Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

SPOUSES TEODORICO and PACITA ROSETE,
Petitioners,

- versus -

FELIX and/or MARIETTA BRIONES, SPOUSES JOSE and REMEDIOS ROSETE, AND NEORIMSE and FELICITAS CORPUZ,
Respondents.

G.R. No. 176121

Present:

CARPIO, *Acting Chief Justice,**
BRION,
DEL CASTILLO,
MENDOZA, *and*
LEONEN, *JJ.*

Promulgated:
SEP 2 2 2014

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DECISION

DEL CASTILLO, *J.*:

Assailed in this Petition for Review on *Certiorari*[1] are the October 30, 2006 Decision[2] of the Court of Appeals (CA) which denied the Petition for Review in CA-G.R. SP No. 79400 and its December 22, 2006 Resolution[3] denying the herein petitioners' Motion for Reconsideration.[4]

Factual Antecedents

The subject lot is a 152-square meter lot located at 1014 Estrada Street, Malate, Manila which is owned by the National Housing Authority (NHA).

On July 30, 1987, the NHA conducted a census survey of the subject lot, and the following information was gathered:

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* Per Special Order No. 1778 dated September 16, 2014.
1 *Rollo*, pp. 28-47.
2 CA *rollo*, pp. 291-298; penned by Associate Justice Myrna Dimaranan Vidal and concurred in by Associate Justices Bienvenido L. Reyes (now a member of this Court) and Fernanda Lampas Peralta.
3 Id. at 308.
4 Id. at 300-304.

Tag No. 674
Ricardo Dimalanta, Sr. - absentee structure owner
Felix Briones - lessee
Neorimse Corpuz - lessee

Tag No. 87-0675
Teodoro Rosete - residing owner
Jose Rosete - lessee[5]

The NHA awarded the subject lot to petitioner Teodorico P. Rosete (Teodorico).[6] The herein respondents, Jose and Remedios Rosete (the Rosetes), Neorimse and Felicitas Corpuz (the Corpuzes), and Felix and Marietta Briones (the Brioneses) objected to the award, claiming that the award of the entire lot to Teodorico was erroneous.

In 1990, a Declaration of Real Property was filed and issued in Teodorico's name.[7] On March 21, 1991, he made full payment of the value of the subject lot in the amount of ₱43,472.00.[8] He likewise paid the real property taxes thereon.[9]

In an August 5, 1994 Letter-Decision,[10] the NHA informed Teodorico that after consideration of the objections raised by the Rosetes, the Corpuzes and the Brioneses, the original award of 152 square meters in his favor has been cancelled and instead, the subject lot will be subdivided and awarded as follows:

1. Teodorico – 62 square meters
2. The Brioneses – 40 square meters
3. The Rosetes – 25 square meters
4. The Corpuzes – 15 square meters
5. Easement for pathwalk – 10 square meters

In the same Letter-Decision, NHA likewise informed Teodorico that his payments shall be adjusted accordingly, but his excess payments will not be refunded; instead, they will be applied to his co-awardees' amortizations. His co-awardees shall in turn pay him, under pain of cancellation of their respective awards. NHA also informed Teodorico that the matters contained in the letter were final, and that if he intended to appeal, he should do so with the Office of the President within 30 days.

In an October 18, 1994 letter[11] to the NHA, Teodorico protested and sought

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5 *Rollo*, pp. at 50, 68.
6 Id. at 69. Also referred to as Teodoro Rosete in some parts of the records.
7 Id. at 72.
8 Id. at 73.
9 Id. at 74-87.
10 Id. at 89-91.
11 Id. at 92.

a reconsideration of the decision to cancel the award, claiming that it was unfair and confiscatory. He likewise requested that his co-awardees be required to reimburse his property tax payments and that the subject lot be assessed at its current value.

Meanwhile, on October 24, 1994, the Rosetes and the Corpuzes appealed the NHA's August 5, 1994 Letter-Decision to the Office of the President (OP), which case was docketed as O.P. Case No. 5902.

On February 2, 1995, Teodorico filed an undated letter[12] in O.P. Case No. 5902. In the said letter, he directed the OP's attention to the Rosetes and the Corpuzes' resolve not to question the 62-square meter allocation/award to him. At the same time, he manifested his assent to such allocation, thus:

> Undersigned is satisfied with the 62 sq. m. lot awarded to him. However, in the adjudication of the above-mentioned case and in furtherance of justice, it is prayed that:
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> 1. The period within which refund to the undersigned by the spouses Jose and Remedios Rosete, Neorimse and Felicitas Corpuz, and Felix and Marietta Briones of the purchase price of the lots awarded to them be fixed, with interest thereon from March 21, 1991 until full reimbursement is made;
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> 2. The foregoing awardees be ordered likewise to reimburse to the undersigned the real estate taxes paid on their respective lots from 1980, plus interest thereon, until full reimbursement; and
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> 3. Other relief in favor of the undersigned be issued.[13]

On November 19, 1997, the OP issued its Decision[14] in O.P. Case No. 5902, dismissing the appeal for being filed out of time.

On March 27, 1998, the OP issued a Resolution[15] declaring that the above November 19, 1997 Decision in O.P. Case No. 5902 has become final and executory since no motion for reconsideration was filed, nor appeal taken, by the parties.

In another July 28, 1999 letter[16] to the NHA, Teodorico, the Rosetes, and the Corpuzes sought approval of their request to subdivide the subject lot on an "as is, where is" basis as per NHA policy, since it appeared that the parties' respective allocations/awards did not correspond to the actual areas occupied by them and

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12 Id. at 93-94.
13 Id.
14 Id. at 95-98; penned by Executive Secretary Ruben D. Torres.
15 Id. at 53; CA *rollo*, p. 239.
16 Id. at 99.

thus could result in unwanted demolition of their existing homes/structures.

In a November 12, 1999 Letter-Reply,[17] the NHA informed the parties that the original awards/allocations were being retained; it also advised them to hire a surveyor for the purpose of subdividing the subject lot in accordance with such awards.

Through counsel, Teodorico wrote back. In his November 23, 1999 letter,[18] he reiterated his request to subdivide the subject lot on an "as is, where is" basis and to be reimbursed by his co-awardees for his overpayments, with interest. This was followed by another March 29, 2001 letter[19] by his counsel.

Receiving no response from the NHA regarding the above November 23, 1999 letter, Teodorico sent a May 7, 2003 letter *cum* motion for reconsideration[20] to the OP, in which he sought a reconsideration of the November 19, 1997 Decision in O.P. Case No. 5902. He claimed that the August 5, 1994 Letter-Decision of the NHA containing the award/allocation of the subject lot to the parties is null and void as it violated the provisions of Presidential Decree No. 1517[21] (PD 1517) and PD 2016;[22] that the award of 40 square meters to the Brioneses is null and void as they were mere "renters" (lessees); that because the August 5, 1994 Letter-Decision of the NHA is a nullity, it never became final and executory. Thus, he prayed:

> WHEREFORE, it is reiterated that the "as is, where is" policy of the NHA be followed in the instant case and that Teodorico P. Rosete be reimbursed by Marietta Briones, et al. of the value of the lots adjudicated in their favor and the real estate taxes he paid on the lots they occupy, plus interest thereon to be determined by the NHA. We will not demand the cancellation of the awards to Marietta Briones, et al. so as not to prejudice their respective families.[23]

In a September 8, 2003 Resolution,[24] the OP denied Teodorico's May 7, 2003 letter *cum* motion for reconsideration, saying that –

> Before this Office is the motion filed by Teodorico P. Rosete, requesting reconsideration of the Decision of this Office dated November 19, 1997 dismissing the appeal for having been filed out of time.

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17 Id. at 100-101.
18 Id. at 102-104.
19 Id. at 105
20 Id. at 106-108.
21 The Urban Land Reform Act.
22 Prohibiting The Eviction Of Occupant Families From Land Identified And Proclaimed As Areas For Priority Development (APD) Or As Urban Land Reform Zones And Exempting Such Land From Payment Of Real Property Taxes.
23 *Rollo*, p. 108
24 Id. at 109-110; penned by Presidential Assistant Manuel C. Domingo.

> On March 27, 1998, this Office also declared the said Decision dated November 19, 1997 as having become final and executory. Being so, this Office has no more jurisdiction over the case. There is nothing left for the office a quo except to implement the letter-decision of the National Housing Authority (NHA) dated October 24, 1994.[25]
>
> Besides, contrary to appellants' motion, the said NHA letter-decision is in accordance with NHA Circular No. 13 dated February 19, 1982, pertinent provisions of which read:
>
> "V. BENEFICIARIES SELECTION AND LOT ALLOCATION
>
> 1. The official ZIP census and tagging shall be the primary basis for determining potential program beneficiaries and structures or dwelling units in the area.
>
> x x x x
>
> 4. Only those households included in the ZIP Census and who, in addition, qualify under the provisions of the Code of Policies, are the beneficiaries of the Zonal Improvement Program.
>
> 5. A qualified censused-household is entitled to only one residential lot within the ZIP Project area of Metro Manila."
>
> Hence, the letter decision of the NHA is a valid judgment.
>
> WHEREFORE, premises considered, the instant motion for reconsideration is hereby DENIED. Let the records of the case be remanded to the office-a-quo for implementation.
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> SO ORDERED.[26]

Ruling of the Court of Appeals

Teodorico and his wife Pacita, the Rosetes, and the Corpuzes went up to the CA by Petition for Review,[27] docketed as CA-G.R. SP No. 79400. They essentially claimed that pursuant to the "pertinent laws on Beneficiary Selection and Disposition of Homelots in Urban Bliss Projects,"[28] the Rosetes, the Corpuzes, and the Brioneses are not entitled to own a portion of the subject lot since they were mere "renters" or lessees therein; for this reason, the NHA's August 5, 1994 Letter-Decision and November 19, 1997 Decision and September 8, 2003 Resolution of the OP are null and void. The Petition contained a prayer for the CA to order the NHA to allocate the subject lot on an "as is, where is" basis; that the assailed Decision and Resolution be stayed; and that the Rosetes, the Corpuzes and the Brioneses be ordered to reimburse Teodorico in such manner as

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25 Should be August 5, 1994.
26 *Rollo*, pp. 109-110.
27 Id. at 111-119.
28 Id. at 116.

originally prayed for by him in the NHA and OP.

On October 30, 2006, the CA issued the questioned Decision, which held as follows:

> Clearly, the Office of the President, in issuing the assailed Resolution, mainly anchored its denial of Petitioner TEODORICO's motion for reconsideration of the Decision dated 19 November 1997 on the *finality* of said Decision, which accordingly, the said Office has no jurisdiction to disturb.
>
> We agree with the Office of the President.
>
> It bears emphasis that as early as 27 March 1998, the Office of the President had issued a Resolution which essentially states, thus:
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> > Considering that appellants in the above-entitled case have received certified copies of the decision of this Office, dated November 17, 1997, as shown by registry return receipts attached to the records' copy of said decision, and as of March 23, 1998, no motion for reconsideration thereof has been filed nor appeal taken to the proper court, this Office resolves to declare said decision, dated November 19, 1997, to have become FINAL and EXECUTORY.
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> Necessarily therefore, the subsequent filing by Petitioner TEODORICO of a motion for reconsideration of the Decision, *supra*. before the Office of the President did not produce any legal effect as to warrant a reversal of the said Decision.
>
> Generally, once a decision has become final and executory, it can no longer be modified or otherwise disturbed. Thus, it is the ministerial duty of the proper judicial or quasi-judicial body to order its execution, except when, after the decision has become final and executory, facts and circumstances would transpire which render the execution impossible or unjust. On this regard, in order to harmonize the disposition with the prevailing circumstances, any interested party may ask a competent court to stay its execution or prevent its enforcement.
>
> However, the Petitioners failed to prove that the aforesaid exception is present in the case at bar. Instead, they insist that Decisions/Resolutions of the NHA and of the Office of the President are wanting in validity because they allegedly violated certain statutes and jurisprudence.
>
> Sadly, We cannot sustain Petitioners' theory.
>
> x x x x
>
> Accordingly, the findings of the NHA and of the Office of the President are perforce no longer open for review.
>
> x x x x

> Withal, We find no legal as well as equitable reason for Us to discuss further the issue, *supra*, raised by the Petitioners in the instant petition.
>
> WHEREFORE, premises considered, the instant Petition is DENIED. The challenged Resolution of the Office of the President is hereby AFFIRMED in *toto*.
>
> SO ORDERED.[29]

Petitioners filed their Motion for Reconsideration,[30] which the CA denied in its assailed December 22, 2006 Resolution. Hence, the present Petition.

Issues

Petitioners raise the following issues:

> 5.00.1 The Court of Appeals erred in ruling that petitioner Teodorico Rosete did not file an appeal from the decision of the National Housing Authority;
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> 5.00.2 The Court of Appeals erred in ruling that the decision of the Office of the President against the appeal of Remedios Rosete and Felicitas Corpuz binds petitioner Teodorico Rosete;
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> 5.00.3 The Court of Appeals erred in failing to look into the merits of petitioner Teodorico Rosete's claim over the subject lot.[31]

Petitioners' Arguments

Praying that the assailed CA Decision and Resolution be set aside and that the NHA's August 5, 1994 Letter-Decision be modified – so as to allow: 1) the subdivision of the subject lot on an "as is, where is" basis; 2) reimbursement/ refund by the respondents of Teodorico's lot and tax overpayments; and 3) the corresponding transfer of title to them – petitioners maintain in their Petition and Consolidated Reply[32] that Teodorico's October 18, 1994 letter to the NHA – which he allegedly sent on September 24, 1994 – should have been treated as a timely appeal to the OP, the same having been filed with the NHA within the 30-day reglementary period prescribed by the latter in its August 5, 1994 Letter-Decision and pursuant to Section 1 of Administrative Order No. 18, series of

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29 Id. at 53-56.
30 Id. at 57-61.
31 Id. at 34-35.
32 Id. at 238-253.

1987[33] of the OP (OP AO 18; Prescribing Rules and Regulations Governing Appeals to the Office of the President of the Philippines). Thus, the CA's pronouncement that Teodorico made no appeal to the OP or that it was not timely filed is erroneous.

Petitioners add that since Teodorico's October 18, 1994 letter to the NHA – which should be treated as an appeal to the OP – remains pending and unacted upon, then his case is still pending as far as the OP is concerned; that the dismissal of the appeal through the November 19, 1997 Decision in O.P. Case No. 5902 affected only the appellants therein, or the Rosetes and the Corpuzes, but not Teodorico – whose appeal remained pending as a result of the OP's failure to act on his October 18, 1994 letter *cum* appeal. They add that Teodorico's subsequent filing of his May 7, 2003 letter with the OP seeking a reconsideration of the November 19, 1997 Decision in O.P. Case No. 5902 should not have been taken against him by the CA, as it was prompted more by confusion engendered by the OP's failure to act on his October 18, 1994 letter *cum* appeal; the fact remains that he was not a party appellant in said case, and thus could not be bound by the November 19, 1997 judgment therein rendered.

Finally, petitioners argue that the NHA committed error in subdividing the subject lot, as it failed to accurately survey the same before making the awards; that the NHA failed to review the sketch plans submitted by the NHA District Office which reflected clearly the existing position of the structures built by the awardees; that the NHA decision would result in the unwarranted destruction of such structures in order to conform to the respective allocations of the awardees; and that their overpayments should be returned to them by the respondents, lest unjust enrichment results.

Respondents' Arguments

On the other hand, the Rosetes in their Comment[34] argue that the NHA's August 5, 1994 Letter-Decision is erroneous and unjust, because only the Brioneses stand to unduly benefit therefrom since their existing lot area would be increased while that of the others would be decreased, thus resulting in the destruction of their existing homes and structures.

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[33] SECTION 1. Unless otherwise governed by special laws, an appeal to the Office of the President shall be taken within thirty (30) days from receipt by the aggrieved party of the decision/resolution/order complained of or appealed from. Said appeal shall be filed with the Office of the President, or with the Ministry/agency concerned, with copies furnished to the affected parties and, if the appeal is filed with the Office of the President, to the Ministry/agency concerned. If the appeal is directly filed with the Ministry/agency concerned, such Ministry/agency shall, within five (5) days from receipt thereof, transmit the appeal to the Office of the President, together with the records of the case.

The time during which a motion for reconsideration has been pending with the Ministry/agency concerned shall be deducted from the period for appeal. But where such a motion for reconsideration has been filed during office hours of the last day of the period herein provided, the appeal must be made within the day following receipt of the denial of said motion by the appealing party.

[34] *Rollo*, pp. 212-216

The Corpuzes in their Comment[35] claim that Teodorico's October 18, 1994 letter to the NHA cannot be treated as an appeal to the OP, and the NHA's inaction or failure to act on the said letter should be construed as an implied denial thereof which should have prompted Teodorico to take further legal steps to protect his interests. They object to being required to pay for interests on the purchase price and taxes advanced by Teodorico, claiming that this was unjust. Finally, they maintain that the NHA is correct in allocating the subject lot the way it did among the parties; they should observe and yield to the law and policy of the NHA, even if it required the destruction of their homes and structures.

The Brioneses in their Comment[36] plainly adopt the decisions of the NHA, the OP and the CA. They particularly stress that the OP's disposition has long become final and executory; that the courts cannot interfere with the NHA's discretion in awarding the subject lot; that in the absence of grave abuse of discretion, the courts cannot overturn the OP's judgment; and that petitioners have not shown any valid ground to have the NHA and OP's respective decisions reversed.

Our Ruling

The Court denies the Petition.

On August 5, 1994, the NHA rendered its Letter-Decision, which Teodorico received on September 24, 1994. In an October 18, 1994 letter to the NHA, Teodorico sought a reconsideration of the said decision. This was followed by a July 28, 1999 letter to the NHA, where Teodorico, the Rosetes, and the Corpuzes sought approval of their request to subdivide the subject lot on an "as is, where is" basis. In a November 12, 1999 Letter-Reply, the NHA informed the parties that the original awards/allocations were being retained, and advised them to hire a surveyor for the purpose of subdividing the subject lot in accordance with such awards.

It can be said that the NHA's November 12, 1999 Letter-Reply constituted not only a written response to the July 28, 1999 letter of Teodorico, the Rosetes, and the Corpuzes, but a denial as well of Teodorico's October 18, 1994 letter *cum* motion for reconsideration of the agency's August 5, 1994 Letter-Decision. As such, Teodorico should have thereafter filed an appeal with the OP within the prescribed period. However, instead of doing so, he sent another letter to the NHA dated November 23, 1999 reiterating his request to subdivide the subject lot on an "as is, where is" basis and to be reimbursed by his co-awardees for his overpayments, with interest. He likewise filed in O.P. Case No. 5902 a May 7, 2003 letter, in which he sought a reconsideration of the November 19, 1997

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35 Id. at 230-236.
36 Id. at 163-207.

Decision rendered in said case.

With his failure to timely appeal the NHA's August 5, 1994 Letter-Decision and its November 12, 1999 Letter-Reply denying his motion for reconsideration, and instead taking various erroneous courses of action which did not properly direct his grievances at the right forum and within the prescribed period, the NHA's August 5, 1994 Letter-Decision became final and executory as against Teodorico – and the petitioners for that matter. In contemplation of law, petitioners did not at all file an appeal of the NHA's August 5, 1994 Letter-Decision.

Contrary to petitioners' claim, the Court cannot consider Teodorico's October 18, 1994 letter to the NHA as his appeal to the OP; it is properly a motion for reconsideration of the agency's August 5, 1994 Letter-Decision. Indeed, OP AO 18 does not preclude the filing of a motion for reconsideration with the agency which rendered the questioned decision; in reference to such motions for reconsideration, OP AO 18 specifically states that "[t]he time during which a motion for reconsideration has been pending with the Ministry/agency concerned shall be deducted from the period for appeal."

With regard to O.P. Case No. 5902, Teodorico could not have validly intervened. He had no personality to register his objections – through his undated letter which he filed on February 2, 1995 and his May 7, 2003 letter in which he sought a reconsideration of the OP's November 19, 1997 Decision; he was not a party – appellant or otherwise – in said case. Thus, "[h]e cannot impugn the correctness of a judgment not appealed from by him. He cannot assign such errors as are designed to have the judgment modified."[37] This view is in effect taken by petitioners themselves, with their argument in the instant Petition that since Teodorico was not an appellant in O.P. Case No. 5902, then he should not be bound by the November 19, 1997 judgment therein dismissing the appeal. If he did not intend to be bound by the judgment therein, then he had no business intervening in the case.

Since petitioners did not have the personality to intervene in O.P. Case No. 5902, then Teodorico had no standing to file therein his May 7, 2003 letter *cum* motion for reconsideration. The OP was thus correct in denying the same; in turn, the CA correctly affirmed the OP.

Notably, there is very little that petitioners can benefit from in obtaining a reversal of the assailed Decision of the CA. For one, they do not dispute the award of 62 square meters in Teodorico's favor; this has been made clear as early as in Teodorico's undated letter to the OP which was filed on February 2, 1995,

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[37] *Cruz v. Manila International Airport Authority*, G.R. No. 184732, September 9, 2013, 705 SCRA 275, 281 citing *Medida v. Court of Appeals*, G.R. No. 98334, May 8, 1992, 208 SCRA 887, 898-899.

where he indicated that he was "satisfied" with the award. For another, petitioners do not seek to question the allocations made in favor of their co-awardees; in fact, in the instant Petition, they openly declared that –

> In closing and perhaps most important of all, petitioners would like to respectfully manifest to this Honorable Court that they have deliberately not questioned the right of respondents to be potential beneficiaries of the ZIP Census even if they had argued before the Court of Appeals that respondents were mere renters. The reason for this is that, at the end of the day, the peace of the community is paramount. x x x[38]

The petitioners' remaining point of contention is their claim for reimbursement. Sad to say, this Court cannot order a refund of Teodorico's overpayments. First of all, NHA – the recipient of the overpayment – cannot be ordered to make a refund, since Teodorico never prayed to recover from it; in all his submissions – from the NHA, the OP, the CA, and all the way up to this Court – he consistently sought reimbursement only from his co-awardees, not the NHA. Secondly, the specific amount of overpayment is not fixed or determinable from the record; this being the case, it cannot be determined how much exactly each of Teodorico's co-awardees owes him. Thirdly, this Court is not a trier of facts; it cannot go out of its way to determine and analyze from the record what should be returned to Teodorico, nor can it receive evidence on the matter. Suffice it to state that petitioners are indeed entitled to be indemnified for paying for the value of the subject lot and the real property taxes thereon over and above what was awarded to them, pursuant to Article 1236 of the Civil Code, which states that "[w]hoever pays for another may demand from the debtor what he has paid, except that if he paid without the knowledge or against the will of the debtor, he can recover only insofar as the payment has been beneficial to the debtor." They may also recover from the NHA, applying the principle of *solutio indebiti*.[39]

WHEREFORE, the Petition is **DENIED**. The assailed October 30, 2006 Decision and December 22, 2006 Resolution of the Court of Appeals in CA-G.R. SP No. 79400 are **AFFIRMED**.

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

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38 *Rollo*, p. 44.

39 Articles 2154 and 2155 of the CIVIL CODE state:

Article 2154. If something is received when there is no right to demand it, and it was unduly delivered through mistake, the obligation to return it arises.

Art. 2155. Payment by reason of a mistake in the construction or application of a doubtful or difficult question of law may come within the scope of the preceding article.

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

MARVIC M.V.F. LEONEN
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.

ANTONIO T. CARPIO
Associate Justice
Acting Chief Justice