586 Phil. 310

SECOND DIVISION

[G.R. No. 173891, September 08, 2008]

HRS. OF THE LATE SPS. LUCIANO P. LIM AND SALUD NAKPIL BAUTISTA, NAMELY: LUIS LIM, LOURDES LIM OLIVERA AND LEONARDO LIM, PETITIONERS, VS. THE PRESIDING JUDGE OF THE REGIONAL TRIAL COURT OF QUEZON CITY, BRANCH 216, AS SUCCESSOR OF THE LATE JUDGE MARCIANO BACALLA OF THE SAID COURT; AMPARO CAÑOSA; AND THE REGISTER OF DEEDS OF QUEZON CITY, RESPONDENTS.

D E C I S I O N

TINGA, J,:

This treats of the Petition for Review[1] on certiorari of the Resolutions of the Court of Appeals in CA G.R. SP No. 83013 dated 31 March 2006[2] and 26 July 2006,[3] which respectively dismissed petitioners' petition for annulment of judgment[4] and denied reconsideration.

On 9 September 1999, Amparo E. Cañosa (respondent Cañosa) filed a petition before the Regional Trial Court of Quezon City seeking the reconstitution of the original Transfer Certificate of Title (TCT) No. 169395 of the Register of Deeds of the same city. Due to the non-appearance of representatives from the Office of the Solicitor General and the Office of the City Prosecutor, as well as the absence of all other oppositors, the trial court allowed the *ex parte* presentation of evidence before the branch clerk of court. Convinced that the jurisdictional requirements were complied with and finding merit in the petition, the trial court, on 29 December 1999, ordered the reconstitution of the original and owner's duplicate copy of TCT No. 169395. [5]

On 24 March 2004, petitioners filed a verified petition for the annulment of the trial court's decision.[6] According to petitioners, their parents, spouses Luciano P. Lim and Salud Nakpil Bautista, are the registered owners of a parcel of land located in Old Balara, Quezon City which they acquired from Domingo L. Santos. The lot contained an area of 795 square meters more or less and was covered by TCT No. 27997. Furthermore, they alleged that their parents had been in actual physical possession of the property, which they continued after the death of their parents. When a fire allegedly razed the Quezon City Hall in June 1988, among the records destroyed was the original copy of TCT No. 27997 and thus, one of the petitioners applied for and was issued a reconstituted title, TCT No. RT-97223, in September 1994.[7]

Petitioners claimed that when respondent Cañosa filed a petition for the reconstitution of TCT No. 169395, covering 33,914 sq m on 9 September 1999, a portion thereof with an area of 795 sq m was already covered by TCT No. RT-97223.

In addition, they insisted that the petition for reconstitution did not comply with the requirements found in Sections 12 and 13 of Republic Act (R.A.) No. 26 as it failed to state specifically the boundaries of the property subject of the petition as well as the names of the occupants or persons in possession of the property. Petitioners considered these circumstances as extrinsic fraud, a ground for the annulment of the trial court's judgment.[8]

For her part, respondent Cañosa alleged that there was no fraud and that the jurisdictional requirements of notice and publication had been complied with; thus, the trial court did not err when it ordered the reconstitution of TCT No. 169395. She also claimed that the title issued to petitioners' predecessors-in-interest was spurious because it emanated from Psd-17268 which covered a lot located in Nueva Ecija and not Quezon City, and that the Assistant Director of Lands who signed the alleged plan was not an authorized signatory.[9]

The Court of Appeals dismissed the petition in its 31 March 2006 Resolution. It found that "the property claimed by petitioners is entirely different and does not even form part of the land covered by TCT No. 169395 sought to be reconstituted by private respondent."[10] The Court of Appeals observed that both parties had consistently put claims over a portion of the subject property, a matter which it could not act on and pass upon in a petition for annulment of judgment. Thus it ruled that "the question as to who has the better right and legal claim of ownership over the property subject matter of this case is a material fact that should be inquired into by the proper trial court being in a proper position to determine such issue."[11]

Petitioners sought reconsideration of the resolution, but their motion for reconsideration was denied by the Court of Appeals on 26 July 2006 for lack of merit.[12]

Now, petitioners, on the one hand, posit that the Court of Appeals erred when it made a finding of fact through a mere physical comparison of the technical descriptions in the TCTs without first allowing the parties to vindicate their respective claims, at least during the pre-trial or more properly, in a trial held for the purpose. They also question the Court of Appeals' refusal to resolve the issue of ownership of the subject lot, arguing that in a petition under Rule 47, Section 6 of the Rules of Court, the appellate court is allowed to be a trier of facts.[13]

Petitioners reiterate that Judge Bacalla's decision is null and void for having been issued without jurisdiction and for having been secured through extrinsic fraud. They argue that the trial court did not acquire jurisdiction over the property subject of the reconstitution proceedings because said property is already covered by other existing titles in the name of other owners, many of which have been administratively reconstituted after their original TCTs were destroyed by fire. They point out the finding of the former head of the EDP unit of the Quezon City government, a certain Luis Lim, that no records exist of Yu Chi Hua's (predecessor of respondent) ownership of 33,914 sq m of land in Quezon City, proof that Yu Chi Hua's/respondent's title did not exist nor its original destroyed by fire. Anent extrinsic fraud, petitioners claim that because of the failure to comply with the notice and other requirements in reconstitution proceedings, interested/concerned persons, including petitioners, have not been duly informed and have thus been

prevented from filing their objections/oppositions to the petition for reconstitution. Worse, despite the fatal defects in the required notice and jurisdictional requirements, Judge Bacalla allegedly still proceeded to render his assailed decision. [14]

Respondent Cañosa, on the other hand, maintains that the Court of Appeals followed the correct procedure when it dismissed the petition for annulment of judgment because under Section 5, Rule 47 of the Rules of Court, it may dismiss outright such a petition if it finds no substantial merit in it. She points out that petitioners did not allege nor present anything that would contradict the technical description of the two titles and that the certificates of title of the two lots are conclusive on all matters contained therein, not only on ownership but also on its location and its metes and bounds.[15]

Considering that her lot is not inside, affected by or subsumed in respondent Cañosa's lot, petitioners allegedly have no personality and right to be notified of the reconstitution proceedings nor do they have any right to file the petition for annulment of judgment.[16] Respondent Cañosa also argues that a petition for annulment of judgment is not the proper remedy because what petitioners really wanted is the determination of ownership which the Court of Appeals, however, has no jurisdiction to decide in the first instance.[17] She adds that the petition was already time-barred, it having been filed more than four (4) years from 2 March 2000, the date of the issuance of her reconstituted title.[18] Moreover, she argues that the petition for annulment seeks the nullification of the reconstituted title and thus constitutes a collateral attack on the title of her property, which is not allowed under the law.[19]

We dismiss the petition.

In a petition for annulment of judgment, the court is tasked to look if there exists extrinsic fraud or lack of jurisdiction.[20] However, in this case, a preliminary but critical question has to be disposed of before a proper determination can be arrived at--that is, whether petitioners are the real parties-in-interest.

A real party-in-interest is defined as the party who stands to be benefited or injured by the judgment or the party entitled to the avails of the suit. "Interest" within the meaning of the rule means "material

interest or an interest in issue and to be affected by the decree, as distinguished from mere interest in the question involved or a mere incidental interest."[21] To qualify a person to be a real party-in-interest in whose name an action must be prosecuted, he must appear to be the present real owner of the right sought to be enforced.[22]

The Court of Appeals concluded that petitioners' and respondent Cañosa's properties are different, thus:

> A simple comparison of the transfer certificate of titles presented by the parties reveal that the property claimed by petitioners is entirely different and does not even form part of the land covered by TCT No. 169395

sought to be reconstituted by private respondent.

> The technical description in petitioners' title described their alleged property as Lot 10 Blk. 3 of the subdn plan. [P]sd-34194 being a portion of Lot 22-D-3 described on plan Psd-17268, GLRO Rec. No. 1037. On the other hand, private respondent's property covered by TCT No. 169395 is clearly described as Lot 22-A of the subdn plan (LRC) Psd 74624, being a portion of Lot 22 described on plan Psu-32606, LRC (GLRC) Rec. No. 1037. Petitioners' title therefore, covers a parcel of land certainly not the property covered by title acquired by private respondent from Yu Chi Hua. Thus, while it is true that both the described properties from the contending parties emanated from Lot 22, it is however, apparent that the two properties individually claimed by them are entirely different and distinct from one another.[23]

We reviewed the titles presented by both parties in the proceedings below and arrived at the same conclusion as that of the Court of Appeals.[24] Indeed, per their TCT, petitioners' lot was derived from Lot-22-D-3, whereas respondent Cañosa's covers the entire Lot 22-A. Simple logic dictates that Lot 22-A is different from Lot-22-D-3, and that Lot -22-D-3 could not have been in Lot 22-A.

Petitioners are not real parties-in-interest because the reconstitution of the original and duplicate copy of TCT No. 169395 will have no effect on their property, the latter being different from, and not even a part of the property covered by the reconstituted title. One having no right or interest of his own to protect cannot invoke the jurisdiction of the court as a party plaintiff in an action, thus petitioners' petition for annulment of judgment was rightfully dismissed.

Petitioners impute error to the Court of Appeals when it dismissed their petition after it concluded, on the basis of its simple comparison of petitioners' and respondent's TCTs, that the properties covered by the two titles are entirely different. Petitioners argue that the Court of Appeals should have conducted a trial and received evidence; and having failed to do so, its conclusion was allegedly not only flawed but was also arrived at with grave abuse of discretion and without due process.[25] We do not agree.

The Court of Appeals did not dismiss the petition for annulment of judgment outright. In fact, it required respondent Cañosa to file her answer, and even allowed the filing of an amended answerâ”€proof that it was predisposed to consider the arguments of both parties before it even decided to finally dismiss the petition. Mere filing of a petition for annulment of judgment does not guarantee the holding of trial or reception of evidence. A petition for annulment of judgment may in fact be dismissed outright if it has no *prima facie* merit.[26] With more reason that the Court of Appeals may dismiss a petition even without a hearing if it finds that based on the averments in the petition and the responsive pleading, the annulment of the assailed judgment is not warranted.

Petitioners also maintain that the Court of Appeals should have taken cognizance of the questions of fact which they raised in the petition for annulment of judgment, empowered as it were by Section 6, Rule 47 of the Rules of Court, which provides that: