

SECOND DIVISION

[G.R. No. 205814, February 15, 2016]

**SPOUSES ALFREDO TEAÑO* AND VERONICA TEAÑO,
PETITIONERS, VS. THE MUNICIPALITY OF NAVOTAS,
REPRESENTED BY MAYOR TOBIAS REYNALD M. TIANGCO, AND
MUNICIPAL TREASURER MANUEL T. ENRIQUEZ, RESPONDENTS.**

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari* assails the September 18, 2012 Resolution^[1] of the Court of Appeals (CA) in CA-GR. SP No. 126426 dismissing the Petition for Annulment of Summary Judgment filed by spouses Alfredo Teaño and Veronica Teaño (petitioners). Also assailed is the January 21, 2013 CA Resolution^[2] denying reconsideration of its September 18, 2012 Resolution.

Factual Antecedents

On December 8, 2005, petitioners filed a Complaint^[3] against the Municipality of Navotas (now Navotas City) (the Municipality), represented by Mayor Tobias Reynald M. Tiangco (Mayor), and Municipal Treasurer Manuel T. Enriquez (Municipal Treasurer) (respondents) for quashal of warrants of levy with application for preliminary injunction and/or Temporary Restraining Order (TRO).

The case was filed before the Regional Trial Court of Malabon (RTC), raffled to Branch 74 thereof, and docketed as Civil Case No. 4656-MN.

Petitioners claimed that they were the registered occupants of parcels of land with improvements situated inside the National Housing Authority Industrial Development Project (NHAIDP), C-3 Road, Northbay Boulevard South, Navotas, particularly described as follows:

- A. LOT 24, Phase IIA/B, containing an area of 730 square meters, more or less, covered by TAX DECLARATION No. C-002-00081-C issued by the Assessor's Office of Navotas, Metro Manila, owned by the National Housing Authority.
- B. Lot 25, Phase II A/B, containing an area of 700 square meters, more or less, covered by TAX DECLARATION No. C-002-07082-C, owned by the National Housing Authority.
- C. L.M. of CHB WALL FENCE (465 floor area) formerly covered by Tax Declaration No. C-002-0548, now covered by Tax Declaration No. C-002-08088-1.

D. INDUSTRIAL IMPROVEMENT (formerly covered by Tax Declaration No. C-002-05849, now covered by Tax Declaration No. C-002-08089-1, consisting of Hanger Industrial Building; Hanger Industrial Building; Extra T & B ordinary finish; Extra T & B ordinary finish.^[4]

Petitioners alleged that they were also the registered owners of a residential improvement situated at Gov. Pascual St. corner Union St., San Jose, Navotas, covered by Tax Declaration No. C-010-03062-R.^[5]

According to petitioners, sometime in July 2005, they received a Final Notice to Collect Real Property Tax (Notice) from the Municipal Treasurer's Office demanding the payment of real estate taxes on the foregoing properties amounting to P5,702,658.74 for the years 1990 to 2005. They averred that on August 22, 2005, they answered the Notice contending that respondents' right to collect realty tax from 1990 to 2000 had prescribed. They also claimed that they were exempt from real property tax from 2001 to 2003 because on January 7, 2001, a fire razed the machineries at the NHAIDP compelling them to lease another building from 2001 to 2003. In 2004, they reoccupied the reconstructed building in C-3 Road, Northbay Boulevard South, Navotas, without any machinery.^[6]

Petitioners pleaded upon respondents to condone the realty taxes on their properties. Instead of answering, respondents issued four warrants of levy against petitioners.^[7]

Petitioners argued that other than the warrant of levy on their residential house, the realty taxes being collected against them were improper for being violative of their right to due process, and for being unconscionable, abusive and contrary to law. They prayed for the issuance of a TRO to restrain respondents from enforcing the Warrants of Levy through a public auction on December 21, 2005.^[8] However, the RTC did not issue a TRO against said warrants of levy.^[9]

Subsequently, petitioners filed a Motion for Summary Judgment, which was granted on June 13, 2005.^[10]

In the meantime, the Municipality pushed through with the public auction scheduled on December 21, 2005.

On June 29, 2007, the RTC rendered its Summary Judgment^[11] dismissing the case for lack of jurisdiction. It decreed that pursuant to Sections 226^[12] and 229^[13] of the Local Government Code (LGC), petitioners should have appealed the Municipal Treasurer's assessment to the Local Board of Assessments Appeals. If unsatisfied, they may thereafter appeal to the Central Board of Assessment Appeals.

Petitioners filed a Motion for Reconsideration.^[14]

In an Order^[15] dated September 21, 2007, the RTC held, among others, that pursuant to Sections 250^[16] and 270^[17] of the LGC, respondents' right to collect realty taxes on petitioners' real properties from 1990 to 2000 had already prescribed. Hence, it set aside its June 29, 2007 Judgment and disposed of the case as follows:

WHEREFORE, in view of the foregoing, the Court's Summary Judgment dated 29 June 2007 dismissing the instant complaint is hereby RECONSIDERED AND SET ASIDE. x x x [T]he dismissal of the instant complaint is hereby recalled. Defendants are hereby ordered to assess and collect only the realty taxes due on plaintiffs' properties beginning the years from 2001 to 2005.

SO ORDERED.^[18]

On December 11, 2007, petitioners filed a Motion to Clarify Intent of Judgment^[19] raising the following queries:

- (a) Whether x x x by ordering the [respondents] to 'assess and collect only the realty taxes due on [petitioners] properties beginning the years from 2001 to 2005' the four (4) warrants of levy were in effect quashed in the sense that realty taxes sought to be collected through said warrant of levy on years prior to year 2001 are no longer collectible[;]
- (b) Should the answer to the above query be in the affirmative then, does it necessarily follow that the public auction conducted by [respondents] on December 21, 2005 affecting [petitioners'] property (particularly the industrial improvements) and machinery which sought to collect realty taxes prior to 2001, becomes invalid and ineffective?
- (c) It is not disputed even by [respondents] that [petitioners'] industrial improvement and machinery were razed by fire on January 7, 2001 and that the factory building was reconstructed and reo[c]cupied only beginning the year 2004 (but this time with no more machinery), the question is, is it the intent of the Judgment to order the [respondents] to collect realty taxes pertaining to the years 2001 to 2003 inclusive, despite the then factual condition of the subject property? Or is the better procedure to require defendants to assess and collect realty taxes on the subject industrial improvement only from years 2004 to present?^[20]

On August 13, 2008, the RTC issued a Resolution^[21] holding that the September 21, 2007 Order is final and executory as neither party moved for its reconsideration. Nevertheless, it clarified that the four warrants of levy are not quashed since neither the June 29, 2007 Summary Judgment nor the September 21, 2007 Order pronounced the quashal thereof; the public auction sale conducted on December 21, 2005 is valid but since it was conducted prior to the September 21, 2007 Order - which decreed that only taxes accruing from 2001 may be collected - any amount representing taxes accruing prior to 2001 collected from petitioners must either be refunded to or treated as tax credit in favor of petitioners; and taxes for industrial improvement and machinery for the years 2001 to 2003 may be collected.

Petitioners filed a motion for reconsideration which was denied by the RTC in its Resolution^[22] dated December 9, 2008.

Four years after or on September 7, 2012, petitioners filed with the CA a Petition^[23] denominated as one "for Annulment of Summary [Judgment] with Prayer for [Preliminary] Mandatory Injunction [and/or] Temporary Restraining Order." Notably,

aside from the allegation that the demand to vacate the subject properties and/or the collection of P5,702,658.74 is irregular, unlawful, and malicious as it wantonly disregarded the RTC Summary Judgment,^[24] the Petition is bereft of any particulars as to the judgment, resolution or order of the RTC which it seeks to annul and the ground upon which it is anchored.

Ruling of the Court of Appeals

On September 18, 2012, the CA issued the assailed Resolution dismissing the Petition, the pertinent portion of which reads:

Upon review of the instant petition, it appears that the same have the following defects: 1.) There is no allegation of whether the grounds for the petition for annulment of judgment is based on extrinsic fraud or lack of jurisdiction as required under Sec. 2, Rule 47 of the Rules of Court[;] 2.) Petitioners did not state the date when they received the assailed summary judgment[;] 3.) There is no affidavit of service[;] and 4.) The parties' respective position papers are not attached.^[25]

Petitioners filed a Motion for Reconsideration. Surprisingly, however, petitioners expounded on the argument that they properly resorted to a petition for *certiorari* when what they actually filed was a petition captioned as one for annulment of judgment, the contents of which were not at all constitutive of a *certiorari* petition.

Thus and as can be expected, the CA denied^[26] said Motion in its Resolution of January 21, 2013, *viz.*:

In said motion, counsel for petitioner asserted that a petition for *certiorari* was the proper remedy for them to avail in this case. However, it appears that what they have filed in this case was a petition for annulment of judgment which was dismissed by the Court in its Resolution dated September 18, 2012 considering that it was not based on the grounds of extrinsic fraud or lack of jurisdiction as required under Section 2, Rule 47 of the Rules of Court.

WHEREFORE, the instant motion is hereby DENIED for lack of merit.^[27]

Hence, petitioners filed this Petition raising the following grounds:

THE COURT OF APPEALS DISPOSED OF THE PETITION FOR CERTIORARI (*FILED UNDER RULE 65, 1997 RULES OF CIVIL PROCEDURE, AS AMENDED*) IN A WAY NOT IN ACCORD WITH LAW OR WITH THE APPLICABLE DECISIONS OF THIS HONORABLE TRIBUNAL, THIS HAPPENED WHEN:

THE COURT OF APPEALS CHOSE TO APPLY THE RULES IN A VERY STRINGENT MANNER, NOTWITHSTANDING THAT THE LAPSES COMMITTED BY THE PETITIONERS THAT PROMPTED THE APPELLATE COURT TO DISMISS THE PETITION WERE PURELY TECHNICAL IN CHARACTER BUT WERE, HOWEVER, SUBSTANTIALLY REMEDIED BY THE SUBSEQUENT FILING OF THEIR MOTION FOR RECONSIDERATION.^[28]

Petitioners claim that in dismissing their Petition, the CA focused heavily on its technical defects. They insist that their belated submission to the CA of the lacking attachments to their Petition should be considered as substantial compliance. Petitioners also admit that they "had mixed up their discussions in the Motion for Reconsideration [with the CA] by arguing that *certiorari* was the proper remedy against the questioned resolution and order of the respondent judge, when in fact what they had filed was a petition for annulment of judgment x x x."^[29] They nevertheless contend that such an error is only technical in character. Simply stated, petitioners argue that the CA erred in dismissing their petition based on technicalities.

Petitioners contend that the RTC, in issuing the August 13, 2008 Order, attempted to amend the September 21, 2007 Order which has already attained finality, and also to validate an auction sale that is void from the beginning. They explain that "in trying to validate an illegal auction sale through the Resolution dated August 13, 2008, [the RTC] acted without jurisdiction, thus necessitating the annulment of said resolution under Rule 47 of the Rules of Civil Procedure, as amended."^[30]

For its part, the Municipality insists that the CA correctly dismissed the Petition filed by petitioners (CA Petition). It claims that petitioners themselves captioned the CA Petition as one for annulment of summary judgment, which must be based only on two grounds, extrinsic fraud and lack of jurisdiction. It adds that since petitioners failed (1) to allege in the CA Petition the basis for its filing and their date of receipt of the RTC issuance that they were assailing; and, (2) to attach essential pleadings/documents, such as the parties' respective position papers and an affidavit of service, then the CA properly dismissed the Petition outright.

Finally, the Municipality asserts that even if the CA Petition is to be treated as Rule 65 Petition, still, it cannot be given due course for having been filed out of time, and for petitioner's failure to comply with the mandatory requirements to allege facts with certainty and to attach all relevant documents to the Petition.

Our Ruling

The Petition lacks merit.

At the outset, it is worth noting that petitioners made varying claims as regards the legal remedy it availed of before the CA,

To clarify, petitioners filed with the CA a petition captioned as "Annulment of Summary [Judgment] with Prayer for [Preliminary] Mandatory Injunction [and/or] Temporary Restraining Order." However, petitioners failed to allege therein with particularity the facts and law relied upon for the annulment, such that the CA, among other reasons, denied the same. When petitioners filed a motion for reconsideration with said court, petitioners' line of arguments was suddenly geared towards their resort to a *certiorari* petition which, in the first place, was not the remedy it availed of when it filed the CA Petition. Be that as it may, petitioners now clarify that the CA Petition is indeed a petition for annulment of judgment and that they have just "mixed up their discussions in the Motion for Reconsideration [with the CA] by arguing that *certiorari* was the proper remedy against the questioned [RTC] resolution and order."^[31] Petitioners now pray, among others, that the RTC