

SECOND DIVISION

[G.R. No. 203241, July 10, 2013]

**RIZAL COMMERCIAL BANKING CORPORATION, PETITIONER, VS.
FEDERICO A. SERRA, RESPONDENT.**

D E C I S I O N

CARPIO, J.:

The Case

This Petition for Review on Certiorari^[1] with prayer for the issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order assails the 16 February 2012^[2] and 26 July 2012^[3] Orders of the Regional Trial Court of Makati City, Branch 134 (RTC Makati).

The Facts

Respondent Federico A. Serra (Serra) is the owner of a 374 square meter parcel of land located along Quezon Street, Masbate, Masbate. On 20 May 1975, Serra and petitioner Rizal Commercial Banking Corporation (RCBC) entered into a Contract of Lease with Option to Buy, wherein Serra agreed to lease his land to RCBC for 25 years. Serra further granted RCBC the option to buy the land and improvement (property) within 10 years from the signing of the Contract of Lease with Option to Buy.

On 4 September 1984, RCBC informed Serra of its decision to exercise its option to buy the property. However, Serra replied that he was no longer interested in selling the property. On 14 March 1985, RCBC filed a Complaint for Specific Performance and Damages against Serra (Specific Performance case) in the RTC Makati. The RTC Makati initially dismissed the complaint. However, in an Order dated 5 January 1989, the RTC Makati reversed itself and ordered Serra to execute and deliver the proper deed of sale in favor of RCBC.^[4]

Serra appealed to the Court of Appeals (CA). On 18 May 1989, Serra donated the property to his mother, Leonida Ablao (Ablao). On 20 April 1992, Ablao sold the property to Hermanito Liok (Liok). A new land title was issued in favor of Liok. Thus, RCBC filed a Complaint for Nullification of Deed of Donation and Deed of Sale with Reconveyance and Damages against Liok, Ablao and Serra (Annulment case) before the RTC of Masbate City (RTC Masbate).

Meanwhile, the CA, and later the Supreme Court, affirmed the order of the RTC Makati in the Specific Performance case. In a Decision dated 4 January 1994, this Court declared that the Contract of Lease with Option to Buy was valid, effective, and enforceable. On 15 April 1994, the decision in the Specific Performance case became final and executory upon entry of judgment.^[5]

On 22 October 2001, the RTC Masbate ruled in favor of RCBC, declaring the donation in favor of Ablao and the subsequent sale to Liok null and void.^[6] In a Decision dated 28 September 2007, the CA affirmed the RTC Masbate decision. The CA held that the donation to Ablao was simulated and was done solely to evade Serra's obligation to RCBC. Since Ablao had no right to transfer the property and Liok was not a buyer in good faith, the subsequent sale to Liok was likewise null and void.

Thus, Liok filed a Petition for Review on Certiorari, docketed as G.R. No. 182478, while Serra and Ablao filed a Petition for Certiorari, docketed as G.R. No. 182664, before this Court. In separate Resolutions dated 30 June 2008 and 22 October 2008, which became final and executory on 27 August 2008^[7] and 3 March 2009,^[8] respectively, this Court found neither reversible error nor grave abuse of discretion on the CA's part.

On 25 August 2011, RCBC moved for the execution of the decision in the Specific Performance case. RCBC alleged that it was legally impossible to ask for the execution of the decision prior to the annulment of the fraudulent transfers made by Serra. Thus, the period to execute by motion was suspended during the pendency of the Annulment case. On 22 September 2011, Serra filed his comment and opposition to the motion. Serra insisted that the motion for execution was already barred by prescription and laches, and that RCBC was at fault for failing to register as lien in the original title the Contract of Lease with Option to Buy.

In an Order dated 16 February 2012, the RTC Makati denied RCBC's motion for execution. The RTC Makati opined that "[RCBC] should have asked for the execution of the deed of sale and have the same registered with the Registry of Deeds, so that even if [Serra] sold or transferred the subject property to any person the principle of caveat emptor would set in."^[9]

In an Order dated 26 July 2012, the RTC Makati denied RCBC's motion for reconsideration. Thus, RCBC filed this petition.

In a Resolution dated 3 December 2012, this Court granted RCBC's Temporary Restraining Order against the implementation of the questioned Orders upon RCBC's filing of a bond.

The Issue

RCBC raises this sole issue for resolution:

WHETHER OR NOT THE COURT A QUO ERRED IN HOLDING THAT PETITIONER RCBC IS BARRED FROM HAVING ITS 05 JANUARY 1989 DECISION EXECUTED THROUGH MOTION, CONSIDERING THAT UNDER THE CIRCUMSTANCES OBTAINING IN THIS CASE, RCBC WAS UNLAWFULLY PREVENTED BY THE RESPONDENT FROM ENFORCING THE SAID DECISION.^[10]

The Ruling of the Court