

## THIRD DIVISION

[ G.R. No. 205065, June 04, 2014 ]

**VERGEL PAULINO AND CIREMIA PAULINO, PETITIONERS, VS. COURT OF APPEALS AND REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE ADMINISTRATOR OF THE LAND REGISTRATION AUTHORITY, RESPONDENTS.**

[G.R. NO. 207533]

**SPOUSES DR. VERGEL L. PAULINO & DR. CIREMIA G. PAULINO, PETITIONERS, VS. REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE ADMINISTRATOR OF THE LAND REGISTRATION AUTHORITY, RESPONDENT.**

### D E C I S I O N

#### **MENDOZA, J.:**

These consolidated petitions assail 1] the September 24, 2012 Resolution<sup>[1]</sup> of the Court of Appeals (CA) ordering the issuance of a writ of preliminary injunction restraining the execution of the July 20, 2010 Decision<sup>[2]</sup> of the Regional Trial Court, Branch 83, Quezon City, (RTC), Judge Ralph Lee presiding, which ordered the reconstitution of a supposedly lost title; and 2] its March 5, 2013 Decision<sup>[3]</sup> annulling the said RTC decision.

Specifically, **G.R. No. 205065** is a petition for *certiorari* under **Rule 65** of the Rules of Court seeking to annul the September 24, 2012 and December 20, 2012 Resolutions issued by the respondent CA, granting the public respondent's prayer for the issuance of a writ of preliminary injunction enjoining the RTC from enforcing and implementing its July 20, 2010 decision, which ordered the Land Registration Authority (LRA) to reconstitute the petitioners' certificate of title, Transfer of Certificate Title (TCT) No. 301617 of the Registry of Deeds of Quezon City (QCRD).

On the other hand, **G.R. No. 207533** is a petition for review on *certiorari* under **Rule 45** of the Rules of Court seeking to reverse and set aside the March 5, 2013 Decision and June 6, 2013 Resolution of the CA, which granted the petition for annulment and setting aside of the July 20, 2010 RTC Decision, which ordered the LRA to reconstitute petitioners' certificate of title.

#### **The Facts:**

On December 14, 2007, the late Celso Fernandez purchased, in a public auction conducted by the Quezon City government, a real property owned and registered in the name of Lolita G. Javier (*Javier*), married to Pedro Javier, as evidenced by a certificate of sale of delinquent property. The subject property appeared to be covered by an owner's duplicate of TCT No. 301617 of the QCRD.

After his death, the surviving heirs of Celso Fernandez executed an Extra-Judicial Settlement of Estate with Absolute Sale covering the subject property, selling it in favor of the petitioners, spouses Vergel L. Paulino and Ciremia Paulino (*Spouses Paulino*), for a consideration of P1,805,000.00.

On June 11, 1988, a fire broke out in the Quezon City Hall which burned a portion thereof which included the office of the QCRD.

Consequently, on March 9, 2010, Spouses Paulino filed a petition for reconstitution of the original copy of TCT No. 301617 with the RTC, alleging that its original copy was among those titles that were razed during the fire. Upon receipt, the RTC directed the publication and posting of the scheduled hearing of case. After the jurisdictional facts were established, a hearing officer was designated to receive the evidence *ex parte*.

On June 20, 2010, the RTC directed the LRA to submit a report within five (5) days from notice. **Without awaiting the LRA Report**, the RTC rendered the assailed July 20, 2010 Decision, granting the petition for reconstitution and ordering the Registrar of Deeds of the QCRD to reconstitute the original copy of TCT No. 301617. The dispositive portion of the decision reads:

**WHEREFORE**, the Register of Deeds for Quezon City is hereby directed to reconstitute in the files of his office the original copy of Transfer Certificate Title No. 301617 in exactly the same terms and conditions on the basis of Owner's Duplicate Certificate of said Transfer Certificate of Title No. 301617 and other available supporting documents submitted to your office and once accomplished, the said Register of Deeds is further ordered to issue new owner's duplicate copy of the said Certificate of Title after payment of the prescribed fees.

**SO ORDERED.**<sup>[4]</sup>

On August 16, 2010, the RTC issued the Certificate of Finality,<sup>[5]</sup> there being no motion for reconsideration or appeal filed by any of the interested parties.

Meanwhile, on August 17, 2010, the RTC received the **LRA Report**,<sup>[6]</sup> stating that **TCT No. 301617** was **registered in the name of a certain Emma B. Florendo (Florendo)** and that it was **previously the subject of an application for administrative reconstitution**. It was also **discovered that the original copy of the title on file in the Registry of Deeds was among those saved titles from the fire** that gutted the office of QCRD on June 11, 1988. In addition, when the technical description of the subject property was plotted, it was identical with Lot 939, Piedad Estate covered by TCT No. RT-55869 (42532), in the name of Magnolia W. Antonino (*Antonino*).

On December 3, 2010, Spouses Paulino filed with the QCRD an application for registration of the judicial reconstitution of TCT No. 301617 based on the RTC decision. The Registrar of Deeds, Atty. Elbert T. Quilala (*Atty. Quilala*), and other officials of the QCRD refused to reconstitute the original copy of the TCT. Hence,

Spouses Paulino filed a petition for indirect contempt. Subsequently, the RTC found Atty. Quilala guilty of indirect contempt in its Decision,<sup>[7]</sup> dated December 2, 2011.

On July 13, 2012, respondent Republic of the Philippines, represented by the Administrator of the LRA, filed its Petition for Annulment of Judgment with Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction<sup>[8]</sup> assailing 1] the July 20, 2010 RTC decision granting the petition for reconstitution of the original title; and 2] the December 2, 2011 RTC decision, finding the officials of the QCRD guilty of indirect contempt for failing to reconstitute TCT No. 301617.

On September 24, 2012, the CA issued the assailed resolution, granting the prayer for the issuance of a writ of preliminary injunction. The decretal portion reads:

**WHEREFORE**, let a Writ of Preliminary Injunction **ISSUE** enjoining public respondent Regional Trial Court, Branch 83, Quezon City, or any person acting under its authority, from enforcing and implementing the Decisions dated July 20, 2010 and December 2, 2011. The filing of a bond is not required pursuant to Section 22, Rule 141 of the Rules of Court.

**SO ORDERED.** <sup>[9]</sup>

Taking into account that the case was still in its completion stage and it appearing that the immediate execution and satisfaction of the assailed Decisions, dated July 20, 2010 and December 2, 2011, would probably result in manifest injustice and irreparable injury against petitioner Republic of the Philippines (now respondent LRA), the CA found merit in its prayer for the issuance of a writ of preliminary injunction. It explained that it was in the best interest of all the parties to maintain the *status quo* until it had resolved the merits of the issues raised in the petition, adding that to deny the prayer would render ineffective any judgment that may be rendered in the case.<sup>[10]</sup>

Spouses Paulino filed a motion for reconsideration of the said resolution, but it was denied in the assailed December 20, 2012 Resolution.

On January 17, 2013, Spouses Paulino filed the special civil action for *certiorari* under Rule 65, docketed as **G.R. No. 205065**, seeking to annul the CA resolutions, which granted the preliminary injunction, citing the commission of a grave abuse of discretion.

On March 5, 2013, the CA promulgated its decision on the merits of the petition for annulment of judgment, granting LRA's petition, thereby annulling and setting aside the RTC decisions, dated July 20, 2010 and December 2, 2011. The *fallo* reads:

**WHEREFORE**, premises considered, the instant Petition for Annulment of Judgment is hereby **GRANTED**. The assailed Decisions dated July 20, 2010 and December 2, 2011 of the Regional Trial Court, Branch 83, Quezon City are **ANNULLED** and **SET ASIDE**. Accordingly, the Petition for Reconstitution of Original Copy of TCT No. 301617 and the Petition for

Indirect Contempt filed by private respondent spouses Vergel Paulino and Ciremia G. Paulino are **DISMISSED**.

**SO ORDERED.** [11]

The CA ruled that the RTC lacked jurisdiction to order the reconstitution of the original copy of TCT No. 301617, there being no lost or destroyed title. In fact, on the basis of the LRA Report and other evidence on record, the subject lot specified on TCT No. 301617 had the same technical description and was identical to Lot 939, Piedad Estate covered by TCT No. RT-55869 (45532) in the name of Antonino, which title was already cancelled by TCT Nos. 296725 to 296728 in the name of Magnolia Antonino. Moreover, TCT No. 301617 existed but it was registered in the name of a different owner, Florendo, and pertained to a different real property located in Quirino District, Quezon City, registered in the year 1907. The records further reveal that TCT No. 301617 was previously the subject of another petition for reconstitution filed by one Lolita Javier which was also dismissed by the RTC, Branch 77, Quezon City. [12]

Spouses Paulino filed a motion for reconsideration, but it was denied by the CA in its June 6, 2013 Resolution. Consequently, they filed a petition for review on *certiorari* with this Court under Rule 45, docketed as **G.R. No. 207533**.

Eventually, the Court issued a resolution ordering the consolidation of G.R. No. 207533 with G.R. No. 205065, as both cases essentially involve the same set of facts, parties and issues.

### **Issues and Arguments:**

#### **G.R. No. 205065**

- 1. Whether the Court of Appeals committed an error of law and grave abuse of discretion amounting to lack or excess of jurisdiction.** [13]

#### **G.R. No. 207533**

- 1. Whether the Court of Appeals committed grave error of law in not dismissing the petition for annulment of judgment notwithstanding the fact that the respondent failed to resort to the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies despite opportunity to do so.**
- 2. Whether the Court of Appeals committed grave error of law when it disregarded the rule on evidence in giving credence to the Report that was lately submitted by the Land Registration Authority and obviously executed for the interest of other persons and to protect a fake and spurious**

**title.**

- 3. Whether the Court of Appeals committed grave error of law in ruling that reconstitution of TCT No. 301617 would constitute collateral attack on the fake and spurious TCT No. RT-55869 (42532) in the name of Magnolia Antonino.**
- 4. Whether the Court of Appeals committed grave error of law in ruling that TCT NO. 301617 in the name of Lolita Javier cannot be reconstituted because TCT No. 301617 existed in the name of Emma Florendo and pertained to a different property.**
- 5. The Court of Appeals committed graver error of law when it annulled the July 20, 2010 Decision of the Regional Trial Court based on factual issues despite the fact that the Regional Trial Court of Quezon City has jurisdiction over the reconstitution and that it was proven that TCT No. 301617 existed and the same was lost.<sup>[14]</sup>**

Considering that the annulment case in the CA was already decided and the petitions were consolidated, the Court will just treat the cases as one case as they essentially involve the same issues.

From the foregoing, it appears that the ruling of the Court hinges on the resolution of these two key issues: *first*, whether CA properly availed of Rule 47 of the 1997 Rules of Civil Procedure to assail the final RTC decision; and second, whether the RTC lacked jurisdiction over the petition for reconstitution.

***Procedural Issue: Propriety of Petition  
for Annulment of Judgment***

Spouses Paulino argue that under Rule 47 of the 1997 Rules of Civil Procedure, it is crystal clear that annulment of judgments may only be availed of when the ordinary remedies of new trial, appeal, petition for relief, or other appropriate remedies are no longer available through no fault of the petitioner. They insist on the dismissal of the petition for annulment on the ground that the LRA is already in estoppel and not entitled to the relief prayed for because the July 20, 2010 and December 2, 2011 RTC decisions became final and executory through their fault as they failed to resort to other remedies despite opportunities to do so.

In support thereof, Spouses Paulino cite *Republic vs. Castro*,<sup>[15]</sup> where the Court ruled that annulment of judgment is never resorted to as a substitute for a party's own neglect in not promptly availing of the ordinary or other appropriate remedies. In *Republic vs. TAFPA Inc.*,<sup>[16]</sup> it was held that, whether through inadvertence or negligence of its deputized counsel or the OSG itself, the decision had already become final and executory and could not be annulled. To conclude otherwise would run counter to the basic principles of fair play. Besides, there would be no end to litigations if the parties, who unsuccessfully availed themselves of any of the appropriate remedies or lost them through their fault or inadvertence, could have