

THIRD DIVISION

[G.R. No. 164482, November 08, 2017]

LOURDES J. ESTRELLADO; THE HEIRS OF EUGENIO ESTRELLADO, REPRESENTED BY LOURDES J. ESTRELLADO; NARCISA T. ESTRELLADO; THE HEIRS OF NICOLAS ESTRELLADO, REPRESENTED BY CLARITA E. MAINAR; PILAR E. BARREDO-FUENTES; AND THE HEIRS OF VIVINA ESTRELLADO-BARREDO AND ALIPIO BARREDO, REPRESENTED BY PILAR E. BARREDO-FUENTES, PETITIONERS, VS. THE PRESIDING JUDGE OF THE MUNICIPAL TRIAL COURT IN CITIES, 11TH JUDICIAL REGION, BRANCH 3, DAVAO CITY; J.S. FRANCISCO, AND SONS, INC., REPRESENTED BY ITS PRESIDENT, JOSELITO C. FRANCISCO; AND THE HEIRS OF DR. JOVITO S. FRANCISCO, REPRESENTED BY JOSELITO C. FRANCISCO, RESPONDENTS.

[G.R. No. 211320]

LOURDES C. FRANCISCO-MADRAZO; ROMEO C. FRANCISCO; CONCEPCION C. FRANCISCO-GATCHALIAN; AND RENE JOSE C. FRANCISCO, PETITIONERS, VS. PILAR BARREDO-FUENTES; JORGE BARREDO; OSCAR BARREDO; RODOLFO BARREDO; ERNESTO BARREDO; ARMANDO BARREDO; DANILO BARREDO; TERESITA BARREDO-MCMAHON; LETICIA BARREDO-CUARIO; AND ESPERANZA BARREDO-TUL-ID, RESPONDENTS.

D E C I S I O N

BERSAMIN, J.:

A petition for the annulment of a judgment is a remedy in equity so exceptional in nature that it may be availed of only when other remedies are wanting, and only if the judgment, final order or final resolution sought to be annulled was rendered without jurisdiction or through extrinsic fraud. The remedy is not available as a recourse to obtain relief from a judgment that has long attained finality after having been passed upon and affirmed by the higher court on appeal taken in due course.

The Case

For consideration and resolution are the consolidated appeals by petition for review on *certiorari*, namely:

(a) **G.R. No. 164482**, the petitioners, namely: Lourdes J. Estrellado; the Heirs of Eugenio Estrellado, represented by Lourdes J. Estrellado; Narcisa T. Estrellado; the Heirs of Nicolas Estrellado, represented by Clarita E. Mainar; Pilar E. Barredo-Fuentes; and the Heirs of Vivina Estrellado Barredo; and Alipio Barredo, represented by Pilar E. Barredo-Fuentes, assail the adverse decision rendered by the Regional

Trial Court (RTC), Branch 13, in Davao City dismissing their petition for annulment of judgment;^[1] and

(b) **G.R. No. 211320**, the petitioners, namely: Lourdes C. Francisco-Madrado, Romeo C. Francisco, Concepcion C. Francisco-Gatchalian, and Rene Jose C. Francisco, challenge the decision promulgated on March 14, 2013,^[2] whereby the Court of Appeals (CA), in CA-G.R. CV No. 01727-MIN, reversed the decision of the Regional Trial Court (RTC), Branch 16, in Davao City rendered on October 20, 2008, and declared respondents Heirs of the late Vivina Estrellado-Barredo and Alipio Barredo (namely: Pilar Barredo-Fuentes, Jorge Barredo, Oscar Barredo, Rodolfo Barredo, Ernesto Barredo, Armando Barredo, Danilo Barredo, Teresita Barredo-Mcmahon, Leticia Barredo-Cuario, and Esperanza Barredo-Tul-Id) the lawful owners and possessors of the property covered by Transfer Certificate of Title (TCT) No. T-19930 of the Registry of Deeds of Davao City.

Antecedents

These consolidated appeals originated from special civil actions for forcible entry involving three adjacent parcels of land.

The Spouses Eugenio and Lourdes Estrellado were the former owners of the parcel of land with an area of 15,465 square meters located in Barangay Matina-Aplaya, Davao City and covered by TCT No. T-19351 of the Registry of Deeds of Davao City. The Spouses and Nicolas and Narcisa Estrellado were the former owners of the parcel of land also located in Barangay Matina-Aplaya, Davao City with an area of 15,466 square meters and covered by TCT No. 19350 of the Registry of Deeds of Davao City. The late Spouses Alipio and Vivina Barredo were the former owners of the parcel of land containing an area of 15,465 square meters located in the same area and covered by TCT No. 19348 of the Registry of Deeds of Davao City. The landowners herein mentioned were related to one another either by consanguinity or by affinity.^[3]

The petitioners in G.R. No. 164482 are the successors-in-interest and heirs of the above-named landowners. The respondents in G.R. No. 211320 are the heirs of the late Spouses Alipio and Vivina Barredo. For ease of reference, they are collectively referred herein as the Estrellados unless otherwise indicated.

Each of the three parcels of land herein mentioned was subdivided into two portions - the smaller portion containing 5,000 square meters, and the bigger portion with an area of about 10,465 square meters.

In September 1967, the Spouses Eugene and Lourdes Estrellado sold their 5,000-square meter lot for P10,000.00 to Dr. Jovito S. Francisco, the owner of J.S. Francisco & Sons, Inc. and the predecessor-in-interest of the respondents in **G.R. No. 164482** and petitioners in **G.R. No. 211320**. The sale was evidenced by a deed of absolute sale dated September 25, 1967.^[4]

The Spouses Nicolas and Narcisa Estrellado also sold their 5,000-square meter property to Dr. Francisco for P10,000.00 through the deed of absolute sale dated September 25, 1967.^[5]

The late Spouses Alipio and Vivina Barreda likewise sold their 5,000-square meter lot to Dr. Francisco for P10,000.00 under the deed of absolute sale dated September 25, 1967.^[6]

After selling the smaller lots to Dr. Francisco, the Estrellados separately sold the bigger portions of their respective lots to the latter on the following dates: the Spouses Eugene and Lourdes Estrellado on August 2, 1969; the Spouses Nicolas and Narcisa Estrellado on October 29, 1969; and the late Spouses Alipio and Vivina Barreda on June 10, 1970. Dr. Francisco and his successors-in-interest (collectively referred to as the Franciscos) immediately started their uninterrupted possession of the entire landholdings of the Estrellados in 1967. However, the Franciscos could not produce the formal deeds of sale relevant to the subsequent sales. They only had a book of accounts evidencing their installments to the Estrellados.^[7]

The three bigger lots covered by TCT No. 19932, TCT No. 19930, and TCT No. 19928 of the Register of Deeds of Davao City became the subject of the three forcible entry cases commenced in the Municipal Trial Court in Cities in Davao City (MTCC) by J.S. Francisco & Sons, Inc. against the Estrellados on October 21, 1998^[8] (Civil Case No. 6,296-C-98, Civil Case No. 6,297-C-98, and Civil Case No. 6,298-C-98). The Estrellados, as the defendants in the three cases, denied selling the bigger lots to Dr. Francisco.

On April 26, 1999, the MTCC rendered judgment in favor of the Franciscos, and ordered the Estrellados, their successors-in-interest and other persons acting on their behalf to vacate the properties; to pay the Franciscos the fruits of the properties appropriated by the Estrellados; and to further pay the rent for the use of the properties, as well as attorney's fees, litigation expenses, and the costs of suit.^[9]

On appeal, the RTC, Branch 12, in Davao City affirmed the MTCC's judgment on August 27, 1999.^[10]

The Estrellados appealed to the CA.

By decision dated June 28, 2000,^[11] and another decision dated January 24, 2003,^[12] the CA dismissed the appeals and affirmed the decision of the RTC.^[13] Considering that the Estrellados did not thereafter appeal, the decisions of the CA became final and executory.^[14] On October 7, 2003, upon motion, the MTCC issued the writ of execution to enforce the judgment.^[15]

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The petitioners were some of the defendants and successors-in-interest in the already concluded forcible entry cases filed by J.S. Francisco & Sons, Inc. On December 15, 2003, they filed a petition for annulment of the judgments of the MTCC in the RTC in Davao City (docketed as Civil Case No. 30,111-03) alleging that they were victims of extrinsic fraud that had deprived them of the opportunity to fully present their defense in the MTCC that eventually cost them the case;^[16] that the MTCC had no jurisdiction over the forcible entry cases filed against them;^[17] and that they had valid, clear and current possessory rights over the disputed

parcels of land.^[18]

The respondents moved to dismiss the petition for annulment, submitting that the decisions of the MTCC were not the proper subjects of the petition for annulment due to their having been affirmed by the RTC and the CA; that the annulment of the decisions would be tantamount to vesting in the RTC the power to annul the decision of a co-equal branch, as well as the decision of a superior court like the CA;^[19] that the petition for annulment was barred by *res judicata*, *lis pendens* and the rules prohibiting forum shopping; that the MTCC had jurisdiction over the forcible entry cases because the issue involved prior *de facto* possession; and that not all of the petitioners for annulment had executed the certificate of non-forum shopping in violation of the *Rules of Court*.^[20]

On June 11, 2004, the RTC rendered judgment in Civil Case No. 30,111-03 dismissing the petition for annulment of judgment. It held that it had no jurisdiction over the petition for annulment inasmuch as the decision sought to be annulled had been affirmed on appeal by the RTC and the CA; that the petition for annulment was already barred by *res judicata*; and that the petitioners were guilty of forum-shopping. It disposed:

WHEREFORE, in view of the foregoing, this case is hereby **DISMISSED**.

The Motion of Private Respondents to cite counsels for petitioners have (sic) direct contempt, however, is **GRANTED**.

Petitioners' counsel is summarily found **GUILTY** of Direct Contempt and fined Five Hundred Pesos (P500.00).

SO ORDERED.^[21]

Hence, this appeal directly filed in this Court.

The main issue raised is whether an independent action for the annulment of the judgment of the MTCC filed in the RTC should be given due course. The ancillary issues are whether or not the remedy of annulment of judgment is available; and whether or not non-parties could file an action for the annulment of a final and executory judgment.

The petitioners submit that the judgment rendered in the forcible entry cases did not bind them because they had not been impleaded as parties therein; and that for the same reason the judgment could not be enforced against them without violating their rights as co-owners of the properties subject thereof.

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The respondents were the children of the late Spouses Alipio and Vivina Barredo. They alleged their ownership of the parcel of land covered by TCT No. 19930 that had been the subject of one of the forcible entry cases decided against the Estrellados.

The respondents contended that the execution of the judgment rendered in the forcible entry case would violate their rights as the owners of the property; that

they sought to recover all the attributes of their ownership and to erase the cloud over their title; and that, accordingly, they had brought the *accion reivindicatoria* and action for quieting of title in the RTC (Branch 16) in Davao City (Civil Case No. 29,759-03).^[22]

On October 20, 2008, the RTC (Branch 16), through Judge Emmanuel Carpio, rendered its decision against the respondents, *viz.*:

PREMISES CONSIDERED, judgment is hereby rendered:

1. Dismissing the complaints filed by plaintiff and plaintiffs-intervenors;
2. Ordering the Register of Deeds to:
 - A. REINSTATE TCT No. T-19930; and
 - B. CANCEL all derivative titles of TCT No. T-19930; and
3. Ordering the plaintiff and plaintiffs-intervenors solidarily to pay defendants collectively:
 - A. Nominal damages in the amount of P50,000.00;
 - B. Exemplary damages in the amount of P50,000.00; and
 - C. P100,000.00 as attorney's fees and expenses of litigation.

SO ORDERED.^[23]

The respondents appealed to the CA (C.A.-G.R. CV No. 01727-MIN), which, on March 14, 2013, reversed and set aside the decision of the RTC, and declared the respondents as the rightful owners and possessors of the property,^[24] decreeing:

WHEREFORE, the appeal is hereby **GRANTED** and the Decision dated October 20, 2008 of the RTC, 11th Judicial Region, Branch 16, Davao City is **REVERSED AND SET ASIDE**. A new judgment is hereby entered **DECLARING** plaintiff-appellant and plaintiffs-intervenors, as the heirs of Vivina Estrellado and Alipio Barredo, to be the lawful and rightful owners and possessors of the property covered by TCT No. T-19930. The issuance of the new transfer certificate of titles to plaintiff-appellant and plaintiffs-intervenors derived from TCT No. T-19930 is therefore respected.

SO ORDERED.^[25]

The CA opined that the adjudication of the issue of ownership in ejectment cases was merely provisional and did not bar an action between the same parties involving title to the same property; that the RTC had only referred to the decision of the CA in CA-G.R. SP No. 55727 regarding the forcible entry case as well as the petitions to cancel the adverse claims of Dr. Francisco annotated on the TCTs of the disputed properties; and that the RTC did not thereby determine who among the parties owned the parcels of land, and relied primordially on the principle of conclusiveness