

FIRST DIVISION

[G.R. No. 228620, June 15, 2020]

**SPOUSES CATALINO C. POBLETE AND ANITA O. POBLETE,
PETITIONERS, VS. BANCO FILIPINO SAVINGS AND MORTGAGE
BANK, BF CITILAND CORPORATION AND REGISTER OF DEEDS OF
LAS PIÑAS CITY, RESPONDENTS.**

DECISION

LOPEZ, J.:

The application of the doctrine of immutability of a final judgment is the core issue in this Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Court of Appeals' (CA) Decision^[1] dated June 21, 2016 in CA-G.R. SP No. 135476, which affirmed the Regional Trial Court's (RTC) Order dated February 14, 2014 denying the motion for issuance of an alias writ of execution.

ANTECEDENTS

BF Homes Corporation and Spouses Nestor and Purisima Villaroman (Spouses Villaroman) entered into a joint venture agreement to develop their land into a subdivision. In 1974, the Spouses Villaroman agreed to sell in favor of Spouses Oscar and Lourdes Balagot (Spouses Balagot) three lots identified as Lot Nos. 33, 35, and 37 registered under Transfer Certificate of Title (TCT) Nos. S-22263, S-22264 and S-22265, respectively. In 1980, the Spouses Balagot transferred their rights over the properties to Spouses Catalino and Anita Poblete (Spouses Poblete). Upon full payment of the purchase price, Spouses Villaroman and Spouses Poblete executed the corresponding deeds of absolute sale.^[2]

However, Spouses Villaroman did not deliver the certificates of title. Thus, Spouses Poblete filed an action against Spouses Villaroman to surrender the titles before the RTC Branch 138 of Makati City docketed as Civil Case No. 6599. In 1984, the RTC Branch 138 ordered Spouses Villaroman to surrender the titles to Spouses Poblete. Yet, Spouses Villaroman failed to comply with the Decision.^[3]

Unknown to Spouses Poblete, the Spouses Villaroman mortgaged the lots to Banco Filipino Savings and Mortgage Bank (Banco Filipino). When Spouses Villaroman failed to pay their indebtedness, Banco Filipino foreclosed the mortgage and emerged as the highest bidder at the public auction sale. The one-year redemption period expired without Spouses Villaroman redeeming the mortgage. Later, Banco Filipino sold the properties to BF Citiland Corporation (BF Citiland).^[4]

In 1998, Banco Filipino petitioned for the issuance of a writ of possession over the lots docketed as Land Registration Case (LRC) Case No. LP-98-0304. The Spouses Poblete received a notice of hearing and was surprised to discover the mortgage and its foreclosure. Thus, Spouses Poblete filed an action against Spouses Villaroman, Banco Filipino, BF Citiland and the Register of Deeds (RD) of Las Piñas City to annul

the mortgage and the foreclosure sale docketed as Civil Case No. LP-98-173. Spouses Poblete alleged that they purchased the lots from Spouses Villaroman prior to the mortgage transaction with Banco Filipino. The cases were both raffled to the RTC Branch 255 of Las Piñas City.^[5]

Subsequently, the RTC Branch 255 dismissed the case against BF Citiland after it sold the properties back to Banco Filipino. Meantime, Banco Filipino registered the lots in its name and was issued TCT Nos. T-62700, T-78887 and T-78888 over Lot Nos. 33, 35 and 37, respectively.^[6] On February 24, 2009, the RTC Branch 255 rendered a joint Decision denying the complaint in Civil Case No. LP-98-173 and dismissing the petition in LRC Case No. LP-98-0304 for lack of merit,^[7] to wit:

WHEREFORE, premises considered, the Court hereby renders judgment as follows:

1. With respect to Civil Case No. LP-98-173, the "Complaint" dated 02 July 1998 filed by plaintiffs-intervenors Sps. Catalina and Anita Poblete is DISMISSED for lack of merit. As to the counterclaims of defendant-petitioner Banco Filipino Savings and Mortgage Bank, the same is DENIED for being bereft of any basis; and
2. With respect to LRC Case No. LP-98-0304, the "Petition" dated 03 July 1998 initiated by the defendant-petitioner Banco Filipino is DISMISSED as well for being unmeritorious.

No pronouncement as to costs.

SO ORDERED.^[8]

Spouses Poblete and Banco Filipino separately appealed to the CA which were consolidated and docketed as CA-G.R. CV Nos. 94420 and 95152. In its Decision dated October 7, 2011, the CA reversed the RTC's ruling in Civil Case No. LP-98-173 and ruled that Spouses Poblete are entitled to the lots. It declared the mortgage between Spouses Villaroman and Banco Filipino void because it was not approved by the Housing and Land Use Regulatory Board. It likewise held that Banco Filipino is not a mortgagee in good faith. On the other hand, the CA affirmed the dismissal of Banco Filipino's petition for the issuance of a writ of possession in LRC Case No. LP-98-0304,^[9] viz.:

WHEREFORE, in view of the foregoing, the assailed joint decision dated February 24, 2009 in Civil Case No. LP-98-173 of the Regional Trial Court, Branch 255, Las Piñas City is hereby REVERSED AND SET ASIDE.

Plaintiffs-appellants Sps. Catalino C. Poblete and Anita O. Poblete are hereby declared the owners of the subject properties. Defendant-appellee Banco Filipino and all persons acting for and in its behalf are hereby ordered to refrain from committing acts of dispossession against plaintiffs-appellants Sps. Catalino C. Poblete and Anita O. Poblete.

The rest of the assailed judgment as regards LRC Case No. LP-98-0304 STAYS.

SO ORDERED.^[10] (Emphasis supplied.)

The CA's Decision lapsed into finality.^[11] Thus, Spouses Poblete moved for the issuance of a writ of execution.^[12] On July 26, 2013, the RTC Branch 255 granted the motion^[13] and issued the writ directing the sheriff to enforce the judgment in CA-G.R. CV Nos. 94420 and 95152,^[14] thus:

NOW, THEREFORE, you are hereby commanded to demand from Banco Filipino, the judgment of (sic) obligor, and all persons acting for and its behalf, **"to refrain from committing acts of dispossession against plaintiffs-appellants Sps. Catalino C. Poblete and Anita O. Poblete"**, relative to the subject property located at Lots 33, 35 and 37 of Block 6, Phase 4, BF Homes, Parañaque, Villaroman Portion and covered by Transfer Certificates of Title Nos. S-22263, S-22264 and S-22265.^[15] (Emphasis supplied.)

Thereafter, Spouses Poblete moved for the issuance of an alias writ of execution alleging that the original writ is incomplete since it did not order Banco Filipino to surrender and transfer the certificates of title in their names. Spouses Poblete averred that the appellate court declared them as owners of the properties but it is absurd that the titles still remains with Banco Filipino.^[16]

On February 14, 2014, the RTC Branch 255 denied the motion explaining that an order of execution cannot vary the terms of the judgment. Moreover, a party declared as an owner is not automatically granted the title over the property.^[17] Unsuccessful at a reconsideration,^[18] Spouses Poblete filed a petition for *certiorari* with the CA docketed as CA-G.R. SP No. 135476 ascribing grave abuse of discretion to the RTC Branch 255 in not ordering the surrender and transfer of certificates of title in their names.^[19]

On June 21, 2016, the CA dismissed the petition and ruled that the execution must substantially conform to the dispositive portion of the judgment. It noted that the Decision in CA-G.R. CV Nos. 94420 and 95152 did not direct Banco Filipino to surrender and transfer the certificates of title to Spouses Poblete. Any modification violates the doctrine of immutability of final judgment.^[20] Spouses Poblete sought reconsideration but was denied.^[21] Hence, this petition.

Spouses Poblete argued that the execution of judgment must include all its logical effects although not expressed in the dispositive portion. Yet, the RTC and the CA interpreted the Decision in a restrictive manner and disregarded its true meaning. Also, the Banco Filipino's continued refusal to surrender the certificates of title constitutes an act of dispossession that must be stopped consistent with the tenor of the judgment in CA-G.R. CV Nos. 94420 and 95152.^[22]

In contrast, Banco Filipino maintained that the RTC is correct in issuing a writ of execution which is limited only to the dispositive portion. The motion for issuance of an alias writ of execution is a clear attempt of Spouses Poblete to modify a final judgment. The Spouses Poblete should avail the remedy under Section 107 of the Property Registration Decree for the surrender of withheld duplicate certificates.^[23] Similarly, the RD claimed that the decision is silent as to the surrender and transfer of certificates of title from Banco Filipino to Spouses Poblete.^[24] For its part, BF

Citiland invoked *res judicata* and lack of cause of action given that the RTC Branch 255 had dismissed the case against it with finality.^[25]

RULING

The petition is meritorious.

Prefatorily, BF Citiland should no longer be impleaded as a party in this proceedings. The RTC Branch 255 had dismissed the complaint in Civil Case No. LP-98-173 against BF Citiland after it sold the properties back to Banco Filipino. BF Citiland has no more interest over the lots and cannot be considered as an entity acting for or in behalf of Banco Filipino. As such, we limit this decision as to the rights and obligations between Spouses Poblete and Banco Filipino based on the final and executory judgment in CA-G.R. CV Nos. 94420 and 95152.

Notably, a judgment becomes final by operation of law. The finality of a decision becomes a fact when the reglementary period to appeal expires and no appeal is perfected within such period.^[26] Here, it is undisputed that the CA Decision in CA-G.R. CV Nos. 94420 and 95152 declaring Spouses Poblete the owners of the lots and ordering Banco Filipino to refrain from committing acts of dispossession already lapsed into finality. The records attest to this circumstance and the parties do not contest this fact. Thus, we find it necessary to discuss first the effects of a final judgment.

A decision that acquired finality is executory, immutable and unalterable subject to certain exceptions.

All the issues between the parties are deemed resolved and laid to rest once a judgment becomes final.^[27] No other action can be taken on the decision^[28] except to order its execution.^[29] The courts cannot modify the judgment to correct perceived errors of law or fact.^[30] Public policy and sound practice dictate that every litigation must come to an end at the risk of occasional errors.^[31] This is the doctrine of immutability of a final judgment. The rule, however, is subject to well-known exceptions, namely, the correction of clerical errors, *nunc pro tunc* entries, void judgments, and supervening events.^[32]

A clerical error is exemplified by typographical mistake or arithmetic miscalculation. It also includes instances when words are interchanged or when inadvertent omissions create ambiguity.^[33] Similarly, a *nunc pro tunc* judgment or order is issued to make the record speak of a judicial action which has been actually taken but had been omitted either through inadvertence or mistake. It may be rendered only in the presence of data regarding the judicial act sought to be recorded and if none of the parties will be prejudiced.^[34]

On the other hand, a void judgment produces no legal or binding effect. It never acquires the status of a final and executory judgment and is subject to both direct and collateral attack.^[35] Lastly, the happening of a supervening event is a ground to set aside or amend a final judgment. It must transpire after the judgment becomes

final and executory. It must likewise change or affect the substance of the decision and render its execution inequitable.^[36]

Not one of these exceptions is present in this case. Yet, compelling reason exists to exclude this case from the application of the doctrine of immutability of a final judgment. This Court has recognized that the dispositive portion of a final and executory judgment may be amended to rectify an inadvertent omission of what it should have logically decreed based on the discussion in the body of the Decision. The Court is vested with inherent authority to effect the necessary consequence of the judgment. However, it should be limited to explaining a vague or equivocal part of the judgment which hampers its proper and full execution. The Court cannot modify or overturn its Decision in the guise of clarifying ambiguous points.^[37]

The dispositive portion of the CA's final judgment in CA-G.R. CV Nos. 94420 and 95152 must be clarified to carry out the Decision into effect.

There is no question that a court may clarify a final and executory judgment to carry out its necessary consequences. In *Republic Surety and Insurance Co., Inc. v. Intermediate Appellate Court*,^[38] we clarified a final judgment of an ambiguity arising from inadvertent omission of what might be described as a logical follow-through of something set forth in its body and dispositive portion. In that case, the Court affirmed the trial court's Decision declaring the contract between the parties void and ordering the petitioners to vacate the property and surrender its possession to the private respondents. The judgment became final and executory. However, the RD refused to cancel the existing transfer certificate of title and to revive the old title because these were not mentioned in the dispositive portion of the trial court's Decision. Aggrieved, the private respondents moved for clarificatory inquiry. The petitioners opposed arguing that only the dispositive portion is subject to execution and that the private respondents must seek their relief in a separate suit. We held that the missing "order to cancel and revive" should be deemed implied in the trial court's Decision nullifying the contract,^[39] thus:

What is involved here is not what is ordinarily regarded as a clerical error in the dispositive part of the decision of the Court of First Instance, which type of error is perhaps best typified by an error in arithmetical computation. At the same time, what is involved here is not a correction of an erroneous judgment or dispositive portion of a judgment. **What we believe is involved here is in the nature of an inadvertent omission on the part of the Court of First Instance (which should have been noticed by private respondents' counsel who had prepared the complaint), of what might be described as a logical follow-through of something set forth both in the body of the decision and in the dispositive portion thereof: the inevitable follow-through, or translation into, operational or behavioral terms, of the annulment of the Deed of Sale with Assumption of Mortgage**, from which petitioners' title or claim of title embodied in TCT 133153 flows. The dispositive portion of the decision itself declares the nullity *ab initio* of the simulated Deed of Sale with Assumption of