

THIRD DIVISION

[G.R. Nos. 140743 & 140745, September 17, 2009]

CITY GOVERNMENT OF TAGAYTAY, PETITIONER, VS. HON. ELEUTERIO F. GUERRERO, PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF TAGAYTAY, BRANCH XVIII; TAGAYTAY-TAAL TOURIST DEVELOPMENT CORPORATION; PROVINCE OF BATANGAS; MUNICIPALITY OF LAUREL, BATANGAS; AND MUNICIPALITY OF TALISAY, BATANGAS, RESPONDENTS.

[G.R. NOS. 141451-52]

AMEURFINA MELENCIO-HERRERA AND EMILINA MELENCIO-FERNANDO, PETITIONERS, VS. HON. ELEUTERIO F. GUERRERO, PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF CAVITE CITY, BRANCH XVIII; TAGAYTAY-TAAL TOURIST DEVELOPMENT CORPORATION; PROVINCE OF BATANGAS; MUNICIPALITY OF LAUREL, BATANGAS; MUNICIPALITY OF TALISAY, BATANGAS; AND CITY OF TAGAYTAY, RESPONDENTS.

D E C I S I O N

NACHURA, J.:

Before the Court are consolidated petitions for review on *certiorari* under Rule 45 of the Rules of Court, assailing the Decision^[1] dated June 19, 1998 and the Resolution^[2] dated November 11, 1999 of the Court of Appeals (CA) in CA-G.R. SP Nos. 39008 and 38298.

The Facts

Tagaytay-Taal Tourist Development Corporation (TTTDC) is the registered owner of two (2) parcels of land covered by Transfer Certificate of Title (TCT) Nos. T-9816^[3] and T-9817^[4] of the Registry of Deeds of Tagaytay City. TTTDC incurred real estate tax liabilities on the said properties for the tax years 1976 to 1983.^[5]

On November 28, 1983, for failure of TTTDC to settle its delinquent real estate tax obligations, the City Government of Tagaytay (City of Tagaytay) offered the properties for sale at public auction. Being the only bidder, a certificate of sale was executed in favor of the City of Tagaytay and was correspondingly inscribed on the titles of the properties on November 20, 1984.^[6]

On July 14, 1989, the City of Tagaytay filed an unnumbered petition for entry of new certificates of title in its favor before the Regional Trial Court (RTC) of Cavite, Branch XVIII, Tagaytay City. The case was entitled, "In re: Petition for Entry of New

Certificate of Title, City of Tagaytay, Petitioner." On December 5, 1989, the RTC granted the petition. The dispositive portion of the Decision^[7] reads:

WHEREFORE, finding the petition to be meritorious and sufficiently sustained with preponderant, legal and factual basis, this Court hereby gives its imprimatur to it and grants the same, dismissing in the process, the Opposition filed by Tagaytay-Taal Tourist Development Corporation. Accordingly, the Register of Deeds of Tagaytay City is hereby ordered to allow the City to consolidate the titles covering the properties in question (TCT Nos. T-9816 and T-9817), by issuing in its favor, and under its name, new Transfer Certificates of Titles and canceling as basis thereof, the said TCT Nos. 9816 and 9817 in the name of Tagaytay-Taal Tourist Development Corporation, all of which, being hereby declared null and void, henceforth.

SO ORDERED.^[8]

In granting the petition for entry of new certificates of title in favor of the City of Tagaytay, the trial court ratiocinated that whatever rights TTTDC had over the properties had been lost by laches for its failure to question the validity of the auction sale. It also ruled that, as of April 30, 1989, the unpaid real estate tax obligations of TTTDC to the City of Tagaytay amounted to P3,307,799.00. Accordingly, TTTDC's failure to exercise its right of redemption by way of paying its delinquent real estate taxes and charges called for the application of Section 75^[9] of Presidential Decree (P.D.) No. 1529, otherwise known as the Property Registration Decree.^[10] TTTDC appealed to the CA. The case was docketed as CA-G.R. No. 24933, entitled "*City of Tagaytay v. Tagaytay-Taal Tourist Development Corporation.*"

On June 29, 1990, Atty. Donato T. Faylona, acting as agent of Ameurfina Melencio-Herrera and Emilina Melencio-Fernando (Melencios), purchased the subject properties pursuant to Section 81^[11] in relation to Section 78^[12] of P.D. No. 464.^[13] The Melencios bought the subject properties for Three Million Five Hundred Fifty Thousand Pesos (P3,550,000.00) representing the total amount of taxes and penalties due on the same.^[14]

Meanwhile, on July 21, 1991, during the pendency of CA-G.R. CV No. 24933, TTTDC filed a petition for nullification of the public auction involving the disputed properties on the ground that the properties were not within the jurisdiction of the City of Tagaytay and, thus, beyond its taxing authority.^[15] The case, docketed as Civil Case No. TG-1196 before the RTC of Cavite, Branch XVIII, Tagaytay City, was entitled "*Tagaytay-Taal Tourist Development Corporation v. City of Tagaytay, Municipality of Laurel (formerly Talisay), Province of Batangas, Register of Deeds of Batangas, and Register of Deeds of the City of Tagaytay.*"^[16] On the other hand, the City of Tagaytay averred that based on its Charter,^[17] the subject properties were within its territorial jurisdiction.^[18] The sole issue in Civil Case No. TG-1196 was whether the parcels of land covered by TCT Nos. T-9816 and T-9817 were within the territorial jurisdiction of the City of Tagaytay.

Despite the fact that the Melencios had already purchased the subject properties, they were not impleaded in Civil Case No. TG-1196. Thus, on June 23, 1994, they filed a Motion to Intervene.^[19] On October 5, 1994, the RTC issued an Order^[20] denying the motion. The pertinent portions of the Order read:

This Court could clearly discern from the records that on July 13, 1994, this Court, after the parties to the case at bar have concluded the presentation of their respective evidences (sic), issued an Order giving the parties thirty (30) days within which to file their respective memoranda simultaneously and thereafter the instant case is considered submitted for decision. It is equally observed by the Court that although the motion to intervene was filed by the movants on July 1, 1994, the latter had set the same motion for the consideration of this Court on July 15, 1994 at 8:30 o'clock in the morning or two (2) days after the trial in this case was concluded. Thus, while this Court is inclined to agree with movants' postulation that they have a legal interest in the case at bar being the purchasers of the parcels of land involved in the instant controversy, it however believes and so holds that it is legally precluded from granting the motion to intervene on account of the provisions of Section 2, Rule 12 of the Revised Rules of Court which is quoted hereinunder as follows:

"SEC. 2. Intervention. - A person may, before or during a trial, be permitted by the court, in its discretion, to intervene in an action, if he has legal interest in the matter in litigation, or in the success of either of the parties, or an interest against both, or when he is so situated as to be adversely affected by the distribution or other disposition of property in the custody of the court or of an official thereof."

It is quite evident that the movants have filed their motion to intervene beyond the period mentioned in the above-quoted rule as it was repeatedly held by jurisprudence that "the authority of the court to permit a person to intervene is delimited by the provisions of Section 2, Rule 12 of the Rules of Court - `before or during trial.'" "And, trial is here used in a restricted sense and refers to `the period for the introduction of evidence by both parties.'" (*Pacusa v. Del Rosario*, L-26353, July 29, 1968; 24 SCRA 125, 129-130; *Bool v. Mendoza*, 92 Phil. 892, 895; *Trazo v. Manila Pencil Co.*, 1 SCRA 403, 405).

Surprisingly, even with the denial of the motion, the Melencios did not further pursue their cause. This was allegedly due to the assurances of the City of Tagaytay that it would file a motion for reconsideration and an appeal if the motion for reconsideration was denied. However, the City of Tagaytay filed a defective motion for reconsideration which was denied by the RTC and the City of Tagaytay did not file an appeal from the decision of the trial court.^[21]

On November 11, 1991, the CA, in CA-G.R. No. 24933, affirmed the decision of the

trial court in the unnumbered petition. The case was elevated to the Supreme Court *via* a petition for review on *certiorari* and was docketed as G.R. No. 106812.^[22] The case was entitled "*Tagaytay-Taal Tourist Development Corporation v. Court of Appeals (Special Ninth Division) and The City of Tagaytay.*"

During the pendency of the proceedings in G.R. No. 106812, on October 21, 1994, the RTC rendered a Decision^[23] in Civil Case No. TG-1196 wherein the trial court directed the annulment of the public sale of the contested properties. The dispositive portion of the decision reads:

WHEREFORE, judgment is hereby rendered granting the instant petition and as a consequence, the public auction sale of the properties of the petitioner, both covered by TCT Nos. T-9816 and T-9817 of the Registry of Deeds of Tagaytay City, as well as the Certificate of Sale and the Final Bill of Sale of said properties in favor of the respondent City of Tagaytay City (sic), and all proceedings held in connection therewith are hereby annulled and set aside, and the respondent Register of Deeds of the City of Tagaytay is hereby directed to cancel Entries Nos. 21951/T-9816 and 36984/T9816 annotated and appearing on TCT No. T-9816 and Entries Nos. 21950/T-9817 and 30087/T-9817 annotated and appearing on TCT No. T-9817 regarding the sale of the lots described therein in favor of the City of Tagaytay.

Moreover, the writ of preliminary injunction issued by this Court on September 24 is hereby made permanent.

SO ORDERED.^[24]

The City of Tagaytay filed a motion for reconsideration of the RTC decision in Civil Case No. TG-1196. But for failure to comply with the procedural requirements of a litigious motion, the trial court denied the same in an Order^[25] dated February 28, 1995. The *fallo* of the order reads:

WHEREFORE, in the light of the foregoing, this Court finds no cogent grounds (sic) for a grant of the Motion for Reconsideration filed by respondent City of Tagaytay and considering that the same motion failed to comply with the requirements imposed by Sections 4, 5 and 6 of Rule 15 of the Revised Rules of Court, this Court hereby directs that the said motion be stricken from the records and the Acting Clerk of this Court is directed to enter the Decision dated October 21, 1994 as required under Section 2, Rule 36 of the Revised Rules of Court.

SO ORDERED.^[26]

On November 9, 1994, the RTC Decision dated October 21, 1994 in Civil Case No. TG-1196 became final and executory. On March 24, 1995, the Decision was entered in the Book of Entries of Judgments.^[27]

On August 31, 1995, the Melencios filed before the CA a petition for annulment of judgment of the RTC Decision in Civil Case No. TG-1196. The case was docketed as CA-G.R. SP No. 38298, entitled "*Ameurfina Melencio-Herrera and Emilina Melencio-Fernando v. Hon. Eleuterio F. Guerrero, Tagaytay-Taal Tourist Development Corporation, the Province of Batangas, the Municipality of Laurel, the Municipality of Talisay and the City of Tagaytay.*" In the Petition,^[28] the Melencios questioned the final and executory decision of the trial court on the ground that the City of Tagaytay allegedly committed extrinsic fraud and that was the ultimate reason why they were deprived of property without due process of law. Furthermore, they averred that the decision was rendered with absolute lack of jurisdiction over the subject matter and nature of the petition due to the following: (1) violation of the prohibition to entertain cases without the payment of the required deposit under Section 83 of P.D. No. 464; (2) violation of the doctrine of *litis pendentia* or the doctrine of non-interference with a co-equal body; (3) forum-shopping by TTTDC; and (4) failure to follow the administrative procedure in the settlement of boundary disputes between local government units as provided under the Local Government Code.^[29]

On November 15, 1995, City of Tagaytay also filed before the CA a petition for annulment of judgment of the RTC Decision in Civil Case No. TG-1196. The case was docketed as CA-G.R. SP No. 39008, entitled "*City of Tagaytay v. Hon. Eleuterio F. Guerrero, Tagaytay-Taal Tourist Development Corporation, the Municipality of Laurel, Batangas, and the Municipality of Talisay, Batangas.*" The City of Tagaytay filed the Petition^[30] on the following grounds: (1) the RTC had no primary jurisdiction to resolve boundary disputes; (2) the RTC committed judicial legislation in its interpretation of Commonwealth Act No. 338 and Republic Act (R.A.) No. 1418; and (3) the RTC acted in excess of jurisdiction in entertaining the case of TTTDC without the deposit of the amount of the tax sale as required by Section 83 of P.D. No. 464.^[31]

CA-G.R. SP Nos. 38298 and 39008 were eventually consolidated.

In the interregnum, on June 10, 1997, the Supreme Court rendered a Decision^[32] in G.R. No. 106812, the dispositive portion of which reads:

WHEREFORE, the decision of respondent Court of Appeals promulgated on November 11, 1991 and its resolution of August 24, 1992, and the decision of the Regional Trial Court of Cavite dated December 5, 1989 are hereby REVERSED and SET ASIDE. The "Petition for Entry of New Certificates of Title" of respondent City of Tagaytay is DENIED.

SO ORDERED.^[33]

In denying the petition, the Court ratiocinated, thus:

The Regional Trial Court of Cavite, sitting as a land registration or cadastral court, could not have ordered the issuance of new certificates of title over the properties in the name of respondent City if the delinquency sale was invalid because said properties are actually located