

FIRST DIVISION

[G.R. No. 155804, March 14, 2008]

**VICTORINO F. VILLANUEVA, ROSITA M. VILLANUEVA,
Petitioners, vs. FRANCISCO VILORIA and, as Attorney-in-Fact,
SAMUEL P. VERA CRUZ, Respondents.**

D E C I S I O N

AZCUNA, J.:

This petition for review under Rule 45 assails the August 7, 2002 Decision^[1] and October 9, 2002 Resolution^[2] of the Court of Appeals (CA) in CA-G.R. SP No. 70560 dismissing the petition for annulment of judgment, under Rule 47 of the 1997 Revised Rules of Civil Procedure, filed by petitioners for lack of merit.

The antecedents are that on February 22, 2001, respondent Francisco Viloria, acting through his Attorney-in-Fact Samuel P. Vera Cruz, filed a verified petition for the issuance of a new owner's duplicate copy of Transfer Certificate of Title (TCT) No. T-16156 in lieu of the lost one,^[3] before the Regional Trial Court (RTC) of Iba, Zambales, Branch 70, alleging the following: (1) that he is the registered and absolute owner of a certain parcel of land located in the Poblacion of Iba, Zambales, covered by TCT No. T-16156; (2) that respondent Viloria and his wife were former residents of Iba, Zambales until the year 1988, when they moved to Ilocos Sur bringing with them, among others, important documents which they kept in a wooden chest, including the owner's duplicate copy of TCT No. T-16156; (3) that after the death of his wife in 1995, he began to sort their personal effects, as well as the documents kept in the wooden chest, and thereafter found that the wooden chest was infested and partially eaten by termites, while most of the papers and important documents therein have been completely destroyed, reduced to pieces and beyond recognition; (4) that no trace of the owner's duplicate copy of TCT No. T-16156 could be found inside the wooden chest where it was kept and he supposed that among the important documents inside the wooden chest, eaten and destroyed by termites, was the said owner's duplicate copy of title; (5) that the owner's duplicate copy of title is beyond recovery and irretrievably lost; (6) that he executed an Affidavit of Loss and registered the same with the Register of Deeds of Zambales; and (7) that said owner's duplicate copy of title was not delivered or conveyed to any third person or entity to satisfy or guarantee an obligation.^[4] Respondent Viloria prayed that the court declare null and void the owner's duplicate copy of TCT No. T-16156, which was lost, and order the Register of Deeds of Zambales, upon payment of fees, to issue a new owner's duplicate copy of TCT No. T-16156 in lieu of the lost one.^[5]

After preliminary requirements and certificate of posting were complied with, trial ensued. On March 27, 2001, the trial court issued an Order,^[6] the dispositive portion of which reads:

WHEREFORE, finding the evidence submitted to be sufficiently meritorious, pursuant to Section 109 of P.D. 1529, the Register of Deeds of Zambales is hereby directed and authorized, upon payment of the corresponding fees, to issue another owner's copy of Transfer Certificate of Title No. T-16156 under the same terms and conditions as the one lost, which is hereby declared cancelled, null and void.

The new owner's duplicate issued shall in all respect be entitled to like faith and credit as the original duplicate and shall thereafter be honored as such for all purposes.

SO ORDERED.^[7]

Finding that its order became final and executory on April 11, 2001, the trial court made an Entry of Judgment dated June 5, 2001.^[8] Thereafter, and pursuant to the said Order, the Registry of Deeds of Zambales issued on June 14, 2001 a new owner's duplicate copy of TCT No. T-16156 with SN No. 057212 in the name of respondent Viloría, married to Cresencia P. Viloría.^[9] Respondent Viloría lost no time in executing an Affidavit of Self-Adjudication of Sole Heir of the late Cresencia P. Viloría, whose estate is covered by TCT No. T-16156. The Notice of Self-Adjudication was published in the Philippine Recorder on January 14, 21, and 28, 2002.^[10]

On March 4, 2002, Lot 227-C, covered by TCT No. T-16156, and with an area of 585 square meters, was sold by respondent Viloría to Ruben M. Marty in consideration of the sum of P350,000.^[11] As a consequence of the sale, TCT No. T-16156 was cancelled and TCT No. T-54657 in the name of Ruben M. Marty was issued on April 25, 2002 by the Registry of Deeds of Zambales.^[12]

On May 10, 2002, petitioners filed a petition for annulment of judgment under Rule 47 of the 1997 Revised Rules of Civil Procedure, as amended, on the grounds of lack of jurisdiction and extrinsic fraud.

In the petition before the CA, petitioners claimed to have learned about the petition for the issuance of a new owner's duplicate copy of TCT No. T-16156 only sometime in March 2002, when a certain Emmy Angeles came to their house to inform them about the Order dated March 27, 2001, of the trial court. They alleged that they were never given the necessary notices and information regarding the pendency of respondent Viloría's petition despite the fact that they are the actual possessors and owners of the land covered by TCT No. T-16156.

On August 7, 2002, the CA dismissed the petition for lack of merit. As to the issue of lack of jurisdiction, the appellate court ratiocinated that the requirements laid down under Section 109 of Presidential Decree No. 1529 were duly complied with; hence, the lower court acted within its jurisdiction when it ordered the issuance of a new owner's duplicate of TCT No. T-16156 in lieu of the lost one. The CA held that alleged ground of extrinsic fraud failed because the failure to disclose to the adversary, or to the court, matters which would defeat one's own claim or defense is not such extrinsic fraud as will justify or require a vacation of the judgment. The appellate court added that petitioners were not entitled to be notified of the petition before the RTC for not being persons whose claim, right or interest is annotated at the back of TCT No. T-16156 under its Memorandum of Encumbrances.

On October 9, 2002, the motion for reconsideration filed by petitioners was denied for lack of merit.

Hence, the present petition.

Petitioners claim that at the time that the petition for the issuance of a new owner's duplicate copy of TCT No. T-16156 was filed by respondent Viloria, the subject land had already been sold to them, who are the actual possessors of the property. They further allege that they are in possession of TCT No. T-16156, with serial number 2136412,^[13] which was delivered to them by the late wife of respondent Viloria, Cresencia P. Viloria, along with a copy of the sales contract^[14] dated June 5, 1986. Petitioners likewise annexed in their petition for review copies of the receipts of payment^[15] for the sale, duly signed by Cresencia.

The issues raised by the petitioners are:

- A. WHETHER OR NOT THE REGIONAL TRIAL COURT HAD JURISDICTION TO ORDER THE ISSUANCE OF A NEW OWNER'S DUPLICATE COPY OF TRANSFER CERTIFICATE OF TITLE NO. 16156
- B. WHETHER OR NOT THE COURT OF APPEALS HAD DECIDED THE CASE IN ACCORDANCE TO THE APPLICABLE DECISIONS OF THE SUPREME COURT ON THE MATTER.^[16]

Petitioners submit that the decision of the CA is not in consonance with the Court's decision in the case of *Rexlon Realty Group Inc. v. Court of Appeals*.^[17] In their petition, petitioners state that:

In the said case the Supreme Court ruled in favor of the Petitioner and **GRANTED** the Petition for Review filed by the Petitioner, it reversed and set aside the assailed Decision of the Court of Appeals dismissing the Petition for Annulment of Judgment and the Decision of the Regional Trial Court of Cavite (w)as ANNULLED; declaring void the new owner's duplicate copies of TCT Nos. T-72537 and T-72538 in the name of Alex L. David issued by virtue of the said Decision of the Regional Trial Court as well as the replacement thereof and explained its decision as follows:

In the case of ***Strait Times, Inc. v. Court of Appeals***, where this Court was faced with the same facts and issue, therein respondent Peñalosa filed a petition for the issuance of a new owner's duplicate certificate of title. He alleged therein that his copy was lost and was not pledged or otherwise delivered to any person or entity to guaranty any obligation or for any purpose. When the trial court issued a new owner's duplicate title, therein petitioner Strait Times, Inc filed a petition to annul judgment based on extrinsic fraud and lack of jurisdiction. Strait Times, Inc. claimed that Peñalosa misrepresented before the trial court that the said owner's duplicate copy of the title was lost when in fact it was in the possession of the former pursuant to a contract of sale between Peñalosa and a certain Conrado Callera. Callera later