

SECOND DIVISION

[G.R. No. 180615, June 27, 2012]

NATIONAL HOUSING AUTHORITY, PETITIONER, VS. JOSE R. EVANGELISTA, RESPONDENT.

D E C I S I O N

PEREZ, J.:

This is a petition for review on *certiorari* under Rule 45 seeking to reverse and set aside the following resolutions of the Court of Appeals in CA-G.R. SP No. 41546: (a) Resolution^[1] dated 17 July 2007, which granted respondent Jose Evangelista's (respondent) Motion for Issuance of Writ of Execution of the Decision^[2] dated 11 August 1999 of the Court of Appeals; and (b) Resolution^[3] dated 12 November 2007 denying National Housing Authority's (petitioner) Motion for Reconsideration of the Resolution of 17 July 2007.

The Writ of Execution^[4] subject of the assailed Resolution directs the Quezon City Register of Deeds to: (a) annotate on respondent's TCT No. 122944 the dispositive part of the 11 August 1999 Decision^[5] declaring the third paragraph of the dispositive portion of the decision dated 29 November 1995 of the Regional Trial Court of Quezon City void, non-binding and inapplicable insofar as TCT No. 122944 is concerned; and (b) cancel Entry No. 7159,^[6] an Affidavit of Adverse Claim executed by petitioner, which was annotated thereon.

The Antecedents

This case involves a 915-square meter parcel of land situated at V. Luna Road, Quezon City originally registered in the name of People's Homesite and Housing Corporation (PHHC), the predecessor of petitioner .

An overview of the subsequent transfer of ownership/title to the property to several individuals is shown below:

Year	New Transfer Certificate of Title	Owner	Mode of Acquisition	Remarks
1968	TCT No. 138007	Adela Salindon	purchased from PHHC	
After Salindon died	TCT No. 239729	Arsenio S. Florendo, Jr., etc.	bought from the heirs during the settlement of	TCT No. 138007 was cancelled

			Salindon's estate	
1984		NHA	Supreme Court decision dated 19 May 1984 nullifying and setting aside the award in favor of Salindon	
1986	TCT No. 28182	Luisito Sarte	Acquired as highest bidder in the public auction conducted by the Quezon City Treasurer's Office (despite the promulgation of the 14 May 1984 decision) due to the Florendos' non-payment of real estate taxes	
1986	TCT Nos. 108070 (Lot 1-A) & 108071 (Lot 1-B)	Luisito Sarte	Sarte had the lot subdivided into two (2) parts: (1) Lot 1-A; and (2) Lot 1-B	
1994	TCT No. 108070	Respondent Evangelista	Deed of Assignment executed by Sarte	
1994	TCT No. 122944 (Lot 1-A); TCT No. 126639 (Lot 1-B)	Respondent Evangelista Not a party to the instant case		TCT No. 108070 was cancelled; An Affidavit of Adverse Claim and Notice of <i>Lis Pendens</i> were subsequently annotated at the back of TCT No. 122944

Thus, in 1968, Adela Salindon (Salindon) acquired the property from PHHC and was issued TCT No. 138007. However, in a Decision dated 20 May 1975 of the City Court of Quezon City, the sale was declared null and void. During the pendency of the appeal, Salindon died and her heirs settled her estate, including the subject lot. This resulted in the cancellation of TCT No. 138007 and the issuance of a new title, TCT No. 239729, in favor of its new owners, namely, Arsenio S. Florendo, Jr., Milagros Florendo, Beatriz Florendo and Eloisa Florendo-Kulphongpatana. Meanwhile, the Supreme Court, in its Decision dated 19 May 1984 in G.R. No. L-60544 entitled *Arsenio Florendo, Jr. et al. v. Hon. Perpetua D. Coloma, Presiding Judge of Branch VIII, City Court of Quezon City, et. al.*, nullified and set aside the award in favor of Salindon and declared petitioner owner of the property.

The issue of ownership then arose when, notwithstanding the promulgation of the 19 May 1984 decision of the Supreme Court awarding the property to petitioner NHA, the Quezon City Treasurer's Office sold the land at a public auction due to the Florendos' years of non-payment of realty taxes. Consequently, TCT No. 28182 was issued in favor of Luisito Sarte (Sarte), the highest bidder at the auction. Sarte had the property divided into two (2) parts, Lot 1-A and Lot 1-B, for which he was issued new titles, to wit, TCT Nos. 108070 and 108071, respectively. This prompted petitioner to file an action for recovery of real property against Sarte, the City Treasurer of Quezon City and the Quezon City Register of Deeds (QCRD) before the Regional Trial Court of Quezon City in 1991. The case was docketed as Civil Case No. Q-91-10071.

During the pendency of Civil Case No. Q-91-10071, however, Sarte was able to transfer ownership of Lot 1-A covered by TCT No. 108070 to respondent because there was no notice of *lis pendens* annotated at the back of the title. TCT No. 108070 was thus correspondingly cancelled and a new one, TCT No. 122944, issued in the name of respondent. Significantly, it was only on TCT No. 122944 that the Affidavit of Adverse Claim (Entry No. 7159/T-No. 122944) and the Notice of Lis Pendens (Entry No. 1367/T-No. 122944)^[7] were annotated. Incidentally, the complaint for *Annulment of Deed of Assignment, Deed of Absolute Sale, Real Estate Mortgage, Cancellation of TCT Nos. 122944 and 126639 and Damages* docketed as Civil Case No. Q-95-23940 subject of Entry No. 1367 was dismissed on 23 October 1995 in view of the pendency of Civil Case No. Q-91-10071.^[8]

On 29 November 1995, the trial court rendered its Decision^[9] in Civil Case No. Q-91-10071, the dispositive portion of which reads:

ACCORDINGLY, judgment is hereby rendered in favor of the plaintiff National Housing Authority as follows:

1. The auction sale conducted by the Quezon City Treasurer in 1986 of the parcel of land consisting of 915.50 sq. m. subject of this case previously covered by TCT No. 138007 of the Register of Deeds of Quezon City issued in the name of Adela Salindon and wherein defendant Luisito Sarte was the auction buyer and TCT No. 239729 in the name of Arsenio Florendo, Milagros Florendo, Beatriz Florendo and Eloisa F. Kulphongpatana is hereby declared null and

void ab initio;

2. TCT No. 28182 subsequently issued in the name of defendant Luisito Sarte by the Quezon City Registry of Deeds is hereby declared null and void ab initio and the herein defendant Quezon City Register of Deeds is hereby ordered to cancel said TCT 28182 in the name of Luisito Sarte;
3. **Any transfers, assignment, sale or mortgage of whatever nature of the parcel of land subject of this case made by defendant Luisito Sarte or his/her agents or assigns before or during the pendency of the instant case are hereby declared null and void, together with any transfer certificates of title issued in connection with the aforesaid transactions by the Register of Deeds of Quezon City who is likewise ordered to cancel or cause the cancellation of such TCTs;**
4. The defendant Register of Deeds of Quezon City is hereby ordered to issue a new transfer certificate of title over the entire parcel of land (915.50 sq. m.) subject of this case in favor of the National Housing Authority by way of satisfying the Supreme Court in G.R. No. 50544 promulgated on [19] May 1984;
5. The NHA is hereby required and authorized to put in place on the property at bar a notice, readable, bold, and stable, sufficiently signifying the essence of this court's decision so that no person may err as to the real ownership of the instant parcel of land and to fence the same to prevent entry of squatters or other illegal intruders. (*Emphasis supplied*)

Aggrieved, Sarte, the City Treasurer of Quezon City, and the QCRD appealed the decision to the Court of Appeals. The case entitled *NHA v. Sarte, the City Treasurer of Quezon City, et al.* was docketed as CA-G.R. CV No. 52466.

On the other hand, respondent filed before the Court of Appeals a petition for the annulment of paragraph 3 of the dispositive portion of the judgment that nullified any transfer, assignment, sale or mortgage made by Sarte. His action was anchored on the ground that he, who acquired the property from Sarte, had been adversely affected by the aforequoted decision despite his non-participation in the litigation. The case entitled *Evangelista v. The Honorable Judge, Regional Trial Court of Quezon City Branch CIII, National Housing Authority* was docketed as CA-G.R. SP No. 41546.

On 11 August 1999, respondent obtained a favorable judgment in CA-G.R. SP No. 41546, to wit:

WHEREFORE, the petition is granted. The assailed part or paragraph No. 3 of the dispositive portion of the decision dated November 29, 1995 of the Regional Trial Court, Br. CIII, Quezon City in Civil Case No. Q-91-

10071 is hereby declared void, non-binding and inapplicable in so far as petitioner's [Evangelista's] TCT No. 122944 is concerned.

Let a copy hereof be furnished the Register of Deeds of Quezon City for the proper annotation. No pronouncement as to costs.^[10]

After its motion for reconsideration was denied by the Court of Appeals, petitioner elevated the case to this Court. The petition entitled *National Housing Authority v. Jose Evangelista* was docketed as G.R. No. 140945.

On 16 May 2005, the Court denied the petition in this wise:

In this case, it is undisputed that respondent was never made a party to Civil Case No. Q-91-10071. It is basic that no man shall be affected by any proceeding to which he is a stranger, and strangers to a case are not bound by judgment rendered by the court.^[11] Yet, the assailed paragraph 3 of the trial court's decision decreed that "(A)ny transfers, assignment, sale or mortgage of whatever nature of the parcel of land subject of this case made by defendant Luisito Sarte or his/her agents or assigns before or during the pendency of the instant case are hereby declared null and void, together with any transfer certificates of title issued in connection with the aforesaid transactions by the Register of Deeds of Quezon City who is likewise ordered to cancel or cause the cancellation of such TCTs." Respondent is adversely affected by such judgment, as he was the subsequent purchaser of the subject property from Sarte, and title was already transferred to him. It will be the height of inequity to allow respondent's title to be nullified without being given the opportunity to present any evidence in support of his ostensible ownership of the property. Much more, it is tantamount to a violation of the constitutional guarantee that no person shall be deprived of property without due process of law.^[12] Clearly, the trial court's judgment is void insofar as paragraph 3 of its dispositive portion is concerned.

x x x

WHEREFORE, the petition for review on *certiorari* is DENIED for lack of merit and the assailed Decision and Resolution of the Court of Appeals in CA-G.R. SP No. [41546] are hereby AFFIRMED.

Thereafter, on 21 July 2005, the same 29 November 1995 decision of the trial court in Civil Case No. Q-91-10071 subject of Sarte's ordinary appeal in CA-G.R. CV No. 52466 was affirmed in its entirety by the Court of Appeals. The Court of Appeals pronounced:

As could be gleaned from the facts of the case, the City Treasurer of Quezon City was already informed twice of the Supreme Court decision declaring NHA as the owner of the disputed lot x x x.