G.R. No. 121165

THIRD DIVISION

[G.R. NO. 121165, September 26, 2006]

HON. DOMINADOR F. CARILLO, PRESIDING JUDGE, R.T.C. XI-19 DIGOS, DAVAO DEL SUR, BONIFACIO J. GUYOT, CLERK OF COURT AND PROVINCIAL SHERIFF OF DAVAO DEL SUR, ALFREDO C. SENOY, DEPUTY PROV. SHERIFF ASSIGNED TO R.T.C. XI-19 DIGOS, DAVAO DEL SUR, MARCOS D. RISONAR, JR., REGISTRAR OF DEEDS OF DAVAO DEL SUR, AND MARIA GONZALES, PETITIONERS, VS. HON. COURT OF APPEALS, MARIA PAZ DABON AND ROSALINA DABON, RESPONDENTS.

RESOLUTION

QUISUMBING, J.:

For review on certiorari is the Decision[1] dated February 22, 1995 of the Court of Appeals in CA-G.R. SP No. 23687, which annulled and set aside the judgment and orders of the Regional Trial Court (RTC) of Digos, Davao del Sur, Branch 19, in Civil Case No. 2647, *Maria Gonzales v. Priscilla Manio and Jose Manio*.

The facts as culled from the records are as follows:

On April 2, 1990, petitioner Maria Gonzales filed a complaint against the spouses Priscilla and Jose Manio with the RTC of Digos, Davao del Sur, Branch 19. Gonzales sought the execution of the deed of sale in her favor for the property she bought from Priscilla Manio. She also asked for damages and attorney's fees.

Gonzales alleged that on April 26, 1988, she paid P10,000 to Priscilla as downpayment on the P400,000 purchase price of the lot with improvements, since Priscilla had a special power of attorney from her son, Aristotle, the owner of the land. They also agreed that the balance would be paid within three months after the execution of the deed of sale. Yet, after the lapse of the period and despite repeated demands, Priscilla did not execute the deed of sale. Thus, Gonzales filed an action for specific performance against the spouses Priscilla and Jose Manio.

For failure to file an Answer, the Manios were declared in default and Gonzales was allowed to present evidence ex parte.

After trial, the court rendered judgment in favor of Gonzales, which we quote verbatim:

> WHEREFORE, premises considered, it is hereby ordered that judgment is rendered in favor of plaintiff and against defendants, ordering defendants:
>
> 1) To execute the final deed of sale and transfer of the property

mentioned in paragraph 4 above to plaintiff, or should the defendant refuse to execute the deed of sale, the Clerk of Court be directed to execute the same upon plaintiff's depositing of the sum of P390,000.00 with the Clerk of Court as complete and valid payment thereof to defendant Priscilla Manio;

2) To pay plaintiff the sum of P100,000.00 for moral damages and P50,000.00 for exemplary damages;

3) To pay plaintiff the sum of P50,000.00 for attorney's fees plus P700.00 per appearances of plaintiff's counsel before this Honorable Court as appearance fees;

4) To pay plaintiff the sum of P5,000.00 as litigation expenses.

SO ORDERED.[2]

Gonzales deposited with the Clerk of Court the P390,000 balance of the price and filed a motion for execution.[3] She later withdrew the motion because the trial court's decision was not properly served on the defendants. After numerous delays, the sheriff finally personally served a copy of the decision on Priscilla on August 4, 1990, at the ungodly hour of 12:00 midnight at Sitio Wilderness, Barangay Mount Carmel, Bayugan, Agusan del Sur.[4]

Since there was no appeal, the trial court's decision became final and executory. But the writ of execution was not served upon the defendants, since according to the Sheriff's Return, the defendants could not be located. The sheriff, likewise, informed the trial court that the money judgment could be readily satisfied by the petitioner's cash deposit should the trial court grant the motion to release the cash deposit filed by Gonzales.[5]

Subsequently, Gonzales filed a motion asking that the Clerk of Court be directed to be the one to execute a deed of conveyance. Gonzales also filed a motion to withdraw the cash deposit for the balance of the price to offset the award of damages. The trial court granted both motions but later modified the amount to P207,800.

On October 29, 1990, Gonzales filed a petition for the nullification of the Owner's Duplicate Certificate of Title No. 16658 and asked that a new certificate be issued in her name to give effect to the deed of conveyance since Priscilla refused to relinquish the owner's duplicate copy.

Consequently, the trial court declared the owner's duplicate copy of TCT No. 16658 void, and directed the City Civil Registrar to issue a new certificate of title in favor of Gonzales. The orders were reiterated in subsequent orders and TCT No. T-23690 was issued under the name of Gonzales.

On December 14, 1990, herein respondents Maria Paz Dabon and Rosalina Dabon, claiming to have bought the aforementioned lot from Aristotle Manio filed before the Court of Appeals a petition for annulment of judgment and orders of the RTC in **Civil Case No. 2647**. The case was docketed as CA G.R. SP No. 23687, entitled *"Maria*

Paz Dabon and Rosalina Dabon v. Hon. Dominador F. Carillo, Presiding Judge, RTC Branch 19, Digos, Davao del Sur; Bonifacio J. Guyot, Clerk of Court and Provincial Sheriff of Davao del Sur; Alfredo C. Senoy, Deputy Prov. Sheriff assigned to RTC Br. 19, Digos, Davao del Sur; Marcos D. Risonar, Jr., Registrar of Deeds of Davao del Sur; and Maria Gonzales." The Dabons alleged therein that the judgment of the trial court was void *ab initio* because of lack of jurisdiction over their persons, as the real parties in interest, and that they were fraudulently deprived of their right to due process. They also prayed for a Temporary Restraining Order and for Preliminary Prohibitory Injunction against Gonzales. They gave the trial court a notice of their action for the annulment of the judgment and subsequent orders in Civil Case No. 2647.[6]

Meanwhile, Gonzales filed before the trial court a motion for the issuance of a writ of possession. The Dabons filed an opposition on the following grounds: (1) The writ of possession cannot be enforced because the defendants named in the writ, the Manios, were no longer in possession of the property; (2) They had bought the lot with the improvements therein and had taken possession, although they had not yet registered their ownership with the Register of Deeds; and (3) The court did not acquire jurisdiction over them as the real parties in interest.

On December 17, 1990, the Court of Appeals, without giving due course to the petition, issued a resolution restraining the trial court from implementing its Decision dated June 19, 1990[7] and its subsequent orders thereto in Civil Case No. 2647 until further notice from the Court of Appeals. It also required Gonzales to file her Comment.[8]

The Court of Appeals in a resolution denied the application for preliminary injunction and appointed a commissioner to receive evidence of the parties.[9]

Following the Commissioner's report, the Court of Appeals found that (1) the contract of sale between Gonzales and Priscilla was unenforceable because the sale was evidenced by a handwritten note which was vague as to the amount and which was not notarized; (2) the trial court did not acquire jurisdiction over the indispensable parties; and (3) the proceedings were attended with fraud. The Court of Appeals nullified the judgment of the RTC in Civil Case No. 2647 and cancelled TCT No. T-23690. The dispositive portion of said judgment reads as follows:

> **WHEREFORE**, premises considered, the questioned decision, dated June 19, 1990 (and all orders arising therefrom), of the Regional Trial Court (Branch 19) in Digos, Davao del Sur is hereby ANNULLED and SET ASIDE-and the Transfer Certificate of Title No. T-23690 which was issued thereafter declared null and void and ordered canceled. Costs against the private respondent.
>
> **SO ORDERED**.[10]

On July 17, 1995, Gonzales' Motion for Reconsideration was denied. Hence, the instant petition, assigning the following errors:

THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE PURCHASE OF THE DISPUTED PROPERTY BY PETITIONER MARIA GONZALES FROM ARISTOTLE MANIO THRU THE LATTER'S MOTHER AND ATTORNEY-IN-FACT WAS A VALID CONTRACT AS BETWEEN THE CONTRACTING PARTIES.

II

THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT PETITIONER MARIA GONZALES WAS IN GOOD FAITH IN BUYING THE DISPUTED PROPERTY FROM ARISTOTLE MANIO THRU THE LATTER'S MOTHER AND ATTORNEY-IN-FACT.

III

THE HONORABLE COURT OF APPEALS ERRED IN NOT APPLYING IN THE INSTANT CASE THE DOCTRINE IN DOUBLE SALE UNDER ARTICLE 1544 OF THE CIVIL CODE OF THE PHILIPPINES.

IV

THE HONORABLE COURT OF APPEALS GRAVELY FAILED TO APPRECIATE THE FACT THAT PRIVATE RESPONDENTS' [*PETITIONERS BELOW*] CLAIM IS HIGHLY INCREDIBLE, IMPROBABLE, AND FRAUDULENT.

V

THE HONORABLE COURT OF APPEALS ERRED IN NOT HOLDING THAT PRIVATE RESPONDENTS MARIA PAZ DABON AND ROSALINA DABON HAVE NO RIGHT TO BRING THE INSTANT SUIT.

VI

COROLLARILY, THE HONORABLE COURT OF APPEALS ERRED IN NOT SUSTAINING PETITIONER MARIA GONZALES' [*PRIVATE RESPONDENT BELOW*] CLAIM FOR DAMAGES AGAINST THE PRIVATE RESPONDENTS [*PETITIONERS BELOW*].[11]

Simply, the threshold issues in this petition are: (1) whether the Court of Appeals erred in declaring the sale of the land to Gonzales by Priscilla invalid; (2) whether there was basis to annul the judgment of the RTC; and (3) whether the Dabons could file the action for annulment of judgment.

We shall discuss the issues jointly.

Prefatorily, we note that named as petitioners are Presiding Judge Dominador Carillo; Bonifacio Guyot, Alfredo Senoy, Clerk of Court and Deputy Sheriff of the same court, respectively; Marcos D. Risonar, Registrar of Deeds of Davao del Sur; and Maria Gonzales. In our view, petitioner Gonzales apparently had impleaded Judge Carillo, Guyot, Senoy and Risonar in this petition by merely reversing the designation of said public officers among the respondents below in the Court of Appeals, as now among the petitioners herein. Since they are not interested parties and would not benefit from any of the affirmative reliefs sought, only Maria Gonzales remains as the genuine party-petitioner in the instant case.