

THIRD DIVISION

[G.R. Nos. 182136-37, August 29, 2008]

**BON-MAR REALTY AND SPORT CORPORATION, PETITIONER,
SPOUSES NICANOR AND ESTHER DE GUZMAN, EVELYN UY AND
THE ESTATE OF JAYME UY, HON. LORNA CATRIS F. CHUA-CHENG,
PRESIDING JUDGE, BRANCH 168 OF RTC-MARIKINA CITY,
(FORMERLY PASIG CITY), HON. AMELIA A. FABROS, BRANCH
160 OF RTC-SAN JUAN, (FORMERLY PASIG CITY), AND THE
REGISTRAR OF DEEDS OF SAN JUAN , RESPONDENTS.**

DECISION

YNARES-SATIAGO, J.:

This petition for review on certiorari assails the November 14, 2007 Decision^[1] and March 17, 2008 Resolution^[2] of the Court of Appeals in the consolidated cases involving CA-G.R. SP Nos. 94945^[3] and 97812.^[4]

In CA-G.R. SP No. 94945, the Court of Appeals denied Bon-Mar Realty and Sport Corporation's (BON-MAR) petition to intervene in Civil Case No. 56393, a case filed by Spouses Nicanor, Jr. and Esther de Guzman (the DE GUZMANS) for annulment of titles and reconveyance of the properties against Mario and Erlina Siochi (SIOCHIS) and Jayme and Evelyn Uy (UYS), and affirmed the orders of the trial court granting the motion for issuance of a writ of possession of the DE GUZMANS.

In CA-G.R. SP No. 97812, the Court of Appeals granted the DE GUZMANS' leave to intervene in SCA No. 2988-SJ, a proceeding for indirect contempt instituted by BON-MAR against the Registrar of Deeds of San Juan for the latter's refusal to cancel the DE GUZMANS' titles and issue new ones in BON-MAR's name.

The antecedent facts:

The DE GUZMANS were the owners of two lots located in Greenhills, San Juan, Metro Manila (the subject lots or properties), which were covered by Transfer Certificates of Title (TCT) Nos. 9052 and 9053. Owing to the need for campaign funds for Nicanor's candidacy as member of the House of Representatives, the DE GUZMANS borrowed money from the SIOCHIS. As collateral, the DE GUZMANS executed a deed of sale dated April 10, 1987 in favor of the Siochis over the subject lots.

The SIOCHIS, however, caused the cancellation of TCT Nos. 9052 and 9053 by virtue of the April 10, 1987 deed of sale. New titles, TCT Nos. 275-R and 276-R, were issued in their name.

Thereafter, the SIOCHIS sold the subject lots to the UYS who were issued TCT Nos. 277-R and 278-R. Subsequently, the UYS entered into a lease agreement with

Roberto Salapantan.

Upon learning of the said transfers, the DE GUZMANS filed Civil Case No. 56393^[5] seeking to annul the sales to the SIOCHIS and the UYS, as well as the lease to Salapantan. On December 28, 1990, the Regional Trial Court of Pasig City, Branch 168 rendered a Decision^[6] finding the agreement between the DE GUZMANS and the SIOCHIS as a mere equitable mortgage, which precluded the latter from selling or foreclosing upon the subject lots without the knowledge and consent of the DE GUZMANS. Thus the trial court ordered the nullification of the deeds of sale to the SIOCHIS and the UYS, as well as the lease to Salapantan; the reconveyance of the subject lots to the DE GUZMANS; and the cancellation of the certificates of title issued in the name of the UYS.

The SIOCHIS and the UYS appealed to the Court of Appeals which affirmed the ruling of the trial court.

From the appellate court's adverse decision, the SIOCHIS appealed to this Court, docketed as G.R. No. 109217; the UYS likewise appealed docketed as G.R. No. 109197.

On June 21, 1993, the Court, in G.R. No. 109217, issued a Resolution denying SIOCHIS' petition. Judgment in said case became final upon entry of judgment on December 11, 1994.

Meanwhile, on March 10, 1999 or while the UYS' petition in G.R. No. 109197 was pending, BON-MAR filed Civil Case No. 67315^[7] for nullification of title against the UYS and the Register of Deeds of San Juan. BON-MAR claimed that after G.R. No. 109217 became final and executory (on December 11, 1994), the UYS' titles were cancelled and in lieu thereof new titles were issued in the name of the DE GUZMANS (TCT Nos. 6982-R and 6983-R); that thereafter, the DE GUZMANS sold the subject lots to spouses Abundia and Jose Garcia (the GARCIAS); that on January 23, 1996, BON-MAR bought the lots from the GARCIAS and, as a result, TCT Nos. 7480-R and 7481-R were issued in its name; that on April 1, 1996, BON-MAR caused the subdivision of the properties into four (4) lots, under TCT Nos. 7650-R to 7653-R; that TCT Nos. 7650-R to 7653-R were transferred to the UYS on January 10, 1997, to whom TCT Nos. 8238-R to 8241-R were issued; however, the said January 10, 1997 transfer in favor of the UYS was a forgery, as the latter allegedly forged the signature of BON-MAR's President (Bonifacio Choa or CHOA) on the deed of sale and other related documents.

On March 11, 1999, BON-MAR caused the annotation of a notice of *lis pendens* in Civil Case No. 67315, under Entry No. 34865, on the titles covering the subject properties.

On June 21, 2001, this Court rendered a Decision^[8] in G.R. No. 109197 finding that the UYS were not buyers in good faith of the subject lots; that as equitable mortgagees, the SIOCHIS could not validly appropriate the subject lots since they were not the owners thereof; that the UYS, as mere transferees of the SIOCHIS, acquired no better right to the subject lots than what the latter had. The said decision became final and executory on November 20, 2001.

Meanwhile, on September 25, 2001, the trial court in Civil Case No. 67315 rendered a Decision,^[9] which nullified and cancelled UYS' titles (TCT Nos. 8238-R to 8241-R) and ordered the Register of Deeds of San Juan to reinstate BON-MAR's titles (TCT Nos. 7650-R to 7653-R).

Aggrieved, the UYS appealed to the Court of Appeals,^[10] but it was dismissed on August 16, 2004. The dismissal became final and executory, and entry of judgment thereon was made on September 5, 2004. The Court of Appeals^[11] declared that the UYS, in accordance with the ruling in G.R. No. 109197, have no right over the subject lots; hence, they may not assail BON-MAR's title over the same.

Meanwhile, on May 28, 2002, the DE GUZMANS, in Civil Case No. 56393, moved for the issuance of a writ of execution, which was granted by the trial court.^[12] The writ of execution was issued on August 1, 2002 but it was not implemented because BON-MAR filed an Omnibus Motion^[13] asking leave to intervene and to quash the writ.

In its Omnibus Motion, BON-MAR alleged that by virtue of the judgment in G.R. No. 109217, the DE GUZMANS were able to re-acquire title over the subject lots (TCT Nos. 6982-R and 6983-R), and sold the same to the GARCIAS who in turn sold the subject lots to BON-MAR in 1996; that the DE GUZMANS no longer have any right to move for execution, for the second time, on the decision in said civil case because it has been satisfied already; that by allowing the DE GUZMANS to execute on the judgment anew would constitute unjust enrichment and double recovery upon a judgment; that since it (BON-MAR) is the successor-in-interest of the DE GUZMANS, it must be considered as the present lawful registered owner of the subject lots, such that it possesses actual legal interest to intervene in Civil Case No. 56393 in order to defend its title. BON-MAR thus prayed for intervention in the proceedings; for a stay in the execution of the judgment; for the quashal of the writ of execution; and for the issuance of an order decreeing that judgment in Civil Case No. 56393 has been fully satisfied.

On December 18, 2003, however, the trial court denied^[14] BON-MAR's motion to intervene and to quash the writ of execution on the ground that its right to the subject lots was merely inchoate, since BON-MAR's claim was still the subject of a pending appeal in the Court of Appeals. The writ of execution in Civil Case No. 56393 was thus carried out, and TCT Nos. 8238-R to 8241-R in the name of the UYS were cancelled and TCT Nos. T-11566-R to T-11569-R were issued in the name of the DE GUZMANS. These titles were consolidated into two titles, TCT Nos. 11607-R and 11608-R.^[15] Entry No. 34865, or the notice of *lis pendens* covering Civil Case No. 67315, was carried over to these titles.

BON-MAR appealed the denial of its Omnibus Motion to the Court of Appeals which was denied. The appellate court ruled that BON-MAR is a stranger to the litigation in Civil Case No. 56393, which is a case between the DE GUZMANS and the UYS, and that the writ of execution that was issued in said case was directed against the UYS, who were the registered owners of the property in question at the time, and not BON-MAR. The appellate court likewise found BON-MAR's attempt at intervention to be belated and improper since the case was in its execution stage.

BON-MAR filed a motion for reconsideration which was denied. BON-MAR did not appeal the aforementioned decision to this Court, thereby rendering the same final and executory on February 10, 2006.^[16]

Meanwhile, after finality of the judgment in Civil Case No. 67315 declaring it as owner of the subject properties, BON-MAR moved for execution which was granted by the trial court. A writ of execution was issued on March 29, 2005, but the Register of Deeds of San Juan refused to transfer the titles in BON-MAR's name.

On the other hand, the DE GUZMANS in Civil Case No. 56393, moved for the issuance of a Writ of Possession,^[17] which BON-MAR opposed.^[18] The trial court granted^[19] the DE GUZMANS' prayer for the issuance of a writ of possession, to which BON-MAR filed a motion for reconsideration. On February 16, 2006, BON-MAR also filed an Affidavit of Third-Party Claim^[20] executed by CHOA, whereby it set forth its claim of ownership.

On May 24, 2006, the trial court denied^[21] BON-MAR's motion for reconsideration of the Order granting a writ of possession in favor of the DE GUZMANS. As for BON-MAR's third-party claim, the trial court did not conduct a hearing thereon, nor did it consider the same in the resolution of BON-MAR's motion for reconsideration.

On June 26, 2006, BON-MAR appealed the trial court's denial of its motion for reconsideration to the Order granting a writ of possession in favor of the DE GUZMANS to the Court of Appeals, docketed as CA-G.R. SP No. 94945,^[22] which issued a writ of preliminary injunction, thus preventing the enforcement of the writ of possession.

Meanwhile, after BON-MAR's request to cancel the titles in UYS' names and issue new ones in its favor as decreed by the trial court in its final and executory decision in Civil Case No. 67315, was denied by the Registrar of Deeds of San Juan, BON-MAR filed SCA No. 2988-SJ,^[23] a special civil action for contempt against the Registrar of Deeds of San Juan. The DE GUZMANS sought to intervene,^[24] but it was denied^[25] by the trial court. The DE GUZMANS' motion for reconsideration was denied,^[26] hence they appealed to the Court of Appeals through a petition for certiorari in CA-G.R. SP No. 97812.^[27]

After the Court of Appeals ordered the consolidation of CA-G.R. SP No. 97812 and CA-G.R. SP No. 94945, it rendered the herein assailed November 14, 2007 Decision, the dispositive portion of which, reads:

WHEREFORE, above premises considered, judgment is hereby rendered, as follows:

The petition in CA G.R. SP No. 94945 is DENIED for lack of merit. The November 30, 2005 and the June 15, 2006 Order(s) of the Regional Trial Court of Marikina City, Br. 168, granting the motion for issuance of a writ of possession in Civil Case No. 56393 are declared VALID. Accordingly, the writ of preliminary injunction issued by this Court is hereby LIFTED and the bond posted therefor is ORDERED RELEASED. With costs.

The petition in CA-G.R. SP No. 97812 is hereby GRANTED. The November 8, 2006 and the January 18, 2007 Order(s) of the Regional Trial Court of Pasig City, Br. 160, are declared NULL and VOID. The Spouses Nicanor, Jr. and Esther de Guzman are given leave to intervene in SCA No. 2988-SJ and the said court is DIRECTED to proceed with the case accordingly. No costs.

SO ORDERED.^[28]

Hence, the instant petition.

The issues for resolution are:

I. May BON-MAR intervene in the proceedings in Civil Case No. 56393? - Yes.

II. Are the DE GUZMANS entitled to a writ of possession? - No.

III. May the DE GUZMANS intervene in SCA No. 2988-SJ? - No.

I. BON-MAR MAY INTERVENE IN CIVIL CASE NO. 56393.

The decision in Civil Case No. 67315 declared BON-MAR as successor-in-interest of the DE GUZMANS. Thus, BON-MAR is not a mere stranger to the litigation in Civil Case No. 56393; it is a necessary party who must be joined in the suit if complete relief is to be accorded as to those already parties, or for a complete determination or settlement of the claim subject of the action.^[29] BON-MAR's intervention is necessary in order to put an end to Civil Case No. 56393, because if it were established that BON-MAR obtained its title from the GARCIAS who in turn obtained the same from the DE GUZMANS, then there is nothing left for the DE GUZMANS to execute, because their claim in Civil Case No. 56393 has been fully satisfied as early as 1995.^[30] There would thus be no further reason for the proceedings in Civil Case No. 56393 to continue.

The trial court did not err when it initially denied on December 18, 2003 BON-MAR's Omnibus Motion (to intervene and to quash the writ of execution) because at that time, the decision in Civil Case No. 67315 (which cancelled UYS' titles and recognized BON-MAR's ownership over the subject lots) had not yet become final and executory. Said decision attained finality only on September 5, 2004.

BON-MAR could not yet intervene in Civil Case No. 56393 until its title to the subject lots is established, or recognized, by way of a final and executory decision in Civil Case No. 67315. Since title to the subject lots were then still registered in the name of the UYS, BON-MAR had nothing to show to the trial court in Civil Case No. 56393 that it had any legal interest to protect in the subject lots.

However, with the finality of the decision in Civil Case No. 67315 (declaring BON-MAR as owner of the subject lots) it acquired legal interest to defend its title against any threat or challenge. The pronouncement by the Court of Appeals in CA-G.R. SP No. 82807 that BON-MAR is a stranger to the litigation in Civil Case No. 56393 thus no longer applies, because the facts which gave rise to the decision in said case no longer holds true. Having been declared the owner of the subject lots, BON-MAR is now possessed of the legal interest to intervene in Civil Case No. 56393, and to