

FIRST DIVISION

[G.R. No. 246088, April 28, 2021]

TITAN DRAGON PROPERTIES CORPORATION, PETITIONER, VS. MARLINA VELOSO-GALENZOGA, RESPONDENT.

DECISION

ZALAMEDA, J.:

A void judgment is in legal effect no judgment. By it no rights are divested. From it no rights can be obtained. Being worthless in itself, all proceedings founded upon it are equally worthless. It neither binds nor bars any one. All acts performed under it and claims flowing out of it are void. The parties attempting to enforce it may be responsible as trespassers.^[1]

This resolves the Petition for Review on *Certiorari*^[2] under Rule 45 of the Rules of Court (Rules) filed by petitioner Titan Dragon Properties Corporation (petitioner corporation) assailing the Decision^[3] dated 01 June 2018 rendered by the Court of Appeals (CA), Division of Five,^[4] and Resolution^[5] dated 26 February 2019 rendered by the CA, Special Division of Five, Special Former Third Division^[6] in CA-G.R. SP No. 150941 entitled, "Titan Dragon Properties Corporation v. Hon. Edgardo B. Bellosillo, in his official capacity as the Presiding Judge, Regional Trial Court, Branch 95, Quezon City, and Marlina Veloso-Galenzoga," which affirmed the Decision^[7] dated 21 October 2016 rendered by the Honorable Edgardo B. Bellosillo, Presiding Judge of Branch 95, Regional Trial Court of Quezon City (Br. 95-RTC), in Civil Case No. R-QZN-15-03231-CV for Specific Performance.

Antecedents

The very subject of litigation is a 70,364-square meter (sq.m.) parcel of land (subject property) situated in *Barangay* Damayan Lagi, New Manila, Quezon City and registered in the name of Titan Dragon Properties Corporation under Transfer Certificate (TCT) No. 185260.^[8] However, petitioner corporation, through its then President Antonio L. Yao (Yao), allegedly sold the subject property in favor of respondent Marlina Veloso Galenzoga (respondent). Purportedly, the transaction was evidenced by a Deed of Absolute Sale^[9] (Deed) executed between the parties on 08 December 1997 for a contract price of Sixty Million Pesos (Php60,000,000.00). The Deed also obligated petitioner corporation to shoulder the payment of capital gains tax (CGT) and documentary stamp tax (DST) while respondent agreed to pay the transfer tax and registration fee.^[10]

Respondent claimed that since 1997, she had been religiously paying real property taxes over the property. On the contrary, petitioner corporation failed to comply with its obligations to 1) deliver possession of the property and 2) pay the necessary CGT

and DST.^[11] Respondent averred she made several verbal demands to his good friend Yao, but to no avail, until the latter's demise. Thus, respondent filed a **Complaint^[12] for specific performance** (specific performance case) dated 07 April 2015, to compel petitioner corporation to comply with its obligations.^[13] The case was raffled to Br. 95-RTC.

Respondent filed a **Petition for Mandamus^[14]** (*mandamus* case) on 21 April 2015, docketed as **Civil Case No. R-QZM-15-03669-CV**, just two (2) weeks apart from the filing of the specific performance case. The petition was raffled to Branch 76, Regional Trial Court of Quezon City (Br. 76-RTC). In her petition, respondent alleged facts similar to the specific performance case, except for the allegation that on 13 January 2015, TCT No. 185260 was cancelled, resulting to two (2) derivative titles in the name of petitioner corporation under TCT Nos. 004-2015001698^[15] and 004-2015001699.^[16] Respondent claimed fraud as the owner's duplicate certificate of TCT No. 185260 was in her possession. She thus, sought to compel the Register of Deeds (RD) of Quezon City to 1) annul and cancel said derivative titles; and 2) reinstate TCT No. 185260.

Corresponding summonses were issued for both proceedings. However, the Sheriffs Return^[17] dated 27 April 2015 in the specific performance case showed that Br. 95-RTC's deputy sheriff made attempts to serve the summons at the 6th Floor, PBCom Building, Ayala Avenue, Makati. The first was on 16 April 2015, when the deputy sheriff was informed by the administrative assistant of the building that petitioner company does not hold office at the 6th Floor. He verified the same and found that the entire floor is being occupied by PBCom bank. The second time, the deputy sheriff went back to the same address but the building manager of PBCom informed him that petitioner corporation was not holding office at the 6th Floor thereof. This prompted respondent to file a motion to serve summons to petitioner corporation by substituted service (publication),^[18] which Br. 95-RTC granted in an Order^[19] dated 09 June 2015.

Anent the *mandamus* case, the Sheriffs Return^[20] dated 11 May 2015, yielded service of summons to petitioner corporation at the 6th Floor of PBCom Building, Ayala Avenue, through a certain Jona Agustin, front desk representative, who refused to sign the acknowledgment. Nonetheless, Br. 76-RTC declared that summons was properly served. The *mandamus* case was submitted for decision on 16 June 2015 upon failure of petitioner corporation to file its answer.^[21]

On the same day Br. 76-RTC also issued a Decision^[22] in favor of respondent. According to the trial court, respondent had been in possession of the owner's duplicate copy of TCT No. 185260. It assumed that the RD irregularly cancelled said title and issued two (2) new titles without requiring the presentation of TCT No. 185260. Thus, in its decision, Br. 76-RTC disposed:

WHEREFORE, premises considered, judgment is rendered ordering the Register of Deeds of Quezon City to:

1. Cancel Transfer Certificate of Title Nos. 004-2015001698 and 004-2015001699 in the name of Titan Dragon Properties Corporation;

2. Reinstate Transfer Certificate of Title No. 185260;

3. Annotate the Deed of Absolute Sale executed between Marlina Veloso-Galenzoga and Titan Dragon Properties Corporation, through its president Antonio L. Yao, over the real property covered by Transfer Certificate of Title No. 185260; and

4. Issue a new certificate of title over the subject property in favor of Marlina Veloso-Valenzoga, upon payment of the necessary fees and taxes.

SO ORDERED.^[23]

On 01 July 2015, petitioner corporation filed a Motion for Reconsideration^[24] in the *mandamus* case. Allegedly, petitioner corporation discovered that a decision was issued against it and was only able to secure copies of the same with the clerk of court of Br. 76-RTC.

In said motion, petitioner corporation maintained that the summons was improperly served to a receptionist, who is not an employee of petitioner corporation, nor among those who could be validly served with summons under Section 11, Rule 14^[25] of the Rules of Court.^[26] Hence, the service of summons was invalid, and the consequent decision rendered therein void.

Petitioner corporation also asserted that the decision in the *mandamus* case expanded the reliefs sought by respondent when it ordered the annotation of the Deed between respondent and Yao in TCT No. 185260 and the issuance of a new title in respondent's name. This, considering that respondent did not even pray for these reliefs.

Br. 76-RTC, now presided by a new judge,^[27] issued a Resolution^[28] on 21 April 2016 granting petitioner corporation's motion for reconsideration. It ruled that the court did not acquire jurisdiction as the summons was invalidly served. Moreover, the *mandamus* case was decided without respondent moving to declare petitioner corporation in default, and without the subsequent presentation of respondent's evidence *ex parte*. The court also noted the precipitate haste in resolving the *mandamus* case having been decided the same day it was submitted for decision. Hence, the trial court set aside the Decision dated 16 June 2015 and ordered for summons to be issued to petitioner corporation.

Meanwhile, petitioner corporation was declared in default in the specific performance case upon motion by the respondent on 12 July 2016.^[29] Thus, Br. 95-RTC rendered a Decision^[30] dated 21 October 2016 granting respondent's complaint for specific performance, the dispositive portion of which states:

WHEREFORE, Judgment by default is hereby rendered in favor of plaintiff and against defendant.

Accordingly, the Court Orders as follows:

1. The defendant to pay the Capital Gains Tax and Documentary Stamp Tax to effect the transfer of title of the subject property; and
2. To deliver the possession of the subject real property to plaintiff Marlina Veloso-Galenzoga.

SO ORDERED.^[31]

On 27 October 2016, an Omnibus Motion^[32] was filed by respondent. She alleged that petitioner corporation caused the subdivision of the subject property fraudulently, resulting to the cancellation of TCT No. 185260 and the subsequent issuance of the derivative titles in its name. Respondent prayed for the trial court to cancel the said derivative titles for being void and to direct the RD of Quezon City to reinstate TCT No. 185260, annotate thereon the absolute deed of sale between respondent and Yao, and to issue a new title in her name.

In the interim, the said Decision dated 21 October 2016 in the specific performance case became final and executory on 12 December 2016 based on the Certificate of Finality^[33] issued by the trial court on 04 January 2017. A day after said decision became final, the omnibus motion earlier filed by respondent was partly granted in an Order^[34] dated 13 December 2016, the dispositive portion of which states:

Accordingly, the Register of Deeds of Quezon City is ordered to annotate on TCT No. 185260 the Deed of Absolute Sale dated December 8, 1997 executed by and between Titan Dragon Properties Corporation and Marlina G. Veloso-Galenzoga; and to issue a new title in the name of plaintiff Marlina G. Veloso-Galenzoga upon payment of all taxes and fees due to the Government or upon the presentation of the pertinent Certificate Authorizing Registration from the Bureau of Internal Revenue, consistent with the Decision of the Honorable Court dated October 21[,], 2016.

SO ORDERED.

On 24 April 2017, a Writ of Execution^[35] was issued pursuant to an order of even date rendered by Br. 95-RTC granting the motion filed by respondent for the issuance of the said writ. However, the writ directed not only the execution of the Decision dated 21 October 2016, but likewise, the subsequent Order dated 13 December 2016. A Notice to Comply^[36] was issued compelling both the petitioner corporation and the RD of Quezon City to comply with the writ of execution.

The Deputy RD of Quezon City^[37] was prompted to write a Letter^[38] to the Land Registration Authority (LRA) on 19 May 2017, seeking guidance on the implementation of the writ of execution in the specific performance case. According to the Deputy RD, TCT No. 185260, registered in the name of petitioner corporation, was already cancelled and two (2) derivative titles were issued, still under the name of petitioner corporation, due to the subdivision of the subject property. However, on 16 April 2015, a certain Atty. Levito D. Baligod presented an alleged owner's duplicate copy of TCT No. 185260 which the RD found dubious. Without confiscating the same, the then Acting RD requested for an investigation on the authenticity of said copy. Thus, the LRA, through its Task Force *Titulong Malinis* in TFTM No. 15-

009, and supported by the findings of the Banknotes and Securities Printing Department of the Bangko Sentral ng Pilipinas in its Report dated 17 March 2017, stated that **the cancelled owner's duplicate and the original/registry copies of TCT No. 185260 of petitioner corporation were authentic and genuine.**^[39]

It was also relayed by the Deputy RD of Quezon City to the LRA, in her letter dated 19 May 2017, that respondent filed a specific performance case to compel petitioner corporation to pay the proper taxes with the Bureau of Internal Revenue and to deliver possession over the property, which case had already been decided in respondent's favor. Br. 95-RTC, however, issued an Order granting an omnibus order praying for the issuance of a new title in the name of respondent. The Deputy RD of Quezon City claimed that to comply with the trial court's directive would be tantamount to a collateral attack on TCT No. 185260 and its derivatives, in violation of the provisions of Section 48^[40] of Presidential Decree No. (PD) 1529.^[41]

Renato D. Bermejo (Bermejo), the LRA Administrator, issued an undated Legal Opinion^[42] pertaining to the query of the Deputy RD of Quezon City. According to Bermejo, the LRA is inclined on the execution and compliance of the RD of Quezon City considering that the questioned decision of the trial court is already final and executory.

The RD of Quezon City filed a Manifestation^[43] before Br. 95-RTC stating that the title sought to be cancelled, TCT No. 185260, had already been previously cancelled. Moreover, the RD is incapable of processing the issuance of a new title from a cancelled title considering its effect on the stability and indefeasibility of titles covered under the Torrens system.

Br. 95-RTC, however, was unimpressed and thus, commanded the RD to show cause why it should not be cited in contempt for failure to abide by the notice to comply in an Order^[44] dated 09 October 2017.

On the other hand, respondent filed in the *mandamus* case, a Motion to Withdraw Petition on 08 September 2017. Respondent alleged that the RD of Quezon City sought legal opinion concerning "issues that are closely intertwined with the case" and that the LRA issued a legal opinion directing said RD to perform certain acts which, if performed, would amount to the same reliefs sought by her.^[45] Respondent, however, failed to expound on the basis of her claim.

Petitioner corporation submitted a comment/opposition on the motion to withdraw, claiming that another case for specific performance had been filed by respondent in another branch. According to petitioner corporation, the *mandamus* and specific performance cases claim for reliefs which are not only related, but similar, hence, the motion to withdraw must be denied on the ground of forum shopping.^[46]

On 18 October 2017, Br. 76-RTC issued an Order^[47] dismissing the *mandamus* case with prejudice on the ground of forum shopping. The trial court found that respondent ultimately seeks, in both the *mandamus* and specific performance cases, for title to the subject property to be established in her favor. Further, respondent failed to state in her certification against forum shopping the existence and pendency of the specific performance case.