

FIRST DIVISION

[G.R. No. 148306, February 24, 2010]

**TERESITA DE MESA REFORZADO, PETITIONER, VS. SPOUSES
NAZARIO C. LOPEZ AND PRECILA LOPEZ, RESPONDENTS.**

D E C I S I O N

CARPIO MORALES, J.:

Teresita de Mesa Reforzado (petitioner), duly appointed co-special administratrix of the estate of her father, Fr. Balbino Caparas (Fr. Balbino), subject of SP. Proc. No. B-894 pending before Branch 31 of the Regional Trial Court (RTC) of Laguna in San Pedro, included in the Partial Inventory of properties of the estate a 999 square meter parcel of land situated in San Juan, Metro Manila (the property). As the property was in the possession of herein respondents Nazario C. Lopez (Nazario) and his wife Precila, the probate court, on motion of herein petitioner, directed the issuance of a writ of possession for respondents to turn over the possession of the property to petitioner.

Respondent Nazario assailed the probate court's Order via Certiorari before the Court of Appeals where it was docketed as CA-G.R. SP No. 33118, "*Nazario C. Lopez v. Teresita de Mesa Reforzado*."

In the meantime, petitioner filed a complaint^[1] against herein respondent spouses before the Pasig RTC, docketed as Civil Case No. 67043, to annul TCT No. 5918-R (the title) issued by the San Juan, Metro Manila Registry of Deeds on July 22, 1993 over the property which title respondents caused to be issued in their name, and to reconvey the property to her father's estate.

From petitioner's allegation in her complaint,^[2] it is gathered that the property was formerly covered by TCT No. 217042 in the name of Fr. Balbino's brother Fr. Anastacio Caparas (Fr. Anastacio) who had predeceased Fr. Balbino; that one Alfonso Santos allegedly purchased the property via "Deed of Sale with Right of Repurchase" from Nazario, as attorney-in-fact of Fr. Anastacio who allegedly executed in Nazario's favor a Special Power of Attorney (SPA), but that Nazario failed to repurchase the property, drawing Santos to file a complaint, before the Pasig RTC docketed as Civil Case No. 408, for "Surrender and Consolidation of Title"; that a judgment based on a compromise agreement was rendered in said Civil Case No. 408 by Branch 155 of the Pasig RTC, pursuant to which respondents transferred the property in their name; that Santos was, however, a non-existent person; that at the time of the filing of Civil Case No. 408 on July 22, 1993, Fr. Anastacio was already dead, a fact known to respondent Nazario, hence, whatever SPA Fr. Anastacio had executed in favor of respondent Nazario had at that time automatically been revoked; and that the Deed of Sale with Right of Repurchase and SPA which were submitted before the Pasig RTC are spurious.

In their Answer to herein petitioner's complaint in Civil Case No. 67043 which the Pasig RTC treated as a Motion to Dismiss, the defendants-herein respondents raised the following affirmative defenses: lack of jurisdiction, petitioner's lack of legal capacity, *res judicata*, prescription and lack of cause of action.

By Order of September 24, 1999, Branch 71 of the Pasig RTC to which petitioner's complaint was raffled denied respondents' motion to dismiss, holding that petitioner has a cause of action in filing her complaint. Respondents' motion for reconsideration having been denied, they assailed the Order via petition for certiorari to the Court of Appeals which received the petition on January 15, 2000.

By the assailed Decision^[3] of February 2, 2001, the appellate court granted respondents' petition for certiorari and dismissed petitioner's complaint in Civil Case No. 67043. It held that petitioner's allegations in her complaint were without factual bases; that the issuance by the San Juan Register of Deeds of TCT No. 5918-R in the name of respondents was on account of the exercise of his ministerial duty pursuant to a validly issued final and executory decision of the Pasig RTC; and that assuming *arguendo* that petitioner has a cause of action, it is "insufficient to hold the case for further determination," noting that the same issues and disputed property are involved in CA-G.R. SP No. 33118, "*Nazario C. Lopez v. Teresita de Mesa Reforzado*" (the petition for certiorari of herein respondent Nazario assailing the order issued by the probate court granting the issuance of a writ of possession over the property), which the appellate court decided on May 31, 1994 in favor of herein respondent Nazario, hence, petitioner's complaint is barred by *res judicata*.

As to petitioner's legal capacity to sue, the appellate court noted that while she was appointed as co-special administratrix of Fr. Balbino's estate on June 10, 1983, the appointment was revoked by the probate court in its Decision of July 14, 2000, hence, during the pendency of respondents' appeal from the Pasig RTC Order denying respondents' motion to dismiss petitioner's complaint subject of the present decision, petitioner no longer had the legal personality to continue the action. Petitioner's motion for reconsideration having been denied by the appellate court by Resolution^[4] of May 25, 2001, she filed the present petition for review on certiorari.

Petitioner contends that the appellate court erred in granting respondents' petition for certiorari because it was decided in light of Rule 16, Sec. 1 of the Revised Rules of Court^[5] which was already superseded by the 1997 Rules of Civil Procedure,^[6] the prevailing rule when respondents' petition for certiorari was filed before the appellate court on September 28, 1998; that respondents' alleged repurchase of the lot in question is contrary to Article 1491 of the Civil Code which prohibits agents from purchasing the property whose sale or administration had been entrusted to them; that although her appointment as co-special administratrix of the estate of Fr. Balbino was revoked, the same is not yet final, hence, she still has the legal personality to continue the action; and that as the lone surviving heir of the late Fr. Anastacio who predeceased his brother Fr. Balbino, she has the capacity to sue.

As to the appellate court's ruling that the judgment based on a compromise agreement in Civil Case No. 408 had become final and executory, hence, no longer questionable, petitioner contends that the Compromise Agreement-basis of the judgment being spurious, the doctrine that a void judgment never acquires finality applies.

Finally, petitioner avers that *res judicata* cannot be invoked because although CA-G.R. SP No. 33118 involved the same property as that involved in the present case, the issues and reliefs therein sought are not the same as those obtaining in the present case, the issue in the first being possession of the property, whereas that in the present case is ownership.

The petition is impressed with merit.

Whether the principle of *res judicata* applies and whether petitioner has the legal capacity to maintain the action despite the revocation of her appointment as co-administratrix of Fr. Balbino's estate are the core issues in the present case.

The doctrine of *res judicata* lays down two main rules which may be stated as follows: (1) The judgment or decree of a court of competent jurisdiction on the merits concludes the litigation between the parties and their privies and constitutes a bar to a new action or suit involving the same cause of action either before the same or any other tribunal; and (2) any right, fact, or matter in issue directly adjudicated or necessarily involved in the determination of an action before a competent court in which a judgment or decree is rendered on the merits is conclusively settled by the judgment therein and cannot again be litigated between the parties and their privies whether or not the claims or demands, purposes, or subject matters of the two suits are the same. These two main rules mark the distinction between the principles governing the two typical cases in which a judgment may operate as evidence. In speaking of these cases, **the first general rule above stated**, and which corresponds to the afore-quoted paragraph (b) of Section 47, Rule 39 of the Rules of Court, is referred to as "**bar by former judgment**"; **while the second general rule**, which is embodied in paragraph (c) of the same section and rule, is known as "**conclusiveness of judgment**."^[7] (emphasis supplied)

In CA-G.R. SP No. 33118 (the petition for certiorari assailing the probate court's order for respondent Nazario to turn over possession of the property to petitioner), the therein petitioner was herein respondent Nazario, and the therein private respondent was herein petitioner. The issue presented in that petition for certiorari was whether the probate court validly ordered the issuance of a writ of possession over the property in favor of herein petitioner, whose legal capacity and cause of action stemmed from her being the co-special administratrix of the estate of Fr. Balbino.

From the earlier-stated allegations gathered from petitioner's complaint subject of the present petition, she is suing respondents for the annulment of the title to the property issued to them and for the reconveyance of the property to Fr. Balbino's estate. There is thus identity of parties and subject matter in the two cases.

As to identity of causes of action, it is hornbook rule that identity of causes of action does not mean absolute identity, otherwise, a party could easily escape the operation of *res judicata* by changing the form of the action or the relief sought.