

THIRD DIVISION

[G.R. No. 243896, July 15, 2020]

ARACELI REBURIANO, PETITIONER, VS. AUGUSTUS "JOJIT" DE VERA, RESPONDENT.

DECISION

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court (Rules), assailing the Decision^[2] dated July 13, 2018 and the Resolution^[3] dated November 23, 2018 of the Court of Appeals (CA) in CA-G.R. CV No. 108629 filed by petitioner Araceli Reburiano (Reburiano).

The Antecedents

The petition involves a parcel of land covered by Transfer Certificate of Title No. 540832 (TCT)^[4] located in Marick Subdivision, Barangay Sto. Domingo, Cainta, Rizal with an area of 240 square meters (sqm). The subject property is registered under the name of Rodolfo F. Padilla, married to Araceli R. Padilla (Reburiano).^[5]

Reburiano sold the subject property for US\$60,000.00 to Ruth De Vera (Ruth), mother of respondent Augustus "Jojit" De Vera (Jojit) who occupied the premises. The purchase price was payable in installments for a period of three years from July 1, 2000.^[6]

As of November 9, 2003, or more than three years from July 1, 2000, Ruth had only paid the sum of US\$29,935.00, or less than half the purchase price of the property. On January 17, 2004, the parties agreed to rescind the sale due to Ruth's failure to timely pay the full purchase price. Reburiano agreed to refund Ruth her installment payments in the sum of US\$20,000.00, with US\$12,500.00 as down payment and the balance of US\$7,500.00 payable monthly. In return, Ruth agreed to vacate the property upon tender of the down payment.^[7] Upon execution of the agreement, Reburiano tendered the down payment of US\$12,000.00. However, Ruth reneged on her obligation to vacate the property and Jojit continued to occupy the property with the consent of Ruth.^[8]

As the demand to vacate the premises fell on deaf ears, Reburiano filed a Complaint for Unlawful Detainer against Jojit before the Municipal Trial Court (MTC) of Cainta, Rizal docketed as Civil Case No. 880-AF(04).

On July 27, 2006, the MTC rendered its Amended Decision,^[9] the dispositive portion of which states:

Wherefore, judgment is hereby rendered, as follows:

- (a) Ordering the defendant, and all persons claiming interests under him, to vacate the premises in question and restore the possession thereof to the plaintiff;
- (b) Ordering the defendant to pay the plaintiff reasonable compensation for his use and occupation of the premises at the rate of P10,000.00 a month from January 17, 2004 up to the time he finally vacates the property;
- (c) Ordering the defendant to pay plaintiff the sum of P25,000.00, as and for attorney's fees;
- (d) Ordering the defendant to pay the costs of suit; and
- (e) Ordering the plaintiff to pay to Ruth de Vera and/ or the defendant, by way of refund, the sum of \$20,000 less the total sum cumulatively due the plaintiff as reasonable compensation for defendant's use and occupancy of the premises as per (b) above.

Should payment of the net amount due the plaintiff under (e) above be made in the United States of America, the peso-dollar closing rate under the Philippine Dealing System as at the date of payment should be used as basis in converting the total peso amount of reasonable compensation to U.S. dollars, and both the plaintiff and Ruth de Vera are hereby directed to jointly file with this Court a Manifestation that payment of the same had been made.

Finally, since the above judgment has been rendered based on the principle of mutual restitution in cases of rescission under the Civil Code, eviction of the defendant from the premises and restoration of possession thereof to plaintiff pursuant to (a) above shall only take place after all the other dispositions in the dispositive portion of the decision ("b" to "e" above) have been duly satisfied.

SO ORDERED.^[10] (Underscoring in the original)

The MTC accorded due weight and consideration to the agreement between Reburiano and Ruth to rescind the purchase agreement.^[11]

On August 30, 2006, Reburiano deposited with the MTC US\$13,500.00 or US\$6,500.00 less than the money judgment of US\$20,000.00 due to Ruth. The deduction pertains to the reasonable compensation for the use and occupancy of the property from January 2004 to August 2006.^[12]

Augustus filed a Motion for Issuance of a Writ of Execution. The MTC issued a Writ of Execution^[13] dated September 5, 2008 with the following instructions to the sheriff:

NOW, THEREFORE, for and in consideration of the foregoing premises, you are hereby commanded to effect the execution of this Court's aforequoted judgment and/ or decision: that of the goods and chattels of plaintiff at the above-given address and elsewhere, you cause to be made the sum of \$20,000.00 less the total sum cumulatively due to plaintiff as reasonable compensation for defendant's use and occupancy of the premises as per [b] above [...] together with your fees for the service of this writ, all in Philippine currency, which Defendant JOJIT DE

VERA recovered in this Court on July 27, 2006 against herein plaintiff with respect to letter [e] of the dispositive portion of the Amended Decision and that you render the same to said defendant Jojit De Vera aside from your fees thereon;

In case sufficient properties of said plaintiff cannot be found to satisfy the amount of the writ and your fees hereon, you are hereby ordered to levy upon the real estate of said plaintiff and sell the same in the manner provided for by law for the satisfaction of the said balance of such amount and your fees hereon. Make a return of this writ unto this Court within sixty [60] days from receipt, indicating your action thereon.^[14] (Emphasis and underscoring in the original)

On September 25, 2008, Sheriff Rolando Palmares (Sheriff Palmares) of the Regional Trial Court (RTC) of Antipolo City sent a letter to Reburiano entitled "Demand to Comply Judgment"^[15] asking her to pay the money judgment of US\$20,000.00, as follows:

YOU ARE HEREBY NOTIFIED that by virtue of the Writ of Execution dated September 5, 2008, issued by HON. TERESITO A. ANDOY, Presiding Judge, Municipal Trial Court of Cainta, Rizal in the above-entitled case, undersigned Sheriff is hereby ordering you to pay within three (3) days Ruth de Vera and/or the defendant by way of refund, the sum of \$20,000.00 less the total sum cumulatively due you as reasonable compensation for defendant's use and occupancy of the subject premises.

YOU ARE FURTHER NOTIFIED that based on the computations made by this court officer, you are entitled to a total of P340,000.00 reasonable monthly rentals for the use by the defendant of the subject property computed at P10,000/ month from January 17, 2004 until it was allegedly abandoned by the defendant on November 10, 2006; the amount of P25,000.00 as and for attorney's fees and the amount P2,000 as costs of suit or a total amount of P367,000.00. Payment of the net amount due you shall be based on the peso-dollar closing rate under the Philippine Dealing System, x x x^[16]

On November 6, 2008, Sheriff Palmares caused the annotation of a Notice of Levy Upon Real Property on TCT No. 540832 as a result of the alleged failure of Reburiano to settle her judgment debt of US\$20,000.00.^[17]

On March 26, 2009, Reburiano filed a Motion to Annul and Lift Levy on the Property Covered by TCT No. 540832 and to Cancel Auction Sale.^[18]

On May 15, 2009, Sheriff Palmares proceeded to sell at public auction the property covered by TCT No. 540832. Jojit emerged as the highest bidder and tendered the sum of US\$20,000.00 for the price of the levied property. No money changed hands during the auction sale because Sheriff Palmares considered the alleged judgment debt of US\$20,000.00 of Reburiano as the consideration of the sale.^[19] The Certificate of Sale^[20] was approved by Judge Wilfredo G. Oca of the MTC, Cainta, and was annotated at the back of TCT No. 520832 on June 8, 2009. Sheriff Palmares

even issued a Final Certificate of Final Sale dated June 10, 2010.^[21] Thereafter, Augustus filed an Ex-Parte Motion to Cancel TCT No. 540832. However, the motion was denied by the MTC.^[22]

Reburiano, represented by Reynaldo Parada, her attorney-in-fact, instituted before the RTC a Complaint for Quieting of Title with Damages^[23] against Jojit docketed as Civil Case No. 09-8948. Reburiano prayed *inter alia* that: (1) the Notice of Levy Upon Real Property and the subsequent Certificate of Sale be declared null and void; (2) the corresponding annotation at the back of TCT No. 540832 be canceled; and (3) Ruth and Jojit be held jointly and severally liable to pay P300,000.00 as moral damages and P30,000.00 as attorney's fees.^[24]

Reburiano claimed that the Notice of Levy Upon Real Property was erroneously annotated on the title covering the subject property. She insisted that she exerted efforts to comply with the Amended Decision^[25] yet the MTC refused to accept her judicial deposit. She claimed that the subject property was unlawfully sold at a public auction where Jojit was declared the highest bidder. Thus, the annotated Notice of Levy Upon Real Property and the Certificate of Sale constituted a cloud on her title.^[26]

On the contrary, Jojit maintained that he was the absolute owner of the subject property. He argued that the Complaint for Quieting of Title should be dismissed because Reburiano did not comply with her obligation under the Amended Decision to return the US\$20,000.00 she received from Ruth. He insisted that the Notice of Levy Upon Real Property and the Certificate of Sale were brought about by Reburiano's refusal to abide by the Amended Decision of the MTC. As the winning bidder at the auction sale, he averred that the Notice of Levy Upon Real Property and Certificate of Sale were validly issued.^[27]

Ruling of the Regional Trial Court

On January 27, 2016, the RTC rendered its Decision, ^[28] the dispositive portion of which reads:

WHEREFORE, premises considered, the complaint for quieting of title is ordered **DISMISSED** for lack of cause of action.

SO ORDERED.^[29] (Emphasis in the original)

In dismissing the complaint, the RTC ruled that Reburiano cannot validly maintain an action for quieting of title because she no longer possessed any legal or equitable title to or interest over the subject property. The RTC explained that because she failed to redeem the foreclosed property within the one-year period, she lost whatever right she had over the property. The RTC also found that Reburiano failed to show that the notice of levy and the certificate of sale are invalid or inoperative. She did not put into issue the validity of the levy on execution and the certificate of sale. Thus, the RTC concluded that even the second requisite for an action to quiet title is also absent.^[30]

Ruling of the Court of Appeals

In a Decision^[31] dated July 13, 2018, the CA denied the appeal of Reburiano, finding no reversible error in the ruling of the RTC.^[32]

In affirming the Decision of the RTC, the CA held that Reburiano failed to establish her legal or equitable title over the subject property as she ceased to be its owner after it was levied and sold at a public auction. The CA noted that: (1) Reburiano took no issue with the Amended Decision as she did not appeal the same; (2) she never tendered payment despite her receipt of the demand to comply with the Amended Decision; (3) she failed to pay despite the lapse of two years from the time the Amended Decision was rendered and subsequent receipt of the notice of public sale; (4) she filed a Motion to Deduct the Sum of P657,000.00 from the US\$20,000.00 due under the Amended Decision only on August 18, 2009 or three years following its rendition and months after the subject property was sold at a public auction to Jojit; and (5) she made a judicial deposit of US\$20,000.00 before the MTC only on June 25, 2015 or almost nine years after the Amended Decision was promulgated and five years after the issuance of the Certificate of Sale.^[33]

The CA also found no merit in the contention of Reburiano that she was not informed of the exact amount to be paid to Jojit. For the CA, the Demand to Comply Judgment^[34] reflected a detailed computation of the specific amount that she must pay Jojit.^[35] The CA concluded that because Reburiano did not exercise her right to redeem the subject property within one year, Jojit became the absolute owner thereof. Thus, she failed to establish that the deed, claim, encumbrance, or proceeding claimed to be casting cloud on her title was invalid or inoperative.^[36]

In a Resolution^[37] dated November 23, 2018, the CA denied the Motion for Reconsideration^[38] of Reburiano.^[39]

In the present petition,^[40] Reburiano raised the lone error, to wit:

AN EXECUTION IS VOID IF IT IS IN EXCESS OF AND BEYOND THE ORIGINAL JUDGMENT OR AWARD. SO, THE MTC, THE RTC AND THE COURT OF APPEALS COMMITTED GRAVE ERROR IN REFUSING TO VOID THE SALE IN EXECUTION OF PETITIONER'S PROPERTY NOTWITHSTANDING THAT THE SHERIFF SOLD SAID PROPERTY FOR AN AMOUNT MORE THAN THE MONEY JUDGMENT DECREED BY THE MTC DECISION.^[41]

Reburiano argued that the allegedly void execution sale of the subject property conferred no right to Jojit. She also maintains that she did not lose her right over the property and that she was always willing to pay the money judgment against her at the proper amount.^[42]

In the Comment^[43] Jojit filed, he reiterated that Reburiano failed to offer any clear and convincing evidence rebutting the presumption of regularity in the performance of Sheriff Palmares' official function.^[44]

Issue

The issue to be resolved is whether a judgment of the MTC in an ejectment case