

SECOND DIVISION

[G.R. No. 202611, November 23, 2015]

**ABNER MANGUBAT, PETITIONER, VS. BELEN MORGA-SEVA,
RESPONDENT.**

D E C I S I O N

DEL CASTILLO, J.:

This Petition for Review on *Certiorari* assails the Resolutions of the Court of Appeals (CA) dated (i) July 13, 2011^[1] which dismissed for lack of merit petitioner Abner Mangubat's (Abner) Petition for Annulment of Judgment and, (ii) June 13, 2012^[2] which denied his motion for reconsideration.

Factual Antecedents

On March 5, 1974, Gaudencio Mangubat (Gaudencio) and his wife Aurelia Rellora-Mangubat (Aurelia) filed with the Regional Trial Court (RTC) of Pili, Camarines Sur a Complaint for Specific Performance with Damages against respondent Belen Morga-Seva (Belen) and two other defendants. The case was docketed as Civil Case No. P-279 and raffled to the RTC Branch 31. On August 27, 1985, the RT.C issued a Decision,^[3] the dispositive portion of which reads in part, *viz.*:

Based on the facts x x x established x x x and the cited applicable law and jurisprudence, this Court hereby renders judgment and orders:

x x x x

3. The defendants to reimburse the plaintiffs the total amount the latter have paid the (Development Bank of the Philippines [DBP]) after 1971, the year the defendants defaulted in their amortization payments to DBP, and in the event of the failure of the defendants to make such reimbursement, for plaintiffs to assume the rights of the old creditor (DBP) and take such remedial action as the situation may warrant, x x x

x x x x

5. The defendants [are] entitled to claim and recover title or ownership over the following properties held as collaterals by DBP, subject, however, to the encumbrance in favor of the plaintiffs, who have substituted for DBP as creditors:

1. The parcel of land covered by TCT No. 6337 with all the improvements thereon; x x x

x x x x

SO ORDERED.^[4]

Since Belen and her co-defendants' appeal to the CA and later to this Court were both unsuccessful, the RTC Decision became final and executory.

On September 3, 1998, Gaudencio and his children as heirs (the heirs) of the deceased Aurelia filed with the same court a Complaint for Revival of the Decision in Civil Case No. P-279.^[5] They averred that the writ of execution could not be implemented because Belen and her co-defendants evaded service thereof. And since five years had already lapsed from the date of its entry, Gaudencio and the heirs prayed for the revival of the RTC Decision.

Gaudencio, assisted by Atty. Reynaldo L. Herrera (Atty. Herrera) and Belen by Atty. Junnel M. Relativo, entered into a Compromise Agreement^[6] which states as follows:

x x x x

The defendants admit that they shall pay the amount of P33,000.00 that was previously paid by the plaintiffs to [the DBP] prior to the issuance of the decision in Civil Case No. 279, plus its legal interest of 12% *per annum* since August [1990 until] the year 2000 or a total sum of P72,600.00 plus P5,000.00 for attorney's fee, payable on or before June 30, 2001;

That upon payment of said amount, the plaintiffs will transfer the title, TCT No. 6337 to defendant Belen Morga Seva;

All other claims and counterclaims that the parties may have [against each other] are hereby waived.

x x x x^[7]

The RTC approved^[8] the agreement and on February 23, 2001 rendered a Decision^[9] in accordance therewith. Upon its finality, the Writ of Execution was ordered issued by the said court.^[10]

On June 24, 2002, Abner, on his own behalf, moved to substitute his father Gaudencio who died on January 31, 2002.^[11] A few months thereafter and now allegedly in behalf of his co-heirs, Abner, through Atty. Haide B. Vista-Gumba (Atty. Vista-Gumba) filed another motion to substitute Gaudencio exclusively for the purpose of executing the final judgment in the case on the claim that it was necessary for the settlement of the intestate estate of his father.^[12] In an Order^[13] dated September 13, 2002, the RTC granted Abner's motion for substitution but for purposes of execution only.

On December 18, 2003, Belen handed to Atty. Herrera her payment of P91,280.00^[14] in accordance with the Compromise Agreement.^[15] Alleging, however, that the heirs refused to convey to Belen the lot covered by TCT No. 6337, the RTC, upon motion of Atty. Herrera,^[16] directed (1) Abner, who was allegedly in possession of the owner's copy of the title, to surrender the same to the Clerk of Court; and (2) the Clerk of Court to execute in behalf of the heirs a deed of sale or conveyance of the lot in favor of Belen pursuant to Sec. 10, Rule 39 of the Rules of the Court.^[17] Abner, however, manifested that as far as he is concerned, Belen has not yet made any payment to the heirs as he was not notified by Atty. Herrera of the same.^[18] Thus, Atty. Herrera reported to the court that out of the P91,280.00 handed to him by Belen, he had turned-over the amount of P84,480.00 to the Clerk of Court and retained P6,800.00 as his attorney's fee.^[19] This was duly noted by the RTC.^[20]

On January 20, 2005, Abner terminated the services of Atty. Herrera.^[21] Subsequently and purportedly in behalf of all the heirs, Abner, through Atty. Vista-Gumba, filed a Motion to Declare the Amicable Settlement Null and Void.^[22] It was alleged therein that Gaudencio acted only on his own behalf when he entered into the compromise agreement with Belen, hence, the same is null and void for want of consent and participation of the heirs who were indispensable parties.

Interestingly, however, two of the heirs namely, Ruth Mangubat Parcia and Job Mangubat filed a Manifestation with Motion to Withdraw the Heirs['] Respective Shares.^[23] According to them, they were seven siblings all in all and each is entitled to P12,068.00 from Belen's payment. They do not agree with the course of action taken by Abner relative to the case and prayed that the case be considered closed and terminated and their respective shares from Belen's payment released to them. Belen, on the other hand, questioned Abner's capacity to assail the compromise agreement. She averred that in the decision of the probate court regarding the intestate estate of Gaudencio, Abner was disinherited by his father.^[24]

In an Order^[25] dated September 8, 2005, the RTC ruled on the Motion to Declare the Amicable Settlement Null and Void as follows:

The present action for Declaration of Nullity of the Compromise Agreement was filed by Abner Mangubat, son and one. of the heirs of Gaudencio and Aurelia Mangubat, who has been disinherited by final judgment in Spec. Procs. No. P-984 before RTC[,] Branch 33 of this Court x x x thus, Abner Mangubat is not a real party in interest to bring this present action ([to] declare [the] amicable settlement null and void) under Rule 3, Section 2 of the Rules of Court. His allegations that the present motion was brought in behalf of the other heirs of Gaudencio and Aurelia Mangubat is gratuitous and without basis, there is no evidence to show that he is authorized to represent them. As a matter of fact, two of the heirs, Ruth Mangubat Parcia and Job Mangubat manifested that they do not want to be involved and dragged in this proceeding nor in any other action that Abner may institute; that accordingly, they are satisfied with the decision of the Court, and they want to get their share of the deposit x x x.

Be it noted that the decision has been partially satisfied when defendant Belen Morga Seva, thru Atty. Reynaldo Herrera, deposited the amount of P84,480.00 to the Clerk of Court as per [R]eceipt No. 1201439 dated April 6, 2005. Moreover, by his own act, Abner Mangubat is bound by the compromise agreement when he substituted for his father. Record shows that Abner Mangubat continued to retain the legal services of Atty. Reynaldo Herrera as counsel for the plaintiffs contrary to his allegations. The services of Atty. Herrera was terminated only sometime in January 2005. x x x

It is well settled that a judgment on a compromise is not appealable and is immediately executory, unless a motion is filed to set aside the compromise on the ground of fraud, mistake or duress in which case an appeal may be taken from the order denying the motion.

The inaction of Abner Mangubat or [the] other heirs of Gaudencio Mangubat and Aurelia Mangubat for a period of almost four (4) years after becoming aware of the compromise agreement and of the judgment thereon, amounts to a ratification on their part of said agreement. For laches operates to validate an agreement otherwise invalid, granting that the herein compromise agreement was invalid, when the party on becoming aware of the compromise fails to repudiate it promptly. Such ratification is presumed from his or their inaction.

The validity of a judgment or order of a Court cannot be assailed collaterally unless the ground of attack is lack of jurisdiction. If the purported nullity of the judgment lies on the party's lack of consent to the compromise agreement, as claimed by Abner Mangubat being the heir of Aurelia Rellora-Mangubat who died before the filing of this case for revival of judgment, the remedy of the aggrieved party is to have it reconsidered, and if denied to appeal from such judgment or if final to apply for relief under Rule 38 of the Rules of Court or to file an annulment of judgment under Sec. 9 of B.P. 129 before the Honorable Court of Appeals.

It is unfortunate that Abner Mangubat failed to avail of the remedies provided for under the Rules of Court and opted to file this instant motion to declare the compromise agreement null and void which has no leg to stand on.

WHEREFORE, in view of all the foregoing, for lack of sufficient merit, the motion to declare [the] amicable settlement null and void is hereby DENIED.

SO ORDERED.^[26]

Again purportedly on behalf of all the heirs, Abner moved for the reconsideration of the above-quoted Order^[27] but was denied by the RTC in its Order^[28] of February 27, 2006. When the same became final, Belen filed a Motion for Execution of

Specific Acts^[29] wherein she once more prayed that Abner be ordered to surrender to the RTC the owner's copy of TCT No. 6337 and the Clerk of Court to execute in her favor and on behalf of the heirs a deed of sale involving the lot covered by the said title. This was granted by the RTC in an Order^[30] dated July 14, 2006. Still, Abner refused to comply. Hence, the said court upon motion of Belen^[31] issued its Order^[32] of September 25, 2006, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing, plaintiffs through Abner Mangubat [are] hereby divested of the ownership of the property covered by Transfer Certificate of Title No. 6337 pursuant to the decision of this Court dated February 23, 2001 and the same is vested to herein defendant Belen Morga-Seva. This order shall now have the force and effect of a conveyance executed in due form of law pursuant to the last sentence of Sec. 10(a) of Rule 39 of the [R]ules of Court.

SO ORDERED.^[33]

The afore-mentioned order became final on November 19, 2006.^[34] Pursuant thereto, the RTC directed the Registrar of Deeds of Camarines Sur to transfer title to the property under TCT No. 6337 to Belen.^[35]

Riding of the Court of Appeals

On September 21, 2010, Abner filed a Petition for Annulment of Final Order^[36] with the CA. He contended that under the Compromise Agreement, Belen was supposed to make her payment on or before June 30, 2001. However, the same was made only on December 18, 2003 or way beyond the period agreed upon. Thus to Abner, it was unjust for the RTC to have issued its September 25, 2006 Order divesting the heirs of ownership of the subject property. Moreover, Abner argued that since the February 23, 2001 RTC Decision approving the Compromise Agreement had long become final and executory, the RTC had already lost its jurisdiction over the case when it issued the September 25, 2006 Order.

In a Resolution^[37] dated July 13, 2011, the CA dismissed the Petition for lack of merit. The Motion for Reconsideration^[38] thereto was also denied in Resolution^[39] dated June 13, 2012.

Hence, this Petition for Review on *Certiorari*.

The Parties' Arguments

Abner basically reiterates the arguments he advanced before the CA.

For her part, Belen argues that the RTC has jurisdiction over the Complaint for revival of judgment. In fact, the RTC's issuance of the September 25, 2006 Order is nothing but an exercise of jurisdiction pursuant to its authority to handle the case until the full satisfaction of its Decision. At any rate, Abner is guilty of laches as it was only after almost four years from the finality of the said Order that he