

## THIRD DIVISION

[ G.R. No. 144576, May 28, 2004 ]

**SPOUSES ISABELO AND ERLINDA PAYONGAYONG,  
PETITIONERS, VS. HON. COURT OF APPEALS, SPOUSES  
CLEMENTE AND ROSALIA SALVADOR, RESPONDENTS.**

### D E C I S I O N

**CARPIO MORALES, J.:**

Being assailed by petition for review on certiorari under Rule 45 of the Rules of Court<sup>[1]</sup> is the June 29, 2000 Decision<sup>[2]</sup> of the Court of Appeals in CA-G.R. CV No. 52917 affirming that of the Regional Trial Court (RTC), Branch 217, Quezon City dismissing Civil Case No. Q-93-16891,<sup>[3]</sup> the complaint of spouses Isabelo and Erlinda Payongayong (petitioners) against spouses Clemente and Rosalia Salvador (respondents).

Eduardo Mendoza (Mendoza) was the registered owner of a two hundred square meter parcel of land situated in Barrio San Bartolome, Caloocan, covered by and described in Transfer Certificate of Title No. 329509<sup>[4]</sup> of the Registry of Deeds of Quezon City.

On April 18, 1985, Mendoza mortgaged the parcel of land to the Meralco Employees Savings and Loan Association (MESALA) to secure a loan in the amount of P81,700.00. The mortgage was duly annotated on the title as Primary Entry No. 2872<sup>[5]</sup> on April 23, 1985.

On July 11, 1987, Mendoza executed a Deed of Sale with Assumption of Mortgage<sup>[6]</sup> over the parcel of land together with all the improvements thereon (hereinafter referred to as the property) in favor of petitioners in consideration of P50,000.00. It is stated in the deed that petitioners bound themselves to assume payment of the balance of the mortgage indebtedness of Mendoza to MESALA.<sup>[7]</sup>

On December 7, 1987, Mendoza, without the knowledge of petitioners, mortgaged the same property to MESALA to secure a loan in the amount of P758,000.00. On even date, the second mortgage was duly annotated as Primary Entry No. 8697<sup>[8]</sup> on Mendoza's title.

On November 28, 1991, Mendoza executed a Deed of Absolute Sale<sup>[9]</sup> over still the same property in favor of respondents in consideration of P50,000.00. The sale was duly annotated as Primary Entry No. 1005<sup>[10]</sup> on Mendoza's title. On even date, MESALA issued a Cancellation of Mortgage<sup>[11]</sup> acknowledging that for sufficient and valuable consideration which it received from Mendoza, it was cancelling and releasing the real estate mortgage over the property. The cancellation was

annotated as Primary Entry No. 1003<sup>[12]</sup> on Mendoza's title.

Respondents caused the cancellation of Mendoza's title and the issuance of Transfer Certificate Title No. 67432<sup>[13]</sup> in their name.

Getting wind of the sale of the property to respondents, petitioners filed on July 16, 1993 a complaint<sup>[14]</sup> for annulment of deed of absolute sale and transfer certificate of title with recovery of possession and damages against Mendoza, his wife Sally Mendoza, and respondents before the Quezon City RTC.

In their complaint, petitioners alleged that the spouses Mendoza maliciously sold to respondents the property which was priorly sold to them and that respondents acted in bad faith in acquiring it, the latter having had knowledge of the existence of the Deed of Absolute Sale with Assumption of Mortgage between them (petitioners) and Mendoza.

Branch 217 of the Quezon City RTC, by Order<sup>[15]</sup> of December 3, 1993, archived the case in view of the failure to determine the whereabouts of the spouses Mendoza.

A motion<sup>[16]</sup> for the revival of the case as against respondents and its dismissal as against the spouses Mendoza was later filed on December 17, 1993 by petitioners, which motion was granted by the trial court by Order<sup>[17]</sup> of December 27, 1993.

By Decision of February 5, 1996, the trial court found for respondents.

Dissatisfied, petitioners appealed the decision to the Court of Appeals (CA) which, as stated early on, affirmed the same.

Petitioners' Motion for Reconsideration<sup>[18]</sup> having been denied by the CA by Resolution of August 25, 2000,<sup>[19]</sup> the petition at bar was lodged.

Petitioners assign to the CA the following errors:<sup>[20]</sup>

## I

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING IN (sic) EXCESS OF JURISDICTION WHEN IT FAILED TO RULE THAT THE DEED OF SALE EXECUTED BY EDUARDO MENDOZA IN FAVOR OF PRIVATE RESPONDENTS WAS SIMULATED AND THEREFORE NULL AND VOID.

## II

THE HONORABLE COURT OF APPEALS COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING IN (sic) EXCESS OF JURISDICTION WHEN IT GAVE CREDENCE TO THE THEORY OF THE PRIVATE RESPONDENTS THUS FOUND TO BE INNOCENT PURCHASERS FOR VALUE.

## III

THE HONORABLE COURT OF APPEALS GRAVELY ABUSED ITS DISCRETION AMOUNTING IN (sic) EXCESS OF ITS JURISDICTION BY HOLDING THAT PETITIONERS ARE BARRED BY LACHES.<sup>[21]</sup>

On procedural and substantive grounds, the petition fails.

The petition which was filed by registered mail was not accompanied by a written explanation why such service was not done personally, in contravention of Section 11, Rule 13 of the Revised Rules of Court which provides:

SEC. 11. *Priorities in modes of service and filing.* – Whenever practicable, the service and filing of pleadings and other papers shall be done personally. Except with respect to papers emanating from the court, a resort to other modes must be accompanied by a written explanation why the service or filing was not done personally. A violation of this Rule may be cause to consider the paper as not filed.

Under the above-quoted provision, service and filing of pleadings and other papers must, whenever practicable, be done personally. If they are made through other modes, the party concerned must provide a written explanation why the service or filing was not done personally. If only to underscore the mandatory nature of this innovation to the set of adjective rules requiring personal service whenever practicable, the provision gives the court the discretion to consider a pleading or paper as not filed if the other modes of service or filing were resorted to and no written explanation was made as to why personal service was not done in the first place.<sup>[22]</sup> Strictest compliance is mandated, lest this provision be rendered meaningless and its sound purpose negated.<sup>[23]</sup>

On the merits, respondents' claim that they are entitled to the protection accorded to purchasers in good faith is well-taken.

It is a well-established principle that a person dealing with registered land may safely rely on the correctness of the certificate of title issued therefor and the law will in no way oblige him to go behind the certificate to determine the condition of the property.<sup>[24]</sup> He is charged with notice only of such burdens and claims as are annotated on the title.<sup>[25]</sup> He is considered in law as an innocent purchaser for value or one who buys the property of another without notice that some other person has a right to or interest in such property and pays a full and fair price for the same at the time of such purchase or before he has notice of the claim of another person.<sup>[26]</sup>

That petitioners did not cause the cancellation of the certificate of title of Mendoza and procure one in their names is not disputed. Nor that they had their claims annotated on the same title. Thus, at the time of the sale of the property to respondents on November 28, 1991, only the mortgages in favor of MESALA appeared on the annotations of encumbrances on Mendoza's title. Respondent Rosalia Salvador (Rosalia) so testified:

Q: Now, according to you, you bought this property from the Mendoza's (sic), Eduardo and Sally Mendoza on November 28, 1991, is that correct?

A: Yes, sir.

X X X

Q: Now, Mrs. Sally Salvador, what did you do after buying the property from the Mendoza's (sic)?

A: We renovated it, we constructed a concrete fence, sir.

Q: When you bought the property, is this property encumbered or mortgaged?

A: The property was mortgaged to Meralco Savings and Loan Association, sir.

X X X

Q: And what did you do before buying the property?

A: I verified with the City Hall if they are real owners of the property.

X X X

Q: When you bought the property, mortgaged to Meralco, was this particular property titled in the name of Eduardo Mendoza?

A: Yes, sir.

Q: When you bought the property, Mrs. Sally Salvador, is this covered by any real property tax in the name of Eduardo Mendoza?

A: In the name of Eduardo Mendoza the one given to me, sir.

X X X

Q: Now, Mrs. Sally Salvador, when for the first time did you see Mr. Payongayong?

A: On the third call of Honorable Judge Enriquez, sir.

X X X

Q: Is it not a fact that before you bought that property, you made an ocular inspection of the premises, is that correct?

A: Yes, sir.

X X X

Q: And after you have inspected the premises in question, is it not a fact that you went to the Register of Deeds, is that correct?

A: Yes, sir. Together with Sally Mendoza and the agent.

X X X

Q: So, you went to the Office of the Register of Deeds of Quezon City, you, together with Benny Salvador and Mrs. Mendoza?

A: Yes, sir.

Q: What did you find out from your verification as to the authenticity of the title?

A: That she is the real owner of the property registered in the Register