

## FIRST DIVISION

[ G.R. No. 139672, March 04, 2009 ]

**GREGORIO ARANETA UNIVERSITY FOUNDATION, PETITIONER,  
VS. THE REGIONAL TRIAL COURT OF KALOOKAN CITY, BRANCH  
120, REGISTER OF DEEDS OF KALOOKAN CITY, NATIONAL  
HOUSING AUTHORITY, HEIRS OF GREGORIO BAJAMONDE AND  
SATURNINA MENDOZA, AND THE REMINGTON REALTY  
DEVELOPMENT, INC., RESPONDENTS.**

### D E C I S I O N

**LEONARDO-DE CASTRO, J.:**

In this petition for review under Rule 45 of the Rules of Court, herein petitioner Gregorio Araneta University Foundation (GAUF) assails and seeks to set aside the Decision<sup>[1]</sup> dated March 31, 1999 of the Court of Appeals (CA) in *CA-G.R. SP No. 23872* and its Resolution<sup>[2]</sup> of August 16, 1999, denying petitioner's motion for reconsideration.

The assailed decision upheld the **Joint Order**<sup>[3]</sup> **dated August 29, 1986** and the **Order**<sup>[4]</sup> **dated December 23, 1988** of the Regional Trial Court (RTC) of Caloocan City, Branch 120, in Civil Case No. C-760 which, among others, directed the cancellation of GAUF's Transfer Certificate of Title (TCT) No. C-24153 and the issuance in lieu thereof of new titles in the name of the respondent Heirs of Gregorio Bajamonde over Lots 54 and 75 of the *Gonzales Estate*.

The factual antecedents as found by the CA are quoted hereunder:

By virtue of a decision rendered on March 29, 1950 by the then Court of First Instance of Rizal in Civil Case No. 131 and affirmed by the Supreme Court on May 14, 1954, in G.R. No. L-4918, the Gonzales or Maysilo estate in Malabon, Rizal, with an area of 871,982 square meters and covered by TCT No. 35487, was expropriated by the Republic of the Philippines, with the understanding that the Government would resell the property to its occupants.

In view of the failure of the Government and its instrumentality, then Rural Progress Administration and later the People's Homesite and Housing Corporation (PHHC), to implement the decision in Civil Case No. 131, the occupants and tenants of the estate filed on October 20, 1960, a complaint in Civil Case No. 6376 (now Civil Case No. C-760) with the then Court of First Instance of Rizal (Pasig Branch) to compel PHHC to sell to the tenants their respective occupied portions of the Gonzales estate.

On April 29, 1961, the then Araneta Institute of Agriculture, now

Gregorio Araneta University Foundation (GAUF) sought to intervene in Civil Case No. 6376 (Civil Case No. C-760) on the ground that 52 tenants of the property and Araneta Institute of Agriculture entered into an agreement or "Kasunduan" whereby the former conveyed to the latter their priority rights to purchase portion of the estate with an area of 507,376 square meters.

On the basis of this "Kasunduan," a compromise agreement dated November 28, 1961 was submitted in Civil Case No. 6376 (Civil Case No. C-760) which was duly approved by the court. Included in this compromise agreement are Lots 75 and 54 awarded to Gregorio Bajamonde.

xxx      xxx      xxx

Incidentally, it appears that on the basis of the "Kasunduan" and the forged compromise, Araneta University was able to register in its name with the Register of Deeds of Caloocan City Transfer Certificate of Title No. C-24153 for Lots 75 and 54 which as adverted to above, had been awarded to Gregorio Bajamonde.

However, in Civil Cases Nos. 17347 and 17364, both of the then Court of First Instance of Rizal, the compromise agreement entered into by and between Araneta University and the tenants on November 28, 1961 was declared null and void for being a forgery, and the partial decision rendered in accordance therewith was likewise declared null and void and of no force and effect.

On appeal to the Court of Appeals in CA-G.R. No. 45330-R the appellate court sustained the nullity of the "Kasunduan" and the compromise agreement in accordance thereto. xxx.

Thus, on motion by the heirs of Gregorio Bajamonde, the lower court in Civil Case No. C-760 issued the order dated August 29, 1986:

- (1) Declaring that any transfer or conveyance of Lots 75 and 54 or any purpose thereof from Gregorio Bajamonde to Araneta Institute of Agriculture or Gregorio Araneta University Foundation, or their assignee or successors-in-interest as rescinded, and to restore said lots 75 and 54 to the real owners, Gregorio Bajamonde and/or heirs;
- (2) Ordering the Register of Deeds of Caloocan City to cancel TCT No. C-24153 issued in the name of Gregorio Araneta University Foundation and to issue a new Transfer Certificate of Title over lots 75 and 54 in the name of Gregorio Bajamonde or heirs;
- (3) Ordering the Clerk of Court to issue writ of possession in favor of Gregorio Bajamonde or heirs.

And then on May 27, 1988 the lower court issued the order for issuance of a writ of execution for the enforcement of the joint order dated August 29, 1986, with a restraining order against Nonong Ridad, Graciano Napbua, Sergio Yeban, Gavino Miguel, Angel Cabrera and nine other persons, and their agents or representatives from squatting, occupying, staying and taking possession of Lots 75 and 54, or any portions thereof, including all the improvements and structures existing thereon.

GAUF Personnel Homeowners Association, Inc., et al. assailed the said order *via* a petition for certiorari, injunction and restraining order in this Court, docketed as CA-G.R. SP No. 14839, which was however dismissed for lack of merit in a decision promulgated by this Court on June 29, 1989. A petition for review filed with the Supreme Court, docketed as G.R. No. 89969 was likewise denied with finality on February 19, 1990.

Meanwhile, on December 23, 1988, respondent Judge Arturo Romero issued in Civil Case No. 6376 (now Civil Case No. C-760) an order for the execution of the aforesaid joint order dated August 29, 1986.

Eventually, (in compliance with the joint order dated December 23, 1988), TCT No. C-24153 for Lots 75 and 54 in the name of Araneta University was cancelled and TCT No. 174672 for lot 75 and TCT No. 174671 for lot 54 were issued by the Register of Deeds of Caloocan City on December 27, 1988 to the rightful owner thereof, Gregorio Bajamonde.

On June 29, 1989, the heirs of Bajamonde sold a portion of lot 54 consisting of 7,685 square meters to the herein other respondent, Remington Realty Development, Inc.<sup>[5]</sup>

On January 14, 1991, GAUF filed with the CA a petition for annulment<sup>[6]</sup> of the aforementioned Joint Order dated August 29, 1986 and the Order dated December 23, 1988. In its petition, docketed as CA-G.R. SP No. 23872, GAUF essentially alleged that the twin orders in question were issued by the trial court without jurisdiction as the same constituted a collateral attack on its certificate of title (TCT No. C-24153) in violation of Section 48 of Presidential Decree No. 1529 (P.D. 1529),<sup>[7]</sup> otherwise known as the *Property Registration Decree*.

In the herein challenged decision dated March 31, 1999, the appellate court denied the petition for annulment. In explanation of the denial, the CA ruled as follows:

It may not be remiss to state that by virtue of the "*Kasunduan*" which was submitted in Civil Case No. 6376 (now Civil Case No. C-760), GAUF was able to register in its name with the Register of Deeds of Caloocan City TCT No. C-24153 for Lots 75 and 54 which had been awarded to Gregorio Bajamonde. However, in Civil Cases Nos. 17347 and 17364, the said "*Kasunduan*" or compromise agreement was declared null and void for being a forgery. Such ruling was appealed to the Court of Appeals, CA-G.R. No. 45330-R which affirmed the decision rendered in Civil Cases Nos. 17347 and 17634. Correspondingly, xxx, *the finality of the orders impugned in the present petition cannot be therefore disturbed without impugning likewise the finality of the orders rendered in Civil Cases Nos.*

*17347 and 17364 rendered by the then Court of First Instance of Rizal and affirmed likewise by this Court in CA-G.R. No. 45330-R in a decision promulgated on February 7, 1973.*

It clearly appears that the basis of respondent judge in issuing the questioned order is the declared nullity of the "*Kasunduan*." It was in Civil Case No. 6376 (now Civil Case No. C-760) where the nullified "*Kasunduan*" was submitted by the petitioner and the private respondents herein; it was in the same case where, by virtue of the said "*Kasunduan*," petitioner GAUF was able to register in its name with the Register of Deeds of Caloocan City TCT No. C-24153 for Lots 54 and 75 which had been awarded to Gregorio Bajamonde. Accordingly, it is also in the same case and court where the cancellation should be sought as a result of the nullity of the "*Kasunduan*."

With its motion for reconsideration having been denied by the CA in its resolution of August 16, 1999, petitioner GAUF is now before this Court *via* the instant recourse submitting for our consideration the following arguments:

1. THE JOINT ORDER OF AUGUST 29, 1986 AND THE DECEMBER 23, 1988 ORDER OF THE RESPONDENT REGIONAL TRIAL COURT ARE NULL AND VOID *AB INITIO* FOR LACK OF JURISDICTION BECAUSE IT (SIC) AMENDED THE ALREADY FINAL AND EXECUTORY ORDER OF JULY 19, 1978 DISMISSING AND GRANTING THE WITHDRAWAL OF THE COMPLAINT IN CIVIL CASE NO. C-474 OF THE THEN CFI OF RIZAL FILED BY THE DECEASED GREGORIO BAJAMONDE;
2. THE RESPONDENT REGIONAL TRIAL COURT HAS NO JURISDICTION TO CANCEL PETITIONER GAUF'S TCT NO. C-24153 IN THE HEARING OF THE *OMNIBUS MOTION* DATED MAY 12, 1986 AND *MANIFESTATION AND MOTION* DATED JULY 1, 1986 OF THE HEIRS OF GREGORIO BAJAMONDE. THE SAID PROCEEDINGS CONSTITUTE A COLLATERAL ATTACK ON PETITIONER'S TCT NO. C-24153 WHICH IS PROHIBITED BY SECTION 48 OF P.D. NO. 1529, OTHERWISE KNOWN AS THE *PROPERTY REGISTRATION DECREE*;
3. "A VOID JUDGMENT MAY BE ASSAILED OR IMPUGNED AT ANY TIME" [*ZAIDE, JR. VS. COURT OF APPEALS, 184 SCRA 531*];
4. THE RULING OF THE COURT OF APPEALS THAT THE ISSUES RAISED IN THE PETITION TO ANNUL JUDGMENT ARE ALLEGEDLY BARRED BY THE RULE OF *RES JUDICATA* IS CONTRARY TO LAW. THE SUPPOSED RULINGS IN CIVIL CASE NOS. 17347 AND 17364, AS WELL AS THE RULING IN CA-G.R. NO. 45330-R DO NOT BAR THE PETITION TO ANNUL JUDGMENT.<sup>[8]</sup>

Fundamentally, petitioner's arguments center on the question of whether or not the trial court has jurisdiction to issue the **Joint Order dated August 29, 1986 and December 23, 1988 Order**, which directed the cancellation of the petitioner's title over Lots 54 and 75 of the former *Gonzales /Maysilo Estate* and ordered the issuance of new titles over the same lots in the name of the Heirs of Gregorio Bajamonde.