

FIRST DIVISION

[G.R. No. 102675, October 13, 1999]

**HENRY C. SEVESES, PETITIONER, VS. HON. COURT OF APPEALS,
HON. MANUEL P. DUMATOL, SHERIFF ARSENIO C. DE GUZMAN
AND RAMON N. CARREON, RESPONDENTS.**

D E C I S I O N

YNARES-SANTIAGO, J.:

Petitioner is the registered owner of a three hundred seventy (370) square meter parcel of land located in Parañaque, under Transfer Certificate of Title No. (122084) 33601 of the Registry of Deeds of Parañaque, Metro Manila.^[1]

The subject property was originally owned by Rexcon Philippines under Transfer Certificate of Title No. S-44444 of the Registry of Deeds of Metro Manila, District IV,^[2] free of any lien and encumbrance. On November 29, 1977, Rexcon Philippines, through its President/Manager/Owner, Reynaldo M. Reyes, entered into a Contract of Sale with private respondent Ramon N. Carreon. Soon thereafter, private respondent Carreon took possession of the subject property, introduced improvements thereon and religiously paid his monthly installments on the purchase price.

Sometime in 1979, however, Carreon discovered that merely three (3) days after the execution of their contract, a mortgage in favor of Makati Leasing and Finance Corporation was annotated on the title of the subject property, on account of a P168,000.00 loan. The mortgage was cancelled on February 22, 1978. But then, on February 19, 1979, a Deed of Absolute Sale in favor of Reyes was annotated on the property's title, as a result of which Transfer Certificate of Title No. S-44444 was cancelled and Transfer Certificate of Title No. S-82210 was issued to Reyes.^[3] Shortly thereafter, on February 22, 1979, another mortgage, this time in favor of Ayala Investment and Development Corporation, for a P200,000.00 loan, was annotated. Private respondent Carreon demanded that title to the land be restored in the name of Rexcon Philippines, free from any lien or encumbrance. Reyes ignored the demand, whereupon private respondent Carreon suspended payment of his amortizations on the property.

Due to the failure of private respondent Carreon to pay the required installments on the sale, Reyes considered the sale rescinded and instituted an action for rescission before the Regional Trial Court of Pasay City on November 13, 1979, which was docketed as Civil Case No. 7648-P. A writ of preliminary injunction was issued by virtue of which private respondent Carreon was dispossessed of the subject property. Meanwhile, private respondent Carreon caused a notice of *lis pendens* to be annotated on Reyes' title to the property on April 1, 1981. On January 17, 1985, the Pasay RTC rendered a Decision approving and affirming Reyes' extra-judicial rescission.

Petitioner subsequently acquired the property from Reyes. When title was transferred to petitioner's name on September 22, 1987, the notice of *lis pendens* was carried over. According to petitioner, Reyes had informed him that the pending case had been terminated inasmuch as no appeal was filed by private respondent Carreon. When petitioner tried to obtain a loan from Far East Bank and Trust Company using the subject property as collateral, the bank verified the status of the case referred to in the notice of *lis pendens* and obtained a Certificate of Finality from the court that the decision in the said case had become final. Thus, the notice of *lis pendens* was cancelled on October 12, 1987.

From the time of the sale of the property to him up to the present, petitioner had been in possession of the same, constituting it as his family's residence. On August 10, 1990, however, respondent Sheriff Arsenio C. De Guzman served a notice upon petitioner, giving him five (5) days from receipt within which to vacate the subject property.^[4] Petitioner learned that private respondent Carreon appealed the decision of the RTC of Pasay to the Court of Appeals, which appeal was docketed as CA-G.R. CV No. 06498, and, on December 28, 1988, obtained favorable judgment therein. The dispositive part of the Court of Appeals Decision reads:

WHEREFORE, premises considered, judgment is hereby rendered REVERSING and SETTING ASIDE the appealed decision and another one entered as follows:

1. Dismissing the complaint filed by the plaintiff-appellee;
2. Ordering the plaintiff-appellee to restore defendant-appellant to the peaceful possession of the subject property;
3. Ordering the plaintiff-appellee to restore the title, subject of the contract of purchase and sale, in its original condition at the time of the execution of said contract. Or in the alternative, if the same becomes impossible, to give security to the defendant-appellant that he will return the purchase price should the peaceful possession of the defendant-appellant be disturbed by actual contingency;
4. Ordering the defendant-appellant to pay all back amortizations from March 1979 upon the restoration of the title over the subject property to its original condition at the time he entered into the contract of purchase and sale or compliance by the plaintiff-appellant of the alternative remedy indicated above.

With costs against the plaintiff-appellee.^[5]

The aforementioned Decision became final and executory on July 10, 1989 after this Court denied Reyes' Petition for Review in G.R. No. 87985.^[6]

Faced with the notice ordering him to vacate, petitioner filed on August 14, 1990 with the Pasay City Regional Trial Court an "Urgent Motion for Leave to Intervene"^[7] and a "Motion for Protective Order and/or Restraining Order."^[8] The following day, respondent Judge Manuel Dumatol issued an Order directing respondent Sheriff to defer enforcement of the Writ of Execution until further notice.

On May 24, 1991, respondent Judge issued an Order denying petitioner's Motions, holding that petitioner "has no one to blame except himself for the present predicament he is in."^[9] Petitioner's "Motion for Reconsideration" and "Motion for Inhibition"^[10] were denied by respondent Judge in an Order dated July 29, 1991 for lack of merit.^[11]

Petitioner thus brought a petition for *certiorari*^[12] with the Court of Appeals. This, too, was denied due course in respondent Court of Appeals' Decision of October 31, 1991.^[13]

Hence, the instant Petition anchored upon the following grounds –

I. THE PETITIONER WAS DENIED DUE PROCESS WHEN THE RESPONDENT COURT OF APPEALS AFFIRMED THE DENIAL BY THE RESPONDENT JUDGE OF HIS MOTION FOR INTERVENTION AND MOTION FOR INHIBITION.

II. THE RESPONDENT COURT OF APPEALS HAS MADE CONCLUSIONS OF LAW WHICH RUN ROUGHSHOD OVER ACCEPTED PRINCIPLES OF JURISPRUDENCE.^[14]

The Petition must be denied.

To begin with, despite petitioner's protestations, he cannot qualify as a buyer in good faith. A purchaser in good faith and for value is one who buys the property of another without notice that some other person has a right to or interest in such property and pays a full and fair price for the same, at the time of such purchase, or before he has notice of the claims or interest of some other person in the property.^[15] To be sure, the notice of *lis pendens* of private respondent Carreon was annotated in Reyes' title as early as April 1, 1981. It was on the title when Reyes sold the property to petitioner on September 22, 1987 and was carried over to petitioner's title. Hence, it is clear that petitioner cannot be considered an innocent purchaser for value and in good faith. His claim to the subject property must yield to the lien in favor of private respondent Carreon.

That the notice of *lis pendens* was cancelled and title thereafter was issued in his name does not save the day for petitioner. For one, the cancellation of the notice of *lis pendens* on a mere certification of case finality by a court personnel does not appear in order. The rules dictate that cancellation of the notice should be done with judicial authority.^[16] Then, too, by virtue of the notice of *lis pendens*, petitioner is bound by the outcome of the litigation subject of the *lis pendens*. As a transferee *pendente lite*, he stands exactly in the shoes of the transferor and must respect any judgment or decree which may be rendered for or against the transferor. His interest is subject to the incidents or results of the pending suit, and his Certificate of Title will, in that respect, afford him no special protection.^[17]

Coming now to the main issue of intervention, it would appear that petitioner's Motion for Intervention was, indeed, filed late. Section 2, Rule 19 of the Rules of Court, which was then controlling, provides that a motion to intervene should be filed "before rendition of judgment." To be sure, intervention can no longer be allowed in a case already terminated by final judgment,^[18] such as in the case before us.