

FIRST DIVISION

[G.R. No. 124280, June 09, 1997]

**FLORA S. REYES, PETITIONER, VS. HON. COURT OF APPEALS,
AND HEIRS OF FELISA MARTIN-HIPOLITO RESPONDENTS.**

D E C I S I O N

VITUG, J.:

Elena B. De Jesus was the registered owner of a 150 square-meter parcel of land covered by Transfer Certificate of Title ("TCT") No. 63308. On 07 April 1964, De Jesus sold the lot to herein petitioner Flora Reyes, the latter paying an initial sum of P4,000.00 and committing to remit the balance some time later. Although the title to the property meanwhile remained in the name of De Jesus, Flora Reyes was allowed, nonetheless, to take possession and reside in the premises.

On 22 September 1965, De Jesus obtained a loan from herein private respondent Felisa Martin-Hipolito in the amount of P18,000.00. By way of security, De Jesus mortgaged the parcel of land earlier sold to petitioner Reyes. The certificate of title (TCT No. 63308) was delivered to Hipolito but the deed of mortgage, nevertheless, was not recorded.

On 06 June 1966, when Reyes was ready to pay the balance of the purchase price, De Jesus "borrowed" the certificate of title from Hipolito. On 09 June 1966, having now been fully paid, De Jesus executed a deed of absolute sale over the property in favor of Reyes. The deed was thereupon registered with the Register of Deeds of Caloocan. The title of De Jesus was cancelled and, in lieu thereof, TCT No. 22321 was issued in the name of Reyes.

Hipolito, upon learning of the conveyance of the property, filed an action, docketed Civil Case No. 937, before the then Court of First Instance of Caloocan City, seeking to cancel the sale to, as well as the new title of, Reyes. The latter was declared in default and a judgment by default was rendered by the lower court in favor of Hipolito.

On 19 May 1969, the mortgaged property was auctioned off. In the public sale, Hipolito was adjudged the highest bidder. Eventually, Hipolito consolidated ownership and, on 20 August 1970, TCT No. 36702 was issued in her name.

On 30 September 1970, Reyes filed a complaint with the then Court of First Instance of Caloocan for annulment of the default judgment rendered against her and for the cancellation of Hipolito's title. After the case was heard, the order of default and the proceedings thereafter held were declared null and void. Accordingly, the default judgment was set aside, and Civil Case No. 937 was re-opened to allow Reyes to present her evidence. On 15 November 1989, the trial court rendered judgment holding the sale between De Jesus and Reyes to be a simulated contract, ordering

the cancellation of Reyes' TCT No. 22321 and declaring private respondent Hipolito's TCT No. 36702 to be valid.

Petitioner appealed the decision of the trial court to the Court of Appeals. The appeal was docketed CA-G.R. CV No. 26008.

The appellate court, through Justice Ricardo Pronove, Jr., found differently and, on 13 September 1991, promulgated its judgment reversing and setting aside the decision of the trial court; viz:

"WHEREFORE, the decision appealed from is REVERSED and SET ASIDE.
A new one is entered:

"a) declaring Transfer Certificate of Title No. 36702 of the Register of Deeds of Caloocan City issued in the name of plaintiff Felisa Martin Hipolito null and void; and

"b) declaring the deed of absolute sale dated June 9, 1966, executed by Elena B. de Jesus in favor of defendant Flora S. Reyes and Transfer Certificate of Title No. 22321 of the Register of Deeds of Caloocan City issued in the name of said defendant valid and legal.

"Costs against the plaintiff-appellee.

"SO ORDERED."^[1]

Private respondent Hipolito was unsuccessful in her bid for a review of the appellate court's decision before this Court. Her petition, ultimately, was dismissed with finality in a resolution, dated 24 February 1992, by the Court.

In due time, upon petitioner's motion, a writ of execution was issued by the trial court directing the Sheriff of Caloocan to cause the implementation of the decision. It was at this juncture when the Office of the Register of Deeds noticed that while the opening paragraph of the decision of the Court of Appeals (in CA-G.R. CV No. 26008) identified the parcel of land in question as being "Lot No. 40, Block 33," the three transfer certificates of title in the names of De Jesus, Hipolito and Reyes, however, designated the disputed property to be "Lot No. 40, Block No. 133."

On 26 May 1995, petitioner filed with the Court of Appeals a "Motion for Correction of Typographical Error in Decision dated 13 September 1991." Private respondent Hipolito, substituted by her heirs, opposed the motion.

In a resolution, dated 09 November 1995, the Court of Appeals denied petitioner's motion. It also later rejected petitioner's motion for reconsideration.

Hence, the instant petition for review.

The Court finds merit in the petition.

TCT No. 63308 in the name of Elena De Jesus, TCT No. 22321 in the name of petitioner Flora Reyes, and TCT No. 36702 in the name of private respondent Felisa