

SECOND DIVISION

[G.R. No. 163530, March 09, 2011]

PHILIPPINE VETERANS BANK, PETITIONER, VS. RAMON VALENZUELA, RESPONDENT.

DECISION

PERALTA, J.:

Assailed in the present petition for review on *certiorari* is the November 4, 2003 Order^[1] of the Regional Trial Court (RTC) of Malolos, Bulacan, Branch 8 in Case No. P-261-97, which dismissed herein petitioner's Petition for Correction of Entry in a Transfer Certificate of Title covering a property which it bought in a foreclosure sale.

The petition, which was filed with the trial court on June 27, 1997, alleged as follows:

1. [Philippine Veterans Bank] PVB is a private commercial bank duly organized and existing under and by virtue of the laws of the Republic of the Philippines x x x.

2. PVB, as a banking institution, grants loan, among others, to its clients.

3. On various dates, Cafe Valenzuela, Inc. obtained a loan from PVB in the total amount of PESOS: SIX MILLION (P 6,000,000.00). As a security for said loan, a Real Estate Mortgage (REM), which was amended on March 8, 1979 and on June 22, 1979 (AREMs), was executed by Enrico Valenzuela as representative of Cafe Valenzuela, Inc. and as Attorney-in-Fact of Spouses Maximo and Honorata Valenzuela, covering several parcels of land, including TCT No. T-105375 which was subsequently reconstituted as TCT No. RT-35677, registered in the name of Spouses Maximo and Honorata Valenzuela.

x x x x

4. Cafe Valenzuela, Inc. failed to fully pay its loan obligation. It has failed and continues to fail and/or refuse to pay its outstanding principal obligation. As a result, PVB, executed an application for the extra-judicial foreclosure of the REM, particularly TCT No. T-105375. The same property was subsequently sold by public auction and was awarded to PVB for being the highest bidder. A certificate of sale in the amount of P1,923,878.40 dated 31 July 1985 was issued to this effect, x x x.

5. PVB proceeded to register the said certificate of sale with the Register of Deeds (ROD) of Malolos, Bulacan on 23 July 1986. It was entered as

Entry No. 9242 as shown in the stamp of the ROD at the back of the certificate of sale which is on file with the PVB. x x x

6. Entry No. 9242 was thereby annotated on TCT No. T-105375. However, the contents of the certificate of sale in the amount of P1,923,878.40 dated 31 July 1985 issued to PVB was not reflected in the Entry No. 9242. Instead, the contents of another certificate of sale in the amount of P31,496.00 dated 15 April 1986, which was simultaneously registered, was erroneously copied. The latter certificate of sale was entered as Entry No. 9244 on TCT No. T-249213 which is now reconstituted as TCT No. RT-35700.

x x x x

7. The fees paid for by the PVB with the ROD relative to the registration of the certificate of sale also shows payment of fees corresponding to the amount of P1,923,878.40.

x x x x

8. Entry No. 9242 must therefore be corrected to reflect the true contents of certificate of sale dated 31 July 1985 in the amount of P1,923,878.40 to avoid confusion and to put in proper order Entry No. 9242.

x x x x^[2]

Herein respondent then filed an Opposition with Motion to Dismiss claiming that: (1) he is one of the legitimate children of the spouses Maximo and Honorata Valenzuela, who are the registered owners of the subject property covered by TCT No. T-105375; (2) Enrico Valenzuela's authority as the attorney-in-fact of Maximo and Honorata is limited and that he is not authorized to mortgage the subject property; (3) the alleged certificate of sale involving the subject parcel of land was never duly registered or annotated as a memorandum on TCT No. T-105375 or the reconstituted TCT No. RT-35677; (4) what was really annotated as Entry No. 9242 on TCT No. T-105375 is an entirely different certificate of sale involving a different parcel of land owned by a certain Laida Mercado; (5) a civil case was filed by respondent against petitioner (Civil Case No. 414-M-97) for annulment of title wherein one of the issues involved is the non-registration of the abovementioned certificate of sale; and (6) petitioner does not seek a mere correction of Entry No. 9242, but the registration of a new, distinct and different certificate of sale. Respondent argues that where controversial issues, such as ownership of a disputed property, are raised in proceedings brought under Section 108 of Presidential Decree (PD) No. 1529, such as the instant case, it is the duty of the court sitting as a cadastral court or land registration court to dismiss the petition and the proper recourse for the parties would be to bring up said issues in an ordinary civil action or in the proceedings where the incident properly belongs.^[3]

On April 30, 2002, the RTC issued an Order with the following dispositive portion:

WHEREFORE, the Court hereby orders the Register of Deeds of Bulacan to correct Entry No. 9242 on TCT No. T-105375 which was reconstituted as TCT No. RT-35677 to reflect the contents of Certificate of Sale dated July 31, 1985 in the amount of P1,923,878.40 issued to Philippine Veterans Bank.

SO ORDERED.^[4]

Respondent filed a Motion for Reconsideration.^[5]

On November 4, 2003, the RTC issued its presently assailed Order^[6] granting herein respondent's Motion for Reconsideration. The RTC set aside its Order dated April 30, 2002 and dismissed the petition of herein petitioner for lack of merit.

The RTC based its Order in a Resolution^[7] issued by the CA, dated November 14, 2002, in CA-G.R. SP No. 65703 wherein the appellate court made a finding that the Certificate of Sale involving TCT No. T-105375 was never registered with the Register of Deeds of Bulacan. The RTC held that since the subject certificate of sale was not registered, there is nothing to correct, alter or amend under Section 108 of PD No. 1529.

Petitioner moved for the reconsideration^[8] of the November 4, 2003 Order of the RTC, but the trial court denied it via its Order^[9] dated April 27, 2004.

Hence, the instant petition raising the sole issue of whether the RTC erred in relying on the November 14, 2002 Resolution of the CA in dismissing petitioner's petition for correction of entry.

Petitioner claims that the CA in its subject resolution erroneously ruled that a previous order of the RTC of Bulacan, Branch 22 in a related case between the same parties, wherein the trial court passed upon the issue of non-registration of the certificate of sale in question and made a finding that the same was indeed not registered with the Register of Deeds of Bulacan, constitutes *res judicata* that would preclude the parties from litigating the factual issue of non-registration of the subject certificate of sale.

The petition lacks merits.

Settled is the rule that a judgment that has become final and executory is immutable and unalterable; the judgment may no longer be modified in any respect, even if the modification is meant to correct what is perceived to be an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land.^[10] While there are recognized exceptions - *e.g.*, the correction of clerical errors, the so-called *nunc pro tunc* entries which cause no prejudice to any party, void judgments, and whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable - none of these exceptions apply to the present case.^[11]