

SECOND DIVISION

[G.R. No. 203152, June 20, 2016]

**GEORGIA ROYO ADLAWAN, IN HER OWN BEHALF AND AS
SURVIVING SPOUSE OF ALFONSO V. ADLAWAN, PETITIONER,
VS. NICETAS I. JOAQUINO, FLORENCIA J. SON, EUSTOLIA J.
MATA, BEATRIZ J. SATIRA, TERESA J. BERMEJO, CORAZON J.
COGINA, MARIA J. NOVAL AND VISITACION J. DELA TORRE,
RESPONDENTS.**

DECISION

BRION, J.:

This is a petition for review on *certiorari*^[1] assailing the **August 17, 2010** decision^[2] and the **July 12, 2012** resolution^[3] of the Court of Appeals (CA), Cebu City, in **CA-G.R. CEB CV No. 00871**.

Antecedent Facts

The present case involves a portion of a 3,614 square-meter parcel of land (referred to as Lot No. 7-B, located in Talamban, Cebu City; Lot No. 7-B) which was originally owned by Leonora Yngles, the predecessor of respondents Nicetas I. Joaquino, Florencia J. Son, Eustolia J. Mata, Beatriz J. Satira, Teresa J. Bermejo, Corazon J. Cogina, Maria J. Noval, and Visitacion J. Dela Torres (*respondents*).

Lot No. 7-B was later divided into four parcels, one of which was **Lot No. 7-B1** (the subject lot), which was acquired by petitioner Georgia Royo Adlawan and her husband, Alfonso V. Adlawan (*spouses Adlawan*).

By way of background, Leonora is the mother of Jose, Agapito, Zacarias, Gavina, and Magdalena (all surnamed Joaquino). She died in 1930 and left to her children a house and lot in Mabolo, Cebu City (Mabolo property).

Magdalena died in 1939, with no will and heirs. She owned five parcels of land in Talamban, Cebu City, which includes Lot No. 7-B.

Gavina died in 1945 and was survived by her compulsory heirs, namely: Epifania, **Vicenta**, Felix, Constancia, Vicente, and Angela (all surnamed Ouano).

Agapito died three years later, in 1948, and was survived by his compulsory heirs, Florentino and Nicetas (both surnamed Joaquino).

On June 12, 1950, Jose Joaquino, the only surviving brother, together with the heirs of the deceased Gavina, Agapito, and Zacarias (whose year of death is not stated in the records), executed an "Agreement of Partition" distributing the properties of Leonora and Magdalena as follows:

Parcel 1, Mabolo - to the heirs of
propertyconsisting Zacarias Joaquin;
of house and lot left
by Leonora Yngles

Parcels II, III, IV, V, - to be divided in
and VI, located at three (3) equal
Talamban,Cebu parts for
City, left by JoseJoaquino, the
Magdalena heirs ofAgapito
Joaquino Joaquin, and the
heirs of Gavina
Joaquino.[4]

On June 7, 1982, Remedios Cabello, the daughter of Vicenta Ouano (one of Gavina's heirs), filed a petition for reconstitution of title of Lot No. 7-B. She claimed to have acquired the entire Lot No. 7-B from Vicenta and had the title transferred to her name, and that her transfer certificate of title (TCT) was burned in a house fire in 1979, hence, her filing of the petition for reconstitution.

In an order dated **June 1, 1983**, the Regional Trial Court (RTC) Branch 14, Cebu City, granted Remedios's petition and ordered the reconstitution of the title of Lot No. 7-B.[5] The RTC's June 1, 1983 order became final and executory on **June 30, 1983**. [6]

Subsequently, Lot No. 7-B was divided into four parcels of land (*i.e.*, Lot Nos. 7-B1, 7-B2, 7-B3, and 7-B4), which were issued separate TCTs. Remedios sold Lot No. 7-B1 to spouses Francisco and Margarita Robles (*spouses Robles*).

On June 10, 1987, the respondents filed with the RTC, **Branch 17**, Cebu City, a **complaint to annul Remedios's title and the titles issued therefrom, with damages**. They alleged that Remedios, in conspiracy with the spouses Robles, misrepresented during the reconstitution proceedings that she obtained the title for the entire Lot No. 7-B from Vicenta and that this title was burned in a house fire, when, in fact, she had not acquired any title to Lot No. 7-B.

On June 15, 1987, notices of *lis pendens* were annotated on the titles sought to be annulled, including Lot No. 7-B1.[7]

Remedios and the spouses Robles moved to dismiss the complaint on the ground of failure to prosecute due to the plaintiffs' (*referring to the respondents*) failure - despite the two extensions of time given by the court - to comment to the motion to dismiss the former previously filed.

In an order dated **July 10, 1992**, the RTC, Branch 17, Cebu City, dismissed the respondents' complaint for annulment of title for their failure to prosecute the case. The RTC's July 10, 1992 order became final and executory on **August 1, 1992**.

On **August 11, 1992**, the notice of *lis pendens* annotated on the title of Lot No. 7-B1 was cancelled.[8]

On August 31, 1992, the respondents filed with the RTC, Branch 17, Cebu City, a

petition for relief from the RTC's final and executory order dated July 10, 1992, in the annulment of title case. They alleged that their failure to prosecute was due to the negligence of their present counsel, Atty. Pedro Son, who failed to communicate to their previous counsel his intent to take active participation in the prosecution of the case.

Meanwhile, on December 17, 1992, the spouses Robles sold Lot No. 7-B1, with an area of 1,204 sqm to the spouses Adlawan.

In an order dated April 12, 1993, the RTC granted the respondents' petition for relief from judgment and ordered the reinstatement of their complaint for annulment of title.

Remedios and the spouses Robles moved to reconsider the RTC's grant of the petition for relief but the RTC denied their motion in an order dated May 28, 1993.^[9] They appealed the RTC's denial order to the CA (which also denied their appeal) and to this Court. This Court ultimately denied Remedios and the spouses Robles' appeal in a resolution dated November 17, 1993, which became final and executory on December 20, 1993.^[10]

On June 16, 1994, the respondents filed a supplemental complaint^[11] impleading the spouses Adlawan as additional defendants.^[12]

In their answer^[13] to the complaint, the spouses Adlawan claimed to be buyers in good faith and for value of Lot No. 7-B1 and denied knowledge of the then pending petition for relief from judgment involving the subject lot. They alleged that, at the time they purchased Lot No. 7-B1 from the spouses Robles, the title to their lot no longer contained any annotation of any pending litigation involving the property; and that the notice of *lis pendens* then annotated on the lot's title was already cancelled before the property was sold to them.

In a decision dated March 31, 2005, the RTC, acting on the respondents' reinstated complaint for annulment of title, declared null and void the reconstitution of Remedios's title and the titles issued therefrom. Remedios, the spouses Robles, and the newly impleaded defendants, the spouses Adlawan, appealed their case to the CA.

The CA Ruling

The issues raised before the CA were:

1. Whether the court a quo erred in granting the petition for relief from judgment filed by the plaintiff-appellees (*referring to the respondents*) after this case was finally dismissed and without proper substitution of counsel;
2. Whether the court a quo erred in declaring the order for reconstitution issued by RTC, Branch 14, Cebu City, a co-equal court, and the titles issued pursuant thereto, as null and void;

3. Whether the court a quo erred in failing to sustain that the Adlawan Spouses were purchasers in good faith and for value; and
4. Whether the court a quo erred in failing to consider that the plaintiffs-appellees got more than Remedios Cabello from the estate of Leonora Yngles.^[14]

In the assailed August 17, 2010 decision, the CA denied the appeal of Remedios, the spouses Robles, and the spouses Adlawan. It affirmed the nullity of Remedios's reconstituted title after it found that no TCT over Lot No. 7-B was ever issued to Remedios from which title the reconstitution proceedings could be based.

On the issue of the lack of jurisdiction of the RTC, Branch 17, Cebu City, to annul the order of reconstitution of RTC, Branch 14, Cebu City, the CA ruled that, while it is correct that only the CA has the jurisdiction to annul the judgments of the RTC, the defendants-appellants were already estopped to question the RTC's jurisdiction for the first time on appeal and after losing the case in the RTC twenty (20) years later.

Also, the CA ruled that the spouses Adlawan were not buyers in good faith of Lot No. 7-B1; that they bought the subject lot before title thereto was reconstituted. The CA stated that the notice of *lis pendens* then annotated on Remedios' reconstituted title should have prompted the spouses to investigate the vendor's title.

The CA no longer found it necessary to rule on the issue of whether the RTC erred in not considering that the plaintiffs-appellees (*referring to the respondents*) have already received more than Remedios's share in the distribution of Leonora's estate.

The Petition

Petitioner Georgia Adlawan, in her own behalf and as surviving spouse of Alfonso V. Adlawan, filed the present petition for review on *certiorari* with this Court raising the following issues:

- I. WHETHER OR NOT THE COURT OF APPEALS ERRED IN CONCLUDING THAT APPELLANTS WERE ESTOPPED FROM QUESTIONING THE LACK OF JURISDICTION OF THE LOWER (sic) FOR THE FIRST TIME ON APPEAL?
- II. WHETHER OR NOT THE COURT OF APPEALS ERRED IN DECLARING THE RECONSTITUTED TITLES AS NULL AND VOID NOTWITHSTANDING ITS FINDING THAT THE LOWER COURT EXCEEDED ITS JURISDICTION IN ANNULING THE ORDER OF RECONSTITUTION ISSUED BY THE RTC, BRANCH 14, CEBU CITY, A CO-EQUAL COURT? and
- III. WHETHER OR NOT THE COURT OF APPEALS ERRED IN FAILING TO SUSTAIN THAT THE ADLAWAN SPOUSES WERE PURCHASERS IN GOOD FAITH AND FOR VALUE.^[15]

OUR RULING

We find MERIT in the present petition.