

TWENTY-SECOND DIVISION

[CA-G.R. SP NO. 03511-MIN, June 11, 2014]

ANGELITA M. MARTINEZ, PETITIONER, VS. REGIONAL TRIAL COURT OF DIGOS CITY, DAVAO DEL SUR, BRANCH 20, PRESIDED BY HON. JUDGE ALBERT S. AXALAN, SPOUSES ALFREDO C. ORTIZ AND JEANETTE S. ORTIZ AND THE REGISTER OF DEEDS OF THE PROVINCE OF DAVAO DEL SUR, RESPONDENT.

D E C I S I O N

INTING, J.:

Before Us is a Petition for Annulment of Judgment^[1] under Rule 47 of the Rules of Court directed against the Judgment^[2] in Misc. Case No. 087-2002 of Branch 20, Regional Trial Court (RTC), Digos City, the dispositive portion of which states:

WHEREFORE, premises considered, the lost owner's duplicate copy of Transfer Certificate of Title No. T-34522, in the name of Alfredo C. Ortiz is hereby declared NULL and VOID, and the Register of Deeds of Davao del Sur is hereby directed to issue another owner's copy of said title, in lieu of the lost one, under the same terms and conditions as in the original, after payment of the required fees.

SO ORDERED.

The facts of the case are as follows:

Version of the Petitioner^[3]

Private respondent Alfredo C. Ortiz (Alfredo) is the registered owner of a parcel of land covered under TCT No. T-34522. On August 28, 1998, the land was sold by Alfredo with conformity of his wife Jeannette S. Ortiz (Jeannette) to petitioner Angelita M. Martinez (Angelita). Upon execution of the Deed of Sale, Alfredo delivered TCT No. T-34522 to Angelita.

On July 31, 2001, Jeannette executed an Affidavit of Loss stating that the owner's duplicate copy of TCT No. T-34522 was lost. The affidavit was annotated by the Register of Deeds on the copy of the title in its office. On January 24, 2002, Jeannette, through her Attorney-in-fact Engr. Joseph C. Fernandez, filed a Petition for the Issuance of Owner's Duplicate of TCT No. T-34522 before the RTC. The affidavit and the petition provide:

Affidavit of Loss ^[4]	Petition for the Issuance of Owner's Certificate ^[5]
----------------------------------	---

That while she was going through her records where she placed the TCT, she was surprised to notice that the envelope containing the TCT was nowhere to be found	TCT was lost in the possession of Engr. Fernandez because it was included in the envelope which was stolen while the motorcycle of Engr. Fernandez was parked at a public market
She never delivered the title to any person or entity	She is the widow of Alfredo Ortiz
	YET during the trial, Alfredo Ortiz testified in court

The RTC ruled in favor of Jeannette.

The decision became final and executory on March 24, 2003. The Register of Deeds issued a new owner's duplicate copy of TCT No. T-34522 in the name of Alfredo.

Angelita learned of the petition and of the decision on November 12, 2009 when she asked her employee Darlene Embodo (Embodo) to check the title of the property. She then asked, through Embodo, the RTC for a copy of the decision and the records of the case but was not allowed by the RTC. On various dates between November 2009 and January 2010, requests for the copies of the decision and records were not available as the RTC is still rummaging through their files, until such time that they were told that the RTC could not find the records of the case.

Meanwhile, Angelita executed an Affidavit of Adverse Claim on December 4, 2009 and had it annotated in the Register of Deeds.

On December 28, 2009, counsel of Angelita wrote a letter-request to the RTC for copies of the decision and the records of the case. On January 26, 2010, the copies of the decision and the petition of the Jeannette were provided to Angelita. The other records of the case were not available.

Petitioner then filed the instant petition for annulment of judgment on the ground of lack of jurisdiction.

Version of the Private Respondents^[6]

Estrella J. Magdangal (Estrella), mother of petitioner, has a business relationship with private respondent Jeannette Ortiz whereby La Estrella Lending Investor would grant loans to Jeannette's employees and other clientele. These loans are secured either by a post dated check or titles of real estate covered by deeds of conveyance to guarantee the payment.

TCT No. T-34522, the subject TCT, was used as a security for the loan of Atty. Alma Naidas-Enriquez (Atty. Alma) because Atty. Alma failed to surrender her title over her own parcel of land. The Spouses signed the Deed of Sale, as routinely done in the business arrangement, in favor of Angelita Martinez, pursuant to the instructions of Estrella. TCT No. T-34522 was only used as a security until Atty. Alma delivers her own title as security for her loan. There is no consideration for the alleged sale of TCT No. T-34522 to Angelita Martinez. The deed of sale is not notarized.

When Atty. Alma delivered her own title to secure her loan, the husband of Estrella received the title and issued an acknowledgment receipt^[7] stating that the title of Atty. Alma is the replacement for TCT No. T-34522. Estrella then committed to send TCT No. T-34522 to Jeannette's house. But when Jeannette checked her files, the title cannot be found.

Years later, Jeannette filed a complaint for legal separation against her husband which required her to make an inventory of their properties. Since TCT No. T-34522 cannot be found, she executed her Affidavit of Loss and had it annotated in the Register of Deeds. All this time Estrella would say that she already returned the title to her. Since Jeannette could no longer locate the title, she executed an SPA in favor of Engr. Fernandez to file the petition before the RTC.

The Spouses remained in possession of the subject property, harvested coconuts and paid realty taxes thereon.

Anent the alleged discrepancies, Spouses Ortiz state that Engr. Fernandez made a mistake in the petition filed before the RTC when he alleged that Alfredo was dead and that he lost the title.

The Spouses then argues that Martinez is guilty of fraud or estopped in asserting that she has a copy of the TCT and that the deed of sale has no legal effect.

Pursuant to a Resolution dated May 23, 2011, both parties submitted their pre-trial briefs.^[8]

Meanwhile, petitioner filed a motion to allow her to present the Certificate of Title in her possession to the Land Registration Authority for examination and determine its genuineness.^[9]

In a Resolution dated February 13, 2012^[10], the Parties were directed to inform the Court within 5 days from notice of the status of the certificate of title as verified from the records of the LRA.

Petitioner then filed her Manifestation and Compliance^[11] of the dated August 2, 2012 attaching the Report of the LRA. The Report^[12] states, among others, that:

- (1) the electronic copy and the subject duplicate copy of TCT No. T-34522 bears the same serial number;
- (2) both copies have been typed in the same manner including the "typing" errors; and
- (3) the laboratory examination before the Banknotes and Securities Printing Department of the Bangko Sentral ng Pilipinas revealed that the paper and print of the subject document are genuine.

In their Comment^[13] to the Manifestation and Compliance of petitioner, the Spouses