowed the aforementioned transfer because, at the time, it knew of no attachment on Bitanga's stocks in favor of Pyramid. MGCCI denied receiving the notice of garnishment dated September 28, 2001 and of being informed by BPI-STO about any such notice.<sup>32</sup> Pyramid, though, was unconvinced.

Indirect Contempt Case and Certiorari Case

Believing that the sale and the consequent transfer of MC No. 2544 to Siy entailed violations of the notice of garnishment dated September 28, 2001, Pyramid filed before the RTC-QC a petition for *indirect contempt*<sup>33</sup> against MGCCI, Bitanga and Siy. This petition was docketed as SCA No. Q-10-66500 and was raffled to Branch 99 of the RTC-QC.

The RTC-QC initially adjudged<sup>34</sup> MGCCI, Bitanga and Siy guilty of indirect contempt; MGCCI was ordered to pay a fine, while Bitanga and Siy were meted prison sentences in addition to the fine.<sup>35</sup> Yet, upon motions for reconsideration of MGCCI and Siy, the RTC-QC subsequently reversed itself. In an Order<sup>36</sup> dated July 19, 2012, the trial court exonerated both MGCCI and Siy from any liability for indirect contempt.

The RTC-QC found that neither MGCCI nor Siy is capable of violating the September 28, 2001 notice of garnishment.<sup>37</sup> Such notice, as discovered by the trial court, was not actually addressed and delivered to MGCCI or Siy

<sup>28</sup> *Id.* at 123. The letter was received by Pyramid on May 5, 2009 (see *rollo*, vol. I, p. 172).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 127-128.

<sup>31</sup> *Id.* at 127.

<sup>32</sup> *Id.* at 124.

<sup>33</sup> Filed on February 16, 2010. *Id.* at 169-175.

<sup>34</sup> In a Decision dated September 26, 2011 (*id.* at 298-304), the RTC-QC, through Presiding Judge Afafe Cajigal, found MGCCI, Bitanga and Siy guilty of indirect contempt, and directed each of them to pay a fine of ₱30,000.00. Against such Decision, Pyramid, MGCCI and Siy filed their respective motions for reconsideration. On March 13, 2012, the RTC-QC acted upon Pyramid's motion by issuing an Order (*id.* at 310-311) modifying the September 26, 2012 Decision to the extent that Bitanga and Siy, in addition to the ₱30,000.00 fine, were also sentenced to suffer imprisonment of not exceeding six (6) months.

<sup>35</sup> *Id.* at 311.

<sup>36</sup> *Id.* at 176-184. The Order was penned by Presiding Judge Afafe Cajigal.

<sup>37</sup> *Id.* at 182.

but to a completely different entity, *i.e.*, the Manila Polo Club.<sup>38</sup> In other words, the September 28, 2001 notice of garnishment never imposed any duty or obligation upon MGCCI or Siy that they, in turn, could breach.

The RTC-QC thus concluded that, since the notice of garnishment dated September 28, 2001 was not addressed or delivered to either MGCCI or Siy, there was actually no writ, order or court process that had been disobeyed by Siy when he purchased MC No. 2254 from Bitanga, or by MGCCI when it allowed the transfer of MC No. 2254 to Siy.<sup>39</sup> Accordingly, the trial court ruled that MGCCI and Siy cannot be cited in contempt for such sale and transfer.

Pyramid challenged the July 19, 2012 Order of the RTC-QC *via* a petition for *certiorari*<sup>40</sup> with the CA. This petition was docketed as CA-G.R. SP No. 127909.

Meanwhile, Pyramid assigned all of its rights and interests as judgment creditor in Civil Case No. Q-01-45041 to petitioner.<sup>41</sup>

Civil Case No. 13-682

During the pendency of CA-G.R. SP No. 127909, petitioner, as assignee of Pyramid, filed before the RTC-Makati another complaint<sup>42</sup> against Bitanga, MGCCI, Siy and BPI-STO. The complaint was docketed as **Civil Case No. 13-682** and raffled to Branch 66 of the RTC-Makati.

In the complaint, petitioner mainly<sup>43</sup> sought to compel MGCCI to transfer MC No. 2254 in his name. He insists that the September 28, 2001 notice of garnishment was duly served upon MGCCI and that, consequently, Bitanga's stocks had been validly attached in favor of Pyramid prior to them being purchased by Siy. Petitioner thus claims that, in view of the prior attachment on Bitanga's stocks, he—as the assignee of Pyramid—has the better right over such stocks than Siy and is entitled to the registration of MC No. 2544 in his name.

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<sup>38</sup> *Id.* at 177.

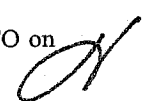
<sup>39</sup> *Id.* at 182.

<sup>40</sup> Under Rule 65 of the Rules of Court. The petition was docketed as CA-G.R. SP No. 127909.

<sup>41</sup> *Rollo*, vol. I, pp. 73-77.

<sup>42</sup> The complaint was denominated as one for “*annulment of sale*,” “*specific performance*” and “*damages*.” It was filed on June 5, 2013. *Id.* at 61-72.

<sup>43</sup> Petitioner also asked for the recovery of damages against Bitanga, MGCCI, Siy and BPI-STO on account of their collective bad faith.



MGCCI,<sup>44</sup> Siy<sup>45</sup> and BPI-STO<sup>46</sup> filed separate answers in due course. The answers of MGCCI and Siy, though, raised common affirmative defenses.

In their answers, both MGCCI and Siy argued that petitioner's complaint ought to be dismissed on any or all of the following grounds: failure of the complaint to state a cause of action, *litis pendentia* or willful and deliberate forum shopping.<sup>47</sup> A preliminary conference to hear these grounds was set by the RTC-Makati on March 26, 2014.<sup>48</sup>

On October 7, 2014, the RTC-Makati issued an Order<sup>49</sup> dismissing, *with prejudice*, petitioner's complaint primarily on the ground of *litis pendentia*. It opined that the petitioner's complaint was barred by virtue of the *certiorari* case pending with the CA in CA-G.R. SP No. 127909.

Petitioner filed a motion for reconsideration, but such motion was denied by the RTC-Makati in its Order<sup>50</sup> dated June 15, 2015.

Hence, petitioner's direct appeal to this Court.<sup>51</sup> In this appeal, petitioner raises the solitary legal issue of whether the RTC-Makati erred in dismissing his complaint on the ground of *litis pendentia*. He argues in the affirmative and pleads for the reinstatement of Civil Case No. 13-682.

### OUR RULING

We sustain the dismissal of petitioner's complaint in Civil Case No. 13-682, albeit for a reason different from that provided by the RTC-Makati.

The complaint in Civil Case No. 13-682 fails not by reason of *litis pendentia* or the pendency of the *certiorari* case before the CA, but because the main cause of action therein has already been precluded by the finality of the July 19, 2012 Order of the RTC-QC in the indirect contempt case. This remains true even though Civil Case No. 13-682 and the indirect contempt case may have different objectives and ask for distinct reliefs.

The Order of the RTC-QC, dismissing the charges of indirect contempt against MGCCI and Siy, attained immediate finality upon its promulgation. Thus, under the rule of *conclusiveness of judgment*, a variant of *res judicata*, matters settled in that final order already assumed binding and conclusive

<sup>44</sup> *Rollo*, vol. I, pp. 210-240.

<sup>45</sup> *Id.* at 149-166.

<sup>46</sup> *Id.* at 185-197.

<sup>47</sup> *Id.* at 155-161, 213-224.

<sup>48</sup> *Rollo*, vol. II, p. 773.

<sup>49</sup> *Rollo*, vol. I, pp. 54-60. The Order was penned by Presiding Judge Joselito C. Villarosa.

<sup>50</sup> *Id.* at 52-53. The Order was penned by Presiding Judge Joselito C. Villarosa.

<sup>51</sup> *Id.* at 11-51.



effect on the petitioner, as well as on the other parties in the same case, and can no longer be disturbed or relitigated in *any* future lawsuit between them. Among the matters settled in the said Order is the fact that the September 28, 2001 notice of garnishment was not addressed and validly delivered to MGCCI.

The conclusiveness of the above factual finding is fatal to petitioner's cause in Civil Case No. 13-682. Petitioner's main claim in his complaint was wholly dependent on the assumption that Pyramid was able to obtain an attachment on Bitanga's MGCCI stocks before Siy was able to purchase them. Such assumption, however, was already contradicted by the final order of the RTC-QC which effectively denounced the very existence of such an attachment.

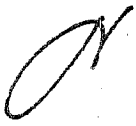
The finality of the order in the indirect contempt case was unaffected by the filing of the *certiorari* case before the CA. The *certiorari* case is neither an appeal from nor a continuation of the indirect contempt case. It is an original action founded upon a cause of action that is distinct from the one in the indirect contempt case.

At any rate, the possibility of conflict between the outcome of the *certiorari* case and the indirect contempt case has since been reduced to nil. As it happened, the CA had already issued a decision<sup>52</sup> and a resolution<sup>53</sup> in the *certiorari* case which dismissed Pyramid's petition and upheld the order of the RTC-QC in the indirect contempt case. Those decision and resolution already became final and executory on March 19, 2016.<sup>54</sup>

With that, we deny the instant appeal.

## I

In invoking *litis pendentia* as the chief ground for the dismissal of petitioner's complaint, the RTC-Makati overlooked the finality of the July 19, 2012 Order of the RTC-QC in the indirect contempt case and its effect on Civil Case No. 13-682. In our view, that final order is the real reason why petitioner's complaint in Civil Case No. 13-682 is liable to being dismissed. Petitioner's complaint fails because the main cause of action therein had already been precluded by the July 19, 2012 Order of the RTC-QC in the indirect contempt case.



<sup>52</sup> *Rollo*, vol. II, pp. 1131-1148.

<sup>53</sup> *Id.* at 1181-1182.

<sup>54</sup> *Id.* at 1383-1384.



***July 19, 2012 Order of the RTC-QC in the Indirect Contempt Case was Already Final When Petitioner Filed His Complaint in Civil Case No. 13-682***

As it absolved MGCCI and Siy from the charge of indirect contempt, the July 19, 2012 Order of the RTC-QC became final and executory immediately upon its promulgation. This is due to the norm, observed in our jurisdiction, that regards as *unappealable* any judgment or final order that dismisses on the merits a charge of indirect contempt.

The norm referred to is based on Section 11, Rule 71 of the Rules of Court. The provision states that judgments and final orders in indirect contempt proceedings may be appealed in the same manner as in criminal cases, *viz.*:

**Section 11. Review of judgment or final order; bond for stay. —**  
**The judgment or final order of a court in a case of indirect contempt may be appealed to the proper court as in criminal cases.** But execution of the judgment or final order shall not be suspended until a bond is filed by the person adjudged in contempt, in an amount fixed by the court from which the appeal is taken, conditioned that if the appeal be decided against him he will abide by and perform the judgment or final order. (Emphasis supplied)

Section 11, Rule 71 of the Rules of Court, simply put, made the rules of appeal in criminal cases applicable to indirect contempt proceedings. In the seminal case of *In the Matter of Contempt Proceedings Against Mison, Jr., et al.*,<sup>55</sup> we held that, as a consequence of the subject provision, the rule in criminal cases which prohibits acquittals from being appealed became apt in contempt proceedings with respect to decisions dismissing charges of contempt, *viz.*:

It has been held that a "contempt proceeding" is not a "civil action" but is a separate proceeding of a criminal nature and of summary character in which the court exercises but limited jurisdiction. A charge for contempt of court partakes of the nature of a criminal action even when the act complained of is an incident of a civil action. As such, the mode of procedure and rules of evidence in contempt proceedings are assimilated as far as practicable to those adapted to criminal prosecutions. Therefore, a judgment in contempt proceedings is subject to review only in the manner provided for review of judgments in criminal cases. **In fact, Section 10 of the Rules of Court [now Section 11 of Rule 71] provides that the appeal in contempt proceedings may be taken as in criminal cases. Hence, as in criminal proceedings, an appeal would not lie from the order of dismissal of, or an exoneration from, a charge of contempt of court.**<sup>56</sup> (Emphasis supplied, citations omitted)

<sup>55</sup> 144 Phil. 63 (1970).

<sup>56</sup> *Id.* at 66.

In the 2013 case of *Digital Telecommunications Philippines, Inc. v. Cantos*,<sup>57</sup> we substantially reiterated the above pronouncement:

Indeed, contempt is not a criminal offense. However, a charge for contempt of court partakes of the nature of a criminal action. Rules that govern criminal prosecutions strictly apply to a prosecution for contempt. **In fact, Section 11 of Rule 71 of the Rules of Court provides that the appeal in indirect contempt proceedings may be taken as in criminal cases. This Court has held that an alleged contemner should be accorded the same rights as that of an accused. Thus, the dismissal of the indirect contempt charge against respondent amounts to an acquittal, which effectively bars a second prosecution.**<sup>58</sup> (Emphasis supplied, citations omitted)

Verily, since no appeal could lie against it, a judgment or final order dismissing a charge of indirect contempt on the merits—like an acquittal in a criminal case—necessarily becomes final and executory upon its promulgation. Such, therefore, is the status of the July 19, 2012 Order of the RTC-QC when petitioner filed his complaint in Civil Case No. 13-682.

***July 19, 2012 Order of the RTC-QC in the Indirect Contempt Case Has Preclusive Effect on Civil Case No. 13-682, Even if the Two Cases Do Not Involve the Same Claim, Demand and Cause of Action***

The finality of the July 19, 2012 Order of the RTC-QC in the indirect contempt case meant that the said order, as well as the matters settled therein, became conclusive upon the petitioner and the other parties of that case. This as much is clear by the principle of *res judicata*.<sup>59</sup>

*Res judicata* is a legal principle that regards a final judgment on the merits of a case as conclusive between the parties to such case and their privies.<sup>60</sup> The principle, in our jurisdiction, may be applied in two (2) ways.

The first way, which is known as the “*bar by former judgment rule*,” considers the final judgment in a previous case as an absolute bar to a subsequent case between the same parties.<sup>61</sup> For this variant of *res judicata* to apply, however, it is essential that the subsequent case was prosecuted between the same parties and on the same claim, demand or cause of action as the previously decided case.

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<sup>57</sup> 722 Phil. 10 (2013).

<sup>58</sup> *Id.* at 21.

<sup>59</sup> A Latin phrase that means “*matter already adjudged*.”

<sup>60</sup> *Gomeco Metal Corp. v. Court of Appeals, et al.*, 793 Phil. 355, 371 (2016).

<sup>61</sup> *Id.* at 371-372. See also Section 47(b), Rule 39 of the Rules of Court.

In *Gomeco Metal Corp. v. Court of Appeals, et al.*,<sup>62</sup> we identified the circumstances that must obtain in order for the bar by former judgment rule to apply:

1. There is a judgment in a case that:
  - a. disposed of such case on the merits,
  - b. was issued by a court of competent jurisdiction,<sup>63</sup>
  - c. has attained final and executory status;
2. There is another case subsequently filed in court;
3. Between the previous case and the subsequent case, there is an identity of parties; and
4. The previous case and the subsequent case are based on the same claim, demand or cause of action.

The second way or the “*conclusiveness of judgment rule*,” on the other hand, considers the final judgment in a previous case not as an absolute bar to a subsequent case between the same parties, but merely as having a preclusive effect on the latter case insofar as the matters already settled in that final judgment are concerned.<sup>63</sup> This variant of *res judicata* applies when there is an identity of parties, but not of claim, demand or cause of action, between the subsequent case and the previously decided case.

The circumstances that must concur in order for the conclusiveness of judgment rule to apply are the same as those needed for the bar by judgment rule to set in, except for the last circumstance.<sup>64</sup> In the application of the conclusiveness of judgment rule, the previous case and the subsequent case must *not* be based on the same claim, demand or cause of action, but only pass upon the same matters or issues.<sup>65</sup>

In this case, we find that the second variant of *res judicata*, or the conclusiveness of judgment rule, may be applied to Civil Case No. 13-682 insofar as the matters already settled in the indirect contempt case are concerned. The circumstances necessary for such an application, as mentioned above, are present:

*First.* The July 19, 2012 Order of the RTC-QC in the indirect contempt case satisfies the first circumstance. The order, by exonerating MGCCI and Siy from the charge of indirect contempt, indubitably brought the merits of the indirect contempt case to a close. And, as discussed above, such order has already attained final and executory status.

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<sup>62</sup> *Id.* at 372-373.

<sup>63</sup> *Id.* at 373-374. See also Section 47(c), Rule 39 of the Rules of Court.

<sup>64</sup> *Id.* at 374.

<sup>65</sup> *Id.*

*Second.* Civil Case No. 13-682 satisfies the second and third circumstances. Petitioner, who is a successor-in-interest of a party (Pyramid) to the indirect contempt case, filed his complaint in Civil Case No. 13-682 on June 5, 2013—almost a year after the July 19, 2012 Order in the indirect contempt case was promulgated.<sup>66</sup> In the complaint, petitioner impleaded as defendants MGCCI, Siy and Bitanga—who were also impleaded as parties in the indirect contempt case. Hence, Civil Case No. 13-682 is a subsequent case that involves substantially the same parties as the previously decided indirect contempt case.

*Third.* Yet, the indirect contempt case and Civil Case No. 13-682 are based on distinct causes of action and prayers for relief. The indirect contempt case was filed by Pyramid for the purpose of securing punishment against MGCCI, Siy and Bitanga for their supposed violation of a notice of garnishment.<sup>67</sup> On the other hand, petitioner filed his complaint in Civil Case No. 13-682 mainly for the purpose of compelling MGCCI to transfer MC No. 2544 in his name, after MGCCI allegedly refused to do so upon demand.<sup>68</sup> Clearly, the relief sought for in one case cannot be obtained in the other, and *vice versa*.

But while they are based on separate causes of action and claims of relief, the indirect contempt case and Civil Case No. 13-682 touch on common factual issues. The resolution of those issues in the indirect contempt case, however, has to have precedence over Civil Case No. 13-682. Pursuant to the conclusiveness of judgment rule, matters that have been finally resolved in the indirect contempt case can no longer be disturbed, relitigated or redetermined in Civil Case No. 13-682.

***Application of Conclusiveness of Judgment  
Rule is Fatal to Petitioner's Complaint in  
Civil Case No. 13-682***

Among the matters settled in the July 19, 2012 Order of the RTC-QC in the indirect contempt case is the fact that the September 28, 2001 notice of garnishment was not addressed and validly delivered to MGCCI. The order was quite categorical on this:<sup>69</sup>

Verily, [MGCCI] and Siy cannot and could not be held liable for alleged disobedience or resistance of a lawful writ, process or order of the [c]ourt, when Bitanga sold his share. **There was no order or writ addressed and delivered to [MGCCI] and Siy specifically directing/ordering them to do/perform something which they willingly/intentionally disobeyed or resisted to do/perform.**

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<sup>66</sup> *Id.* at 61.

<sup>67</sup> *Id.* at 173-174.

<sup>68</sup> *Id.* at 69-70.

<sup>69</sup> *Id.* at 181-182.

X X X X

**It is evident [that] the [September 28, 2001 notice of garnishment] allegedly disobeyed or resisted was not addressed to them [i.e., MGCCI and Siy], nor required them to do/perform a specific act which they intentionally and willfully disobeyed or resisted. Neither [MGCCI] nor Siy could have complied with the [notice of garnishment]. x x x. The attachment is ineffective. (Emphasis supplied)**

As can be observed from the earlier narration, and even from the language used by the order itself, the above factual finding was the main reason behind the RTC-QC's decision to exonerate MGCCI and Siy from indirect contempt. The RTC-QC absolved MGCCI and Siy precisely because it found that the notice of garnishment dated September 28, 2001 was not addressed or delivered to either MGCCI or Siy.

The finding that the September 28, 2001 notice of garnishment had not been addressed and delivered to MGCCI effectively means that Pyramid, petitioner's predecessor-in-interest, was not able to secure any attachment on Bitanga's MGCCI stocks. Our rules of procedure are clear that in order to place a share of stock of a certain corporation under levy on attachment, the notice indicating the attachment of such stock, as well as a copy of the writ of attachment, must have been first delivered to the appropriate officer of that very corporation:

**RULE 57**  
**Preliminary Attachment**

X X X X

**Section 7. Attachment of real and personal property; recording thereof.** — Real and personal property shall be attached by the sheriff executing the writ in the following manner:

X X X X

(c) Stocks or shares, or an interest in stocks or shares, of any corporation or company, **by leaving with the president or managing agent thereof, a copy of the writ, and a notice stating that the stock or interest of the party against whom the attachment is issued is attached in pursuance of such writ[.]** (Emphasis supplied)

A look at petitioner's complaint in Civil Case No. 13-682, however, reveals that it was wholly dependent on the contrary assumption that Pyramid was able to obtain an attachment on Bitanga's MGCCI stocks. Petitioner, in his complaint, sought the transfer of MC No. 2544 in his name because of his belief that he has better rights thereto than Siy on account of the existence of

a prior attachment on Bitanga's MGCCI stocks.<sup>70</sup> As petitioner alleged in his complaint:<sup>71</sup>

3.2. Undeniably, [petitioner], as assignee-in-fact of Pyramid has a valid and rightful claim to [MGCCI] Certificate of Membership No. [2544]. Considering that Pyramid, [petitioner's] assignor-in-interest, had properly garnished said [MGCCI] shares, which was even acknowledged by [MGCCI's] then Corporate Secretary, Atty. Alfonso G. Reyno III, and stock transfer agent, BPI-STO, it behooved upon [MGCCI], to have preserved the subject [MGCCI] shares for the benefit of Pyramid and the latter's assignee until the final disposition of Civil Case No. Q-01-45041. x x x.

x x x x

3.5. Considering that the notice of garnishment had been served upon [MGCCI] at the time when the shares were still registered in the name of x x x Bitanga and there being no other preferred lien thereon, the right of Pyramid and [petitioner] as Pyramid's assignee should have been given preference over and above any other conveyance, more specifically that in favor of x x x Siy.

**3.6. To state otherwise, the conveyance made by [MGCCI] in favor of x x x Siy cannot defeat and is subject to the right of Pyramid and [petitioner] as Pyramid's assignee in Civil Case No. Q-01-45041 over the subject shares. This is because a purchaser of attached property acquires it subject to an attachment legally and validly levied thereon.** Accordingly, the right of x x x Siy as purchaser of the [MGCCI] shares is only subordinate to that of Pyramid as judgment creditor and the highest bidder in the execution sale held in connection therewith, and that of [petitioner], as Pyramid's assignee. (Emphasis supplied, citation omitted)

Thus surface the reason why the petitioner's complaint in Civil Case No. 13-682 must be dismissed.

Petitioner, in his complaint in Civil Case No. 13-682, cannot validly allege the existence of an attachment on Bitanga's MGCCI stocks in favor of Pyramid. As can be observed, the allegation openly contradicts a factual finding of the July 19, 2012 Order of the RTC-QC in the indirect contempt case and, therefore, if allowed to be raised, invites a redetermination of such finding, in violation of the conclusiveness of judgment rule. Petitioner, under the principle of *res judicata*, is already bound by the findings in the indirect contempt case and is thus precluded from asserting a position contrary to such findings in Civil Case No. 13-682.

Being so precluded, however, is clearly detrimental to petitioner's cause of action in Civil Case No. 13-682. The assumption that Pyramid was able to secure an attachment on Bitanga's MGCCI stocks is so central to

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<sup>70</sup> *Id.* at 65-66.

<sup>71</sup> *Id.*

petitioner's complaint that, without it, the complaint can no longer stand as a viable legal action. Petitioner cannot assert a better right to MC No. 2544 than Siy, and so entitled to have the said stock certificate transferred in his name, if Bitanga's MGCCI stocks were never attached in favor of Pyramid in the first place.

Hence, for the above reasons, we sustain the dismissal of petitioner's complaint albeit on the ground that its cause of action has already been negated by *res judicata*.

## II

It is true that at the time petitioner filed his complaint in Civil Case No. 13-682, a *certiorari* case assailing the July 19, 2012 Order of the RTC-QC in the indirect contempt case was already filed and had been pending before the CA. We find, however, that the filing and pendency of such *certiorari* case do little, if anything at all, to alter the conclusion we have reached.

The finality of the order in the indirect contempt case, it should be stressed, was unaffected by the filing and pendency of the *certiorari* case before the CA. The *certiorari* case is not an appeal or a continuation of the indirect contempt case. It is an elementary tenet in remedial law that the remedy of *certiorari* under Rule 65 of the Rules of Court is an original and independent action whose purpose and scope of review are completely different from an appeal's.<sup>72</sup> In *Sy v. Commission on Settlement of Land Problems*,<sup>73</sup> we held:

*In Bañaga v. COSLAP*, the remedy availed of was a special civil action for *certiorari* under Rule 65. **Strictly speaking, the remedy of *certiorari* under Rule 65 is not a component of the appeal process. It is an original and independent action that is *not* a part of the trial which resulted in the rendition of the judgment complained of. In contrast, the exercise of our appellate jurisdiction refers to a process which is but a continuation of the original suit. A writ of *certiorari* is intended to redress grave abuse of discretion or lack of jurisdiction on the part of the respondent tribunal.** (Emphasis supplied, italics in the original, citations omitted)

Since the *certiorari* case is not deemed a continuation of the indirect contempt case, it cannot be said that the filing of the former could have forestalled the order in the latter case from attaining final and executory status.<sup>74</sup> This is true even though a potential outcome of the *certiorari* case could be the nullification of the July 19, 2012 Order in the indirect contempt

<sup>72</sup> *Sy v. Commission on Settlement of Land Problems*, 417 Phil. 378, 393 (2001).

<sup>73</sup> *Id.*

<sup>74</sup> A contrary view would only allow the circumvention of our procedural rules relating to the finality of judgments.

case for being rendered by the RTC-QC either with grave abuse of discretion or lack of jurisdiction.<sup>75</sup>

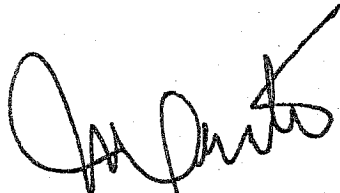
At any rate, the chance that the July 19, 2012 Order of the RTC-QC in the indirect contempt case would be nullified has now been reduced to nil.

As it was, on June 30, 2015, the CA rendered a Decision<sup>76</sup> in the *certiorari* case wherein it dismissed Pyramid's petition and upheld the validity of the July 19, 2012 Order of the RTC-QC in the indirect contempt case. This Decision was then followed by a Resolution<sup>77</sup> dated February 24, 2016 wherein the CA denied Pyramid's motion for reconsideration. Records reveal that the Resolution of the CA became final and executory on March 19, 2016.<sup>78</sup>

The complete and final termination of the *certiorari* case leaves no question as to the binding effect of the July 19, 2012 Order of the RTC-QC upon Civil Case No. 13-682. Hence, we maintain the dismissal of petitioner's complaint on the ground that its cause of action has already been negated by *res judicata*.

**WHEREFORE**, premises considered, the instant petition is **DENIED**. The Orders dated October 7, 2014 and June 15, 2015 of the Regional Trial Court, Branch 66, Makati City in Civil Case No. 13-682, insofar as they effectively dismissed petitioner Engracio U. Ang, Jr.'s complaint, are **AFFIRMED**.

**SO ORDERED.**


  
**DIOSDADO M. PERALTA**  
Chief Justice

<sup>75</sup> At most, the pendency of the *certiorari* case could have been considered by the RTC-Makati as a ground for the suspension of Civil Case No. 13-682. Such suspension may be carried out on the strength of precedents such as *Quiambao v. Hon. Osorio* (242 Phil. 441, 446 [1988]), *Judge Tamin v. Court of Appeals* (284-A Phil. 376, 390 [1992]) and *Security Bank Corp. v. Judge Victorio* (505 Phil. 682, 700 [2005]) which recognized the power of a trial court to, in its discretion, suspend a case on account of the pendency of another non-criminal case if the "rights of parties to the [former case] cannot be properly determined until the questions raised in the [latter case] are settled" or in order "to avoid multiplicity of suits and prevent vexatious litigations, conflicting judgments, confusion between litigants and courts."

<sup>76</sup> *Rollo*, vol. II, pp. 1131-1148. The Decision was penned by Associate Justice Elihu A. Ybañez, with the concurrence of Associate Justices Isaias P. Diccican and Victoria Isabel A. Paredes.

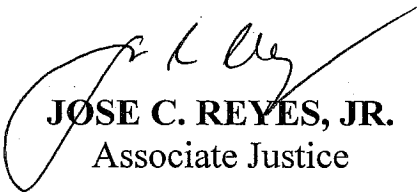
<sup>77</sup> *Id.* at 1181-1182. The Resolution was penned by Associate Justice Elihu A. Ybañez, with the concurrence of Associate Justices Franchito N. Diamante and Victoria Isabel A. Paredes.


<sup>78</sup> *Id.* at 1383-1384.







**WE CONCUR:**

  
**JOSE C. REYES, JR.**  
Associate Justice

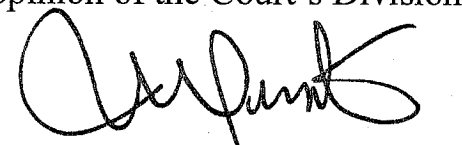
  
**ROSMARI B. CARANDANG**  
Associate Justice

  
**AMY C. LAZARO-JAVIER**  
Associate Justice

  
**HENRI JEAN PAUL B. INTING**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, 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.

  
**DIOSDADO M. PERALTA**  
Chief Justice