

THIRD DIVISION

[G.R. No. 247724, September 23, 2020]

**DIMAYUGA LAW OFFICES, PETITIONER, VS. TITAN-IKEDA
CONSTRUCTION AND DEVELOPMENT CORPORATION,
RESPONDENT.**

D E C I S I O N

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court, assailing the Resolutions dated January 17, 2019^[2] and May 30, 2019,^[3] respectively, of the Court of Appeals (CA) in CA-G.R. SP No. 159007 denying the Petition for *Certiorari* filed by Dimayuga Law Offices, which questioned the Order^[4] of the Regional Trial Court (RTC) of Makati City, Branch 58, to cancel the attorney's lien and adverse claim annotated on the condominium certificates of title subject of this case.

Antecedents

On February 4, 1993, Primetown Property Group, Inc. (Primetown Property) entered into an agreement with Titan-Ikeda Construction and Development Corporation (Titan-Ikeda Construction) for the structural works of its 32-storey condominium building to be known as the "Prime Tower" located at Kalayaan Avenue, Makati City for a contract price of P40,000,000.00.^[5] On January 31, 1994, the parties entered into a Supplemental Agreement whereby Primetown Property awarded the architectural works in the Prime Tower to Titan-Ikeda Construction for a contract price of P130,000,000.00. The parties agreed that the payment shall be by "full swapping" or such number of condominium units and parking lots equivalent to the contract price. Pursuant to this, on June 30, 1994, Primetown Property executed a Deed of Absolute Sale in favour of Titan-Ikeda Construction covering a total of 114 condominium units and 20 parking slots in exchange for the contract price of P130,000,000.00.^[6]

As the works on Prime Tower progressed, it became evident that TitanIkeda Construction would not meet the target completion date. Hence, Primetown Property took over the completion of the architectural works. Primetown Property also hired Integraltech, Inc., a private engineering consultancy firm, which evaluated that as of September 1995, Titan-Ikeda Construction's accomplished architectural works is only estimated at 48.71%. Per Integraltech, Inc.'s computation, the value of the remaining works still to be completed amounted to P66,677,000.00. Hence, Primetown Property overpaid Titan-Ikeda Construction with condominium units and parking slots equivalent to P66,677,000.00. Despite repeated demands, Titan-Ikeda refused to return the condominium units and parking slots corresponding to P66,677,000.00.^[7]

Because of the failure of Titan-Ikeda Construction to return the condominium units and parking slots, Primetown Property filed a complaint for collection of sum of money before the RTC of Makati City, Branch 58 on July 2, 1997.

In its Answer, Titan-Ikeda Construction insists that it had no obligation to return the condominium units and parking slots to Primetown Property. According to Titan-Ikeda Construction, during the progress of the architectural works, additive works and/or change orders were requested by Primetown Property due to revisions in the architectural plan. Titan-Ikeda Construction agreed to do the additive works in the amount of not less than P39,000,000.00. Allegedly, these additive works contributed to the delay of the project. Titan-Ikeda Construction also argues that Primetown Property incurred considerable delay in supplying concrete mix and rebars as committed by them. As such, Primetown Property took over the architectural works but Titan-Ikeda Construction claims that it was a mutual agreement and was part of Primetown Property's long-range plan.^[8]

To support its counterclaim, Titan-Ikeda Construction explained that prior to the actual turn-over of the project to Primetown Property, the parties even conducted a joint inventory where it was agreed that due to the additives made by Titan-Ikeda Construction, it was in fact Primetown Property which owed Titan-Ikeda Construction a total of P2,023,876.25.^[9] More importantly, Primetown Property allegedly failed to deliver the keys as well as management certificates of the condominium units it paid to Titan-Ikeda Construction. Hence, Titan-Ikeda Construction sent a demand for the delivery of the keys and the payment of P2,023,876.25. However, Primetown Property failed to do so. This forced Titan-Ikeda Construction to file a complaint with the Housing and Land Use Regulatory Board (HLURB) on December 10, 1996.^[10] On April 29, 1997, the HLURB rendered a Decision directing Primetown Property to issue the management certificates and to turn over the keys of the condominium units to Titan-Ikeda Construction and its buyers.^[11]

Similarly, on August 5, 1998, the RTC rendered its Decision which dismissed the complaint filed by Primetown Property and granted the counterclaim prayed for by Titan-Ikeda Construction. The RTC ordered Primetown Property to pay the following: (a) the additive works made by Titan-Ikeda Construction in the amount of PhP2,023,876.25; (b) compensatory damages in the amount of USD1,665,260.00; and (c) attorney's fees.^[12]

Insisting on its right to demand the return of the condominium units and parking slots, Primetown Property appealed the case until it reached the Supreme Court. Eventually, on February 12, 2008, We rendered a Decision, setting aside the August 5, 1998 Decision of the RTC, the dispositive portion of which provides:

WHEREFORE, the petition is hereby **GRANTED**. The March 15, 2002 decision and May 29, 2003 resolution of the Court of Appeals in CA-G.R. CV No. 61353 and the August 5, 1998 decision of the Regional Trial Court, Branch 58, Makati City in Civil Case No. 97-1501 are hereby **SET ASIDE**. New judgment is entered:

1. ordering petitioner **Titan-Ikeda Construction and Development Corporation** to **return** to respondent **Primetown Property Group**,

Inc. the condominium units and parking slots corresponding to the **payment made in excess of the proportionate (project) cost of its actual accomplishment as of October 12, 1995**, subject to its (petitioner's) allowable claims as stated in the inventory; and

2. dismissing petitioner Titan-Ikeda Construction and Development Corporation's claims for the cost of additional work (or change order) and damages.

The records of this case are **remanded** to the Regional Trial Court of Makati City, Branch 58 for:

1. the **reception of additional evidence** to determine:

(a) the **percentage of the architectural work actually completed by petitioner Titan-Ikeda Construction and Development Corporation as of October 12, 1995** on the Makati Prime Tower; and

(b) the number of condominium units and parking slots sold by petitioner Titan-Ikeda Construction and Development Corporation to third persons.

2. the **computation of petitioner Titan-Ikeda Construction and Development Corporation's actual liability to respondent Primetown Property Group, Inc.** or vice-versa, and the determination of imposable interests and/or penalties, if any.

SO ORDERED.^[13] (Emphasis supplied)

In compliance with the order to remand the case to the RTC of Makati City, Branch 58, the case was set for hearing or reception of other evidence. Eventually, the RTC rendered another Decision^[14] dated April 30, 2012. The RTC found that as of October 12, 1995, the percentage of architectural works actually completed by Titan-Ikeda Construction was only 48.71%.^[15] The RTC also determined that 117 titles of condominium units are transferred to Titan-Ikeda Construction as payment for the architectural works. However, of the 117 titles, 42 were already cancelled and transferred to the names of the buyers of Titan-Ikeda Construction. The remaining 75 titles are still registered in the name of Titan-Ikeda Construction.^[16] Since Primetown Property already paid Titan-Ikeda Construction in full and the actual architectural works completed as of October 12, 1995 was only 48.71%, there was overpayment at the rate of 51.29%. Hence, Titan-Ikeda Construction was ordered to return to Primetown Property the amount of P66,677,000.00 or 60 condominium units, with the following Condominium Certificate of Title Nos.: 35739, 35743, 35744, 35745, 35748, 35749, 35750, 35751, 35752, 35753, 35756, 35757, 35758, 35762, 35764, 35766, 35767, 35768, 35769, 35770, 35771, 35774, 35776, 35777, 35778, 35779, 35782, 35783, 35785, 35787, 35795, 35796, 35797, 35798, 35801, 35803, 35804, 35805, 35806, 35810, 35811, 35814, 35816, 35817, 35818, 35819, 35820, 35821, 35822, 35823, 35825, 35826, 35827, 35829, 35830, 35831, 35832, 35833, 35834, and 35835.^[17]

Titan-Ikeda Construction moved for reconsideration but it was denied in a Resolution dated August 6, 2012. Eventually, Titan-Ikeda Construction filed a notice of appeal.

However, in an Order^[18] dated December 4, 2012, the RTC dismissed the same for failure to pay the appeal fee within the reglamentary period. Due to this, the April 30, 2012 RTC decision became final and executory.

As counsel for Primetown Property, Dimayuga Law Offices filed a Motion to Record and Enforce Attorney's Lien based on a Retainer Agreement dated April 24, 2003 entered into by them, which entitles Dimayuga Law Offices to 12% of all the monetary awards and interests granted to Primetown Property. The RTC granted the motion in an Omnibus Order^[19] dated April 10, 2013 which specifically subjected Condominium Certificate of Title Nos. 35739, 35743, 35744, 35745, 35748, 35779, 35797, 35798, 35805, and 35806 to the attorney's lien.^[20]

On April 29, 2013, the RTC issued a Writ of Execution^[21] of the Decision dated April 30, 2012.^[22] On December 19, 2013, the RTC issued an Order instructing Titan-Ikeda Construction to return to Primetown Property the 60 condominium units which include the 10 condominium units paid to Dimayuga Law Offices. Further, the RTC ordered the Register of Deeds to cancel the subject condominium certificates of title in the name of Titan-Ikeda Construction and issue new titles in the name of Primetown Property.^[23]

Because of the finality of judgment and issuance of the Writ of Execution, Primetown Property paid Dimayuga Law Offices' attorney's fees in kind, using the ten condominium units earlier subjected to attorney's lien.^[24] Hence, on May 5, 2015, Primetown Property and Dimayuga Law Offices executed several Deeds of Absolute Sale involving the 10 condominium units.^[25] In addition, Dimayuga Law Offices paid and updated the real property taxes of the 10 condominium units since 2005. However, because the condominium certificates of title were still registered in the name of Titan-Ikeda Construction due to its refusal to comply with the writ of execution ordering it to return the condominium units to Primetown Property, Primetown Property was not able to transfer the condominium certificates of title in the name of Dimayuga Law Offices.^[26]

To further protect its right, Dimayuga Law Offices executed an Affidavit of Adverse Claim which was also annotated on the ten condominium certificates of title.^[27]

However, before the return of the condominium units to Primetown Property, unexpectedly and without the knowledge of Dimayuga Law Offices, Primetown Property and Titan-Ikeda Construction filed a Joint Motion to Approve Compromise Agreement, which the RTC granted. On October 6, 2017, a Compromise Judgement was rendered by the RTC.^[28]

Because of this, Dimayuga Law Offices filed an Urgent Motion for Intervention to Protect Attorney's Rights. In an Order^[29] dated March 6, 2018, the RTC ordered Primetown Property to pay Dimayuga Law Offices its attorney's fees pursuant to their Retainer Agreement.^[30]

In the meantime, Titan-Ikeda Construction filed a Motion to Cancel Attorney's Lien and Adverse Claim on the ten condominium certificates of title earlier subjected to Dimayuga Law Offices' attorney's lien. In an Order^[31] dated June 4, 2018, the RTC

granted the motion and ordered the removal of the attorney's lien and adverse claim annotated in the ten condominium certificates of title.^[32] The RTC ratiocinated that paragraphs 3 and 7 of the Compromise Agreement entered into by Primetown Property and Titan-Ikeda Construction support this, to wit:

x x x x

3. Upon the execution of this Compromise Agreement, the letter dated July 21, 2017 and signed by Kenneth Yap, sent to the Registry of Deeds of Makati, addressed to Atty. Caluya, Jr. is considered automatically revoked, withdrawn, recalled and have no effect whatsoever and the processing of any titling or transfer related to the 60 titles mentioned in the Civil Case No. 97-1501 of RTC Branch 58, Makati City, shall be allowed;

x x x x

7. Upon the execution of this Compromise Agreement, any lis pendens, adverse claims annotated in the sixty (60) titles mentioned in the decision shall accordingly be cancelled;

x x x x^[33] (Underscoring and italics omitted)

The RTC stated that Dimayuga Law Offices should collect from its client, Primetown Property, and not from Titan-Ikeda Construction. Considering that the condominium titles are still in the name of Titan-Ikeda Construction because the April 30, 2012 Decision of the RTC was never executed, they continued to be owned by the latter and cannot be the subject of attorney's lien.^[34]

Dimayuga Law Offices moved for reconsideration but it was denied. Hence, it filed a petition for *certiorari* with the CA. The CA, in its Resolution dated January 17, 2019, dismissed the petition outright for failure to attach certified true copies of relevant documents.^[35] In its petition, Dimayuga Law Offices merely attached the assailed orders of the RTC and the writ of execution.^[36] On reconsideration, Dimayuga Law Offices rectified its omission and attached the relevant documents but the CA still denied the same.^[37] According to the CA, since Dimayuga Law Offices' claim arises from the legal services it rendered to Primetown Property, the same must be satisfied from the money or property of its client, Primetown Property. Here, the 10 condominium titles to which the attorney's lien and adverse claim were previously annotated remained in the name of Titan-Ikeda Construction for failure to execute the Decision dated April 30, 2012 of the RTC. Hence, Dimayuga Law Offices' attorney's lien cannot be satisfied from properties which do not belong to its client, Primetown Property.^[38] The CA emphasized that in any event, Dimayuga Law Offices' attorney's fees are amply recognized pursuant to its retainer agreement with Primetown Property.

Aggrieved, Dimayuga Law Offices filed this Petition for Review on Certiorari dated July 31, 2019. According to Dimayuga Law Offices, the RTC had no jurisdiction to entertain the motion to cancel the adverse claim filed by Titan-Ikeda Construction because what the law requires in cancelling adverse claims is to file a petition in the court where the land is situated and not merely a motion.^[39] Dimayuga Law Offices