

THIRD DIVISION

[G.R. No. 161034, June 30, 2009]

ZENAIDA ACOSTA, EDUARDO ACOSTA, ARNOLD ACOSTA, DELIA ACOSTA, SPS. TEODULO MACHADO AND AURORA ORENZA, SPS. ROLDAN PALARCA AND PACITA PANGILINAN, SPS. FROMENCIO JONATAS AND LUCENA M. MARIANO, SPS. MARCIAL IGLESIA AND VIRGINIA LAPURGA, ATTY.-IN-FACT FELINO MACARAEG, SPS. MANUEL MANGROBANG AND VALERIANA SOTIO, SPS. VIRGINIA DELA ROSA AND ROMEO DELA ROSA, SPS. PACIFICO SOTIO AND LOLITA SORIANO, JUAN DALINOC (DECEASED), REPRESENTED BY DAUGHTER CONSUELO DALINOC, SPS. MARIANO TORIO AND MAXIMA MACARAEG, REPRESENTED BY LEGAL HEIRS TORIBIA TORIO AND MAYUMI MACARAEG, TEOFILO MOLINA AND AVELINO DIZON, PETITIONERS, VS. TRINIDAD SALAZAR AND ANICETA SALAZAR, RESPONDENTS.

D E C I S I O N

NACHURA, J.:

This is a petition for review on *certiorari* assailing the July 25, 2003 Decision^[1] of the Court of Appeals (CA) as well as its November 25, 2003 Resolution^[2] in CA-G.R. CV No. 70161, which reversed and set aside the December 20, 2000 Decision^[3] of the Regional Trial Court (RTC), Branch 64, Tarlac City in Civil Case No. 7256. Said RTC decision dismissed the complaint for quieting of title filed by herein respondents Trinidad Salazar and Aniceta Salazar against petitioners.

Below are the facts.

On November 19, 1985, respondents Trinidad and Aniceta Salazar (hereinafter, Salazars), filed a petition for the cancellation of the entries annotated at the back of Original Certificate of Title (OCT) No. 40287 registered in the names of spouses Juan Soriano and Vicenta Macaraeg, who died without issue.^[4] The Salazars claim that two of the entries - Entry Nos. 19756 and 20102 - annotated at the back of the aforesaid title are void since no consolidation of rights appear in the Registry of Deeds (RD) of Tarlac to support the entries; and that Transfer Certificate of Title (TCT) No. 9297, which supposedly cancelled OCT No. 40287, is non-existent according to a certification issued by the RD.^[5] On October 21, 1986, RTC Branch 63 of Tarlac resolved to grant the petition and ordered the cancellation of Entry No. 20102.^[6] No respondent was impleaded in the said petition.

Subsequently, the Salazars filed an urgent motion praying for the issuance of an order to direct the RD of Tarlac to recall all titles issued under Entry Nos. 19756 and 20102 and to cancel all the tax declarations issued based thereon. The motion was granted in an Order issued on November 7, 1986.^[7]

On November 20, 1986, the Salazars filed a second urgent motion praying that the owners of the affected property be ordered to appear before the court to show cause why their titles should not be cancelled.^[8]

On October 20, 1987, the Salazars filed a new motion praying that the RD of Tarlac be ordered to comply with the court's order issued on November 7, 1986. The RD, however, explained that to comply with the said court order would remove the basis for the issuance of TCT No. 9297 which title had, in turn, been cancelled by many other transfer certificates of title and would indubitably result in the deprivation of the right to due process of the registered owners thereof.^[9] On this basis, the RTC denied the motion and advised the Salazars to elevate the matter *en consulta* to the Land Registration Commission (now Land Registration Authority or LRA). After the Salazars moved for reconsideration, the RTC directed the RD of Tarlac to comply with the October 21, 1986 and November 7, 1986 orders. Threatened with contempt, the RD elevated the matter *en consulta* to the National Land Titles and Deeds Registration Administration, which, in turn, issued a resolution directing the RD to comply with the RTC's orders.^[10] On March 7, 1989, OCT No. 40287 was reconstituted and TCT No. 219121 was issued in the names of the Salazars, *sans* Entry Nos. 19756 and 20102.

It was at this stage of the proceedings that herein petitioners together with other subsequent purchasers for value of the disputed property - twenty-seven (27) titleholders in all^[11] - filed their formal written comment dated April 17, 1989.^[12] In their comment, the oppositors contended, among others, that they had acquired their titles in good faith and for value, and that the lower court, acting as a land registration court, had no jurisdiction over issues of ownership.^[13]

On September 14, 1989, the said court, apparently realizing its mistake, issued an Order, stating thus:

Upon motion of Atty. Alcantara and without objection on the part of Atty. Molina and Atty. Lamorena, all the incidents in this case are hereby withdrawn without prejudice to the filing of an appropriate action in a proper forum.

SO ORDERED.^[14]

This prompted the Salazars to file a complaint for quieting of title impleading herein petitioners as well as other individuals who claim to have purchased the said property from the heirs of Juan Soriano. The case was docketed as Civil Case No. 7256 before Branch 64 of the RTC of Tarlac.^[15] The complaint alleged that TCT No. 219121 was issued in the names of the Salazars without Entry Nos. 19756 and 20102 at the back of said title, but the previous TCTs issued by the RD of Tarlac as well as the tax declarations existing in the Assessor's Office have not been cancelled and revoked by the said government agencies to the detriment and prejudice of the complainants (herein respondents). They also alleged that Pcs-395, from which Lot Nos. 702-A to 702-V were taken, is non-existent and, thus, the court should cause the cancellation and revocation of spurious and null and void titles and tax declarations.^[16]

Defendants filed three separate answers. Defendants Raymundo Macaraeg, Martha Estacio (both deceased), Adelaida Macaraeg, Lucio Macaraeg, represented by Eufracia Macaraeg Baluyot as attorney-in-fact, Gregorio Baluyot and Eligia Obcena (hereinafter, Macaraegs) maintained that the November 7, 1986 order of the RTC is null and void because the court did not acquire jurisdiction over the case. They also argued that TCT No. 219121 issued in the name of the Salazars is void and that the case for quieting of title is not a direct, but a collateral, attack against a property covered by a Torrens certificate.^[17]

Defendants, now herein petitioners, for their part, maintained that the Plan of Consolidation Subdivision Survey Pcs-396 had been an existing consolidation-subdivision survey plan annotated on OCT No. 40287 under Entry No. 20102 dated February 17, 1950 from which TCT No. 9297 was issued covering Lot Nos. 702-A to 702-V, inclusive, in the names of the heirs of Juan Soriano. They argued that TCT No. 219121 issued in the name of the Salazars is spurious and null and void from the beginning since it was acquired pursuant to an illegal order issued by the court.

^[18] By way of special and affirmative defenses, they also alleged, among others, (1) that the Salazars were not among the heirs of the late Juan Soriano, not within the fifth civil degree of consanguinity, and hence, they have no right to inherit; (2) that TCT No. 219121 constitutes a cloud upon the Torrens title of herein petitioners, and should therefore be cancelled and revoked; (3) that assuming, without admitting, that the Salazars have any right over the lots in question their right to enforce such action had already prescribed by laches or had been barred by prescription since more than forty (40) years had lapsed since the heirs of Juan Soriano had registered the lots in question under TCT No. 9297 on February 17, 1950; and (4) that petitioners and/or their predecessors-in-interest acquired the lots in question in good faith and for value from the registered owners thereof.^[19]

Defendant spouses Francisco Jonatas and Lucena M. Mariano and spouses Manuel Mangrobang and Valeriana Sotio filed their answers practically raising the same defenses.^[20]

Meanwhile, on July 29, 1991, petitioners, together with the Macaraegs and Jonatas, *et al.*, filed before the CA a petition for annulment of judgment^[21] rendered by RTC Branch 63 of Tarlac, Tarlac. The case, docketed as CA-G.R. SP No. 25643, was, however, dismissed on the ground of *litis pendencia*.^[22]

On December 20, 2000, Branch 64 of the RTC of Tarlac dismissed the complaint for quieting of title. The trial court faulted the Salazars for failure to present proof that they are heirs of the late Juan Soriano.^[23] It also declared TCT No. 219121 issued in the name of the Salazars as null and void, and affirmed TCT No. 9297 as well as all certificates of title derived therefrom.^[24]

Unsatisfied, the Salazars appealed to the CA,^[25] which ruled in their favor.

According to the CA, it was erroneous for Branch 64 of the RTC of Tarlac to reverse and declare as null and void the decision of Branch 63, which is a court of equal rank. Such issue should have been properly ventilated in an action for annulment of final judgment. Consequently, the orders issued by RTC Branch 63, had become final and executory, hence, covered by *res judicata*.^[26]

The CA also struck down the arguments raised by the appellees that the orders of RTC Branch 63 are null and void for lack of proper notice. It ratiocinated that the proceeding is a land registration proceeding, which is an action *in rem*. This being so, personal notice to the owners or claimants of the land sought to be registered is not necessary in order to vest the court with jurisdiction over the *res* and over the parties.^[27]

A motion for reconsideration^[28] was filed, but the same was denied.^[29] Hence, this petition.

Pivotal to the resolution of this case is the determination of the validity of the action taken by the Salazars in Branch 63 of the RTC of Tarlac.

We rule for petitioners.

It is true that the registration of land under the Torrens system is a proceeding *in rem* and not *in personam*. Such a proceeding *in rem*, dealing with a tangible *res*, may be instituted and carried to judgment without personal service upon the claimants within the state or notice by mail to those outside of it. Jurisdiction is acquired by virtue of the power of the court over the *res*. Such a proceeding would be impossible were this not so, for it would hardly do to make a distinction between constitutional rights of claimants who were known and those who were not known to the plaintiff, when the proceeding is to bar all.^[30]

Interestingly, however, the proceedings instituted by the Salazars - both in Branch 63 of the RTC of Tarlac for the cancellation of entries in OCT No. 40287 and later in Branch 64 of the RTC of Tarlac for quieting of title - can hardly be classified as actions *in rem*. The petition for cancellation of entries annotated at the back of OCT No. 40287 ought to have been directed against specific persons: namely, the heirs of Juan Soriano as appearing in Entry No. 20102 and, indubitably, against their successors-in-interest who have acquired different portions of the property over the years because it is in the nature of an action *quasi in rem*. Accordingly, the Salazars should have impleaded as party defendants the heirs of Juan Soriano and/or Vicenta Macaraeg as well as those claiming ownership over the property under their names because they are indispensable parties. This was not done in this case.^[31] Since no indispensable party was ever impleaded by the Salazars in their petition for cancellation of entry filed before Branch 63 of the RTC of Tarlac, herein petitioners are not bound by the dispositions of the said court.^[32] Consequently, the judgment or order of the said court never even acquired finality.

Apparently realizing their mistake, the Salazars later on filed an action for quieting of title, also an action *quasi in rem*, albeit this time before Branch 64 of the RTC of Tarlac. Because the Salazars miserably failed to prove the basis for their claim, the RTC dismissed the complaint.^[33] In fact, the RTC was bold enough to have pronounced thus:

Who are the heirs of Juan Soriano who caused the consolidation and in whose favor TCT No. 9297 was issued? Certainly, they are not the plaintiffs. If the plaintiffs claim that they are the only heirs, they should file a case against those who executed the consolidation in whose favor

[E]ntry [N]o. 20102 was made.

x x x In its order dated February 24, 2000, this Court ruled that it is necessary that plaintiffs should prove that they are the heirs of Juan Soriano, the registered owners as indicated in OCT No. 40287 of (sic) Vicenta Macaraeg, the late spouse. Despite the cue, the plaintiffs opted not to present evidence on how they became the heirs of Juan Soriano or Vicenta Macaraeg. There being [no] evidence presented to prove that plaintiffs are the heirs of the late Juan Soriano and Vicenta Macaraeg, they had no right and cause of action to prosecute this case.^[34]

Needless to say, the failure of the Salazars to implead indispensable party defendants in the petition for cancellation of entries in OCT No. 40287 should have been a ground for the RTC to dismiss, or at least suspend, the proceedings of the case.^[35] Yet, although the action proceeded, any judgment or order issued by the court thereon is still null and void for want of authority on the part of the court to act with respect to the parties never impleaded in the action.^[36] Thus, the orders issued by said court dated October 21, 1986 and November 7, 1986 never acquired finality.^[37] *Quod ab initio non valet, in tractu temporis non conualescit.*^[38]

Paraphrasing by analogy this Court's ruling in *Metropolitan Waterworks & Sewerage System v. Sison*,^[39] a void order is not entitled to the respect accorded to a valid order. It may be entirely disregarded or declared inoperative by any tribunal in which effect is sought to be given to it. It has no legal or binding effect or efficacy for any purpose or at any place and thus cannot affect, impair or create rights. It is not entitled to enforcement and is, ordinarily, no protection to those who seek to enforce the same. Accordingly, all proceedings founded on the void court order are themselves regarded as invalid, and the situation is the same as it would be if there was no order issued by the court. It leaves the party litigants in the same position they were in before the trial.^[40] A void order, like any void judgment, may be said to be a lawless thing which can be treated as an outlaw and slain at sight.^[41]

More crucial is the fact that both parties in this case are dealing with property registered under the Torrens system. To allow any individual, such as the Salazars in this case, to impugn the validity of a Torrens certificate of title by the simple expediency of filing an *ex parte* petition for cancellation of entries would inevitably erode the very reason why the Torrens system was adopted in this country, which is to quiet title to land and to put a stop forever to any question on the legality of the title, except claims that were noted, at the time of registration, in the certificate, or which may arise subsequent thereto.^[42] Once a title is registered under the Torrens system, the owner may rest secure, without the necessity of waiting in the portals of the courts or sitting in the "*mirador su casa*" to avoid the possibility of losing his land.^[43] Rarely will the court allow another person to attack the validity and indefeasibility of a Torrens certificate, unless there is compelling reason to do so and only upon a direct action filed in court proceeded in accordance with law.^[44]

Finally, this Court also takes note of the fact that for more than 30 years - from the time Entry No. 20102 was annotated at the back of OCT No. 40287 on February 17, 1950 until the time of the filing of the *ex parte* petition for cancellation of entries on the said certificate of title on November 19, 1985 - the Salazars remained