

FIRST DIVISION

[G.R. No. 151970, May 07, 2008]

WINSTON MENDOZA and FE MICLAT, Petitioners, vs. FERNANDO ALARMA and FAUSTA ALARMA, Respondents.

D E C I S I O N

CARPIO, J.:

The Case

Before the Court is a petition for review on certiorari^[1] assailing the Decision^[2] dated 9 July 2001 and Resolution^[3] dated 30 January 2002 of the Court of Appeals in CA-G.R. CV No. 58139.

The Facts

Spouses Fernando and Fausta Alarma (respondents) are the owners of an 11.7 hectare parcel of land (land) located in Iba, Zambales. The land, identified as Cadastral Lot No. 2087 of Iba Cadastre, was posted as a property bond for the provisional liberty of a certain Joselito Mayo, charged with illegal possession of firearms in Criminal Case No. 1417-I, entitled "People of the Philippines v. Gregorio Cayan, et al."

When the accused failed to appear in court as directed on 19 March 1984, the trial court ordered his arrest and the confiscation of his bail bond in favor of the government. It also directed the bondsmen to produce within a period of 30 days the person of the accused and to show cause why judgment should not be entered against the bail bond. However, without a judgment being rendered against the bondsmen, the trial court issued a writ of execution against the land in an Order dated 14 April 1986.^[4] The land was eventually sold at public auction and petitioners Winston Mendoza and Fe Miclat emerged as the highest bidders. Thus, the land was awarded to petitioners and they immediately took possession of the same.

Sometime thereafter, respondents filed a complaint for recovery of property against petitioners with the Regional Trial Court of Iba, Zambales, Branch 70,^[5] grounded on the nullity of the entire proceedings relating to the property bond. During the pre-trial conducted on 3 May 1988, the parties agreed that the property would be placed in the possession of respondents. On 2 August 1989, the court rendered its decision dismissing the complaint and declaring that the Order dated 14 April 1986 was a judgment on the bond.

On appeal, the appellate court reversed the decision of the trial court and nullified the proceedings on the execution, sale, and issuance of the writ of possession.^[6]

Thereafter, petitioners filed a petition for review on certiorari with this Court, docketed as G.R. No. 101103 and entitled "Winston Mendoza, et al. v. Court of Appeals, et al." In a Resolution dated 18 March 1992, this Court denied the petition and ruled with finality that the assailed 14 April 1986 Order was not a judgment on the bond.^[7]

Meanwhile, petitioners applied for the registration of the land with the Regional Trial Court of Iba, Zambales, Branch 70.^[8] On 9 September 1987, the trial court granted the registration and issued Original Certificate of Title (OCT) No. O-7249 in the name of petitioners.

The Trial Court's Ruling

Respondents then filed an action for the annulment of title and reconveyance of ownership of the land covered by OCT No. O-7249 with the Regional Trial Court of Iba, Zambales, Branch 71.^[9] On 24 September 1997, the trial court dismissed the action contending that it had no jurisdiction to annul the judgment rendered by the Regional Trial Court of Iba, Zambales, Branch 70, a co-equal court.^[10] The trial court declared further that since the issue of the case was the validity of OCT No. O-7249, the case should have been filed with the Court of Appeals which has exclusive original jurisdiction over annulment of judgments of a Regional Trial Court.

The Ruling of the Court of Appeals

Respondents filed an appeal with the Court of Appeals which reversed the findings of the trial court and annulled OCT No. O-7249.^[11] The appellate court also ordered that a new title over the property be issued in the name of respondents. Petitioners filed a Motion for Reconsideration which the appellate court denied in a Resolution dated 30 January 2002.

Hence, this petition.

The Issue

The sole issue for our resolution is whether the Court of Appeals erred in finding a defect in the proceedings and in ordering the annulment of OCT No. O-7249.

Petitioners contend that even if the execution proceedings were nullified, they were not privy to the irregularities of the auction sale. Thus, as buyers in good faith, they must be protected by the law.

Respondents, on the other hand, maintain that the basis for the acquisition of the land and the issuance of title over it had already been declared void by this Court in G.R. No. 101103. Thus, petitioners cannot now claim good faith. With no valid title to the land, petitioners must reconvey the land to respondents.

The Court's Ruling

The petition lacks merit.

Section 21, Rule 114 of the Revised Rules on Criminal Procedure states: