

FIRST DIVISION

[G.R. No. 161122, September 24, 2012]

DARE ADVENTURE FARM CORPORATION, PETITIONER, VS. HON. COURT OF APPEALS, MANILA, HON. AUGUSTINE VESTIL, AS PRESIDING JUDGE OF RTC-CEBU, BR. 56, MANDAUE CITY, SPS. FELIX NG AND NENITA NG, AND SPS. MARTIN T. NG AND AZUCENA S. NG AND AGRIPINA R. GOC-ONG, RESPONDENTS.

D E C I S I O N

BERSAMIN, J.:

A decision rendered on a complaint in a civil action or proceeding does not bind or prejudice a person not impleaded therein, for no person shall be adversely affected by the outcome of a civil action or proceeding in which he is not a party.^[1] Hence, such person cannot bring an action for the annulment of the judgment under Rule 47 of the 1997 *Rules of Civil Procedure*, except if he has been a successor in interest by title subsequent to the commencement of the action, or the action or proceeding is *in rem* the judgment in which is binding against him.

Antecedents

The petitioner acquired a parcel of land with an area of 65,100 square meters situated in San Roque, Lilo-an, Metro Cebu known as lot 7531-part (the property) through a deed of absolute sale executed on July 28, 1994 between the petitioner, as vendee, and Agripina R. Goc-ong (a respondent herein), Porferio Goc-ong, Diosdado Goc-ong, Crisostomo Goc-ong, Tranquilino Goc-ong, Naciancena Goc-ong and Avelino Goc-ong (collectively, the Goc-ons), as vendors.^[2]

The petitioner later on discovered the joint affidavit executed on June 19, 1990 by the Goc-ons, whereby the Goc-ons declared that they were the owners of the property, and that they were mortgaging the property to Felix Ng, married to Nenita N. Ng, and Martin T. Ng, married to Azucena S. Ng (collectively, the Ngs) to secure their obligation amounting to P648,000.00, subject to the condition that should they not pay the stipulated 36-monthly installments, the Ngs would automatically become the owners of the property.^[3]

With the Goc-ons apparently failing to pay their obligation to the Ngs as stipulated, the latter brought on January 16, 1997 a complaint for the recovery of a sum of money, or, in the alternative, for the foreclosure of mortgage in the Regional Trial Court, Branch 56, in Mandaue City (RTC) only against respondent Agripina R. Goc-ong.^[4] The action was docketed as Civil Case No. MAN-2838.

With Agripina R. Goc-ong being declared in default for failing to file her answer in Civil Case No. MAN-2838,^[5] the RTC rendered its Decision on October 16, 1997,

disposing:

In the light of the foregoing, judgment is hereby rendered:

- 1) Declaring herein Plaintiffs the owners of lot 7531-part, situated at San Roque, Liloan, Cebu containing an area of Sixty Five Thousand One Hundred (65,100) square meters and assessed for P 22,240.00 and
- 2) Directing Defendant to pay Plaintiff the sum of P 10,000.00 as attorney's fees and
- 3) P10,000.00 as litigation expenses[.]

SO ORDERED.[6]

Ruling of the Court of Appeals

In 2001, the petitioner commenced in the Court of Appeals (CA) an action for the annulment of the October 16, 1997 decision of the RTC.

On June 19, 2001, however, the CA dismissed the petition for annulment of judgment, *viz*:

We are constrained to DISMISS OUTRIGHT the present petition for annulment of judgment under Rule 47 of the 1997 Rules of Civil Procedure, as amended, considering that nowhere therein is there an allegation on why "the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.["]^[7]

The petitioner moved for the reconsideration of the outright dismissal, but the CA denied its motion for reconsideration on October 24, 2003 on the basis that petitioner did not show why it had not availed itself of the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies as provided in Section 1, Rule 47 of the *Rules of Court*.

Issues

Hence, the petitioner ascribes to the CA the following errors, to wit:

I.

THE RESPONDENT COURT OF APPEALS SERIOUSLY ERRED IN RULING THAT PETITIONER FAILED TO EXPLAIN WHY IT DID NOT AVAIL OF THE OTHER REMEDIES ENUMERATED UNDER SECTION 1 RULE 47 OF THE 1997 RULES ON CIVIL PROCEDURE.

II.

THE RESPONDENT COURT OF APPEALS SERIOUSLY ERRED IN RULING THAT PETITIONER COULD HAVE ASSAILED THE DEED OF SALE AND QUESTIONED THE FORECLOSURE PROCEEDINGS OR SOUGHT THE QUIETING OF TITLE TO THE SUBJECT PROPERTY.

The decisive query is whether the action for annulment of judgment under Rule 47 was a proper recourse for the petitioner to set aside the decision rendered in Civil Case No. MAN-2838.

Ruling

We deny the petition for review.

I.

A petition for annulment of 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 by a court lacking jurisdiction or through extrinsic fraud.^[8] Yet, the remedy, being exceptional in character, is not allowed to be so easily and readily abused by parties aggrieved by the final judgments, orders or resolutions.^[9] The Court has thus instituted safeguards by limiting the grounds for the annulment to lack of jurisdiction and extrinsic fraud, and by prescribing in Section 1^[10] of Rule 47 of the *Rules of Court* that the petitioner should show that the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.^[11] A petition for annulment that ignores or disregards any of the safeguards cannot prosper.

The attitude of judicial reluctance towards the annulment of a judgment, final order or final resolution is understandable, for the remedy disregards the time-honored doctrine of immutability and unalterability of final judgments, a solid corner stone in the dispensation of justice by the courts. The doctrine of immutability and unalterability serves a two-fold purpose, namely: (a) to avoid delay in the administration of justice and thus, procedurally, to make orderly the discharge of judicial business; and (b) to put an end to judicial controversies, at the risk of occasional errors, which is precisely why the courts exist.^[12] As to the first, a judgment that has acquired finality becomes immutable and unalterable and is no longer to be modified in any respect even if the modification is meant to correct an erroneous conclusion of fact or of law, and whether the modification is made by the court that rendered the decision or by the highest court of the land.^[13] As to the latter, controversies cannot drag on indefinitely because fundamental considerations of public policy and sound practice demand that the rights and obligations of every litigant must not hang in suspense for an indefinite period of time.^[14]

II.

We uphold the CA's dismissal of the petitioner's action for annulment of judgment based on the foregoing considerations.