

TENTH DIVISION

[CA-G.R. CV NO. 82227, August 28, 2006]

FELICISIMA M. PARAS^{*}, PLAINTIFF-APPELLANT, VS. ROSALINA COLEMAN (DECEASED)^{}, SPOUSES RICARDO AND SYLVIA RAMOS, REPRESENTED BY THEIR ATTORNEY-IN-FACT, MILAGROS RAMOS-NUQUI^{***}, AND THE REGISTER OF DEEDS OF ANGELES CITY, DEFENDANTS-APPELLEES.**

D E C I S I O N

SALAZAR-FERNANDO, J.:

Before this Court is an appeal from the Orders dated November 3, 2003^[1] and January 8, 2004^[2] of the Regional Trial Court, Third Judicial Region, Branch 58, Angeles City in Civil Case No. 9195 for "Cancellation of TCT Nos. 110513 (Lot 33 Blk 1) and 110514 (Lot 34 Blk 1) Psd-48978 of the Registry of Deeds of Angeles City, Restoration of TCT Nos. 97514 & 98898, Reconveyance and Damages", entitled "Felicisima Paras, for herself and in behalf of her sons, Oscar M. Paras and Nicolas M. Paras, *Plaintiffs*, vs. Rosalina Coleman for herself and as attorney-in-fact of and in representation of the Sps. Ricardo and Sylvia Ramos, and Atty. Bayani A. Maniquis, Register of Deeds of Angeles City, *Defendants*", the decretal portions of which read:

Order dated November 3, 2003

"WHEREFORE, after a judicious consideration of the case at bar, the Motion for Reconsideration of the Order dated September 27, 2002, filed by defendants is GRANTED. Let this case be DISMISSED WITH PREJUDICE, the action being barred by a prior judgment on the merits.

Notify all parties concerned of this Order.

SO ORDERED."

Order dated January 8, 2004

"WHEREFORE, in the light of the foregoing, the Motion for Reconsideration is denied due course.

Notify all parties concerned of this Order.

SO ORDERED."

The facts are:

On October 21, 1998, plaintiff-appellant Felicisima M. Paras (Felicisima for brevity),

for herself and purportedly in behalf of her children, Oscar M. Paras (Oscar for brevity) and Nicolas M. Paras (Nicolas for brevity), filed before the RTC, Angeles City a complaint^[3] for cancellation of title, reconveyance and damages against defendants-appellees Rosalina Coleman (Coleman for brevity), Spouses Ricardo and Sylvia Ramos (Spouses Ramos for brevity) and the Register of Deeds of Angeles City, alleging that: she and her children are the absolute and registered owners of two (2) parcels of land situated at Barangay Cutcut, Angeles City, covered by TCT No. 97514^[4] (Lot 33) registered in her name and her son Oscar on September 20, 1993, and TCT No. 98898^[5] (Lot 34) registered in her name and her son Nicolas on March 11, 1994 with the Registry of Deeds of Angeles City; the lots in controversy, i.e. Lots 33 and 34 of Psd-48978, were acquired by Coleman but had them registered in the names of the Spouses Ramos because as an American citizen, she is not qualified to acquire real properties in the Philippines; Lot 33, which was originally registered in the names of the Spouses Ramos on November 24, 1976 under TCT No. 45338, was later sold by Coleman to Florante Quizon and was transferred under the latter's name on March 1, 1979 under TCT No. 50274; Florante Quizon sold the same lot to Ruperto Paras and was transferred under the latter's name on December 19, 1990 under TCT No. 89527; Ruperto Paras, on the other hand, sold the lot to her and her son Oscar, and was transferred in their names on September 20, 1993 under TCT No. 97514; Lot 34, which was likewise registered in the names of the Spouses Ramos on November 24, 1976 under TCT No. 45337, was also sold by Coleman to Florante Quizon and was transferred under the latter's name on March 1, 1979 under TCT No. 50273; Florante Quizon sold the same lot to Pacifico Paras and was transferred under the latter's name on August 24, 1983 under TCT No. 61685; Pacifico Paras sold the said lot to her and her son Nicolas, and was transferred in their names on March 11, 1994 under TCT No. 98898; when her sons, Oscar and Nicolas, agreed to purchase the said lots on installment basis from Ruperto and Pacifico, all of them were in Japan; their transaction was based on trust and confidence and her sons did not have the chance to examine the titles of the subject properties; it was only when the lots were fully paid and the titles thereto were delivered to them, and they were about to register the same in their names, when they were told that there were annotations of *lis pendens* on the titles of the lots; being unlettered, they did not know the significance of such annotations; they have occupied the lots for years and have built their houses thereon even before the same were sold to them but nobody, not even the defendants-appellees, told them that the said lots were under litigation; there were no signs, notices, warnings, fences or enclosures to indicate any claim of ownership over the lots by the defendants-appellees or anybody; they are innocent buyers in good faith and for valuable consideration; to clear their titles, they filed against the Register of Deeds of Angeles City a petition for the cancellation of notice of *lis pendens* on their titles as early as August 1, 1995, which was opposed by Coleman, and which was assigned to the RTC, Branch 57, Angeles City, docketed as Cadastral Case No. A-124-746; she did not know and was not a party to Civil Case No. 3271, filed with the RTC, Branch 62, Angeles City, which was filed by Coleman against Florante Quizon; the said case involved the same parcels of land, i.e. lots 33 and 34, and she learned about it only during the trial of Cadastral Case No. A-124-746; Civil Case No. 3271 was eventually decided by the lower court in favor of the defendants-appellees which ordered the cancellation of TCT Nos. 50273 and 50274; on March 6, 1998, her lawyer wrote a letter^[6] addressed to the Register of Deeds of Angeles City requesting the latter to deny Coleman's request to cancel TCT Nos. 50273 and 50274 as the same were already cancelled and new titles were already

issued in their names; this notwithstanding, on July 6, 1998, the titles under Florante Quizon's name, as well as those under their names, were cancelled, and new TCTs were prepared in the names of the Spouses Ramos; to prevent the issuance of the new titles to the Spouses Ramos, they filed an urgent application for the issuance of a temporary restraining order and preliminary injunction with the RTC, Branch 57, Angeles City; the same was scheduled for hearing but it was ignored by the defendants-appellees; sometime in 1979, Coleman and Florante Quizon conspired to mortgage the said properties for P200,000.00 with the Development Bank of the Philippines, with the intention of taking away the proceeds thereof without redeeming it; however, when Quizon failed to mortgage the properties, Coleman filed a case against Quizon to recover the properties from him, and subsequently annotated a notice of *lis pendens* on the titles of the properties; Coleman eventually won the case against Quizon, hence, their titles were cancelled and new ones were issued in the names of the Spouses Ramos. In sum, plaintiff-appellant prayed for the cancellation of TCT Nos. 110513^[7] and 110514^[8] in the names of the Spouses Ramos and for the restoration of TCT Nos. 97514 and 98898, as well as for the payment of damages and attorney's fees in her favor.

Defendants-appellees filed their Answer with Compulsory Counterclaim^[9] denying the material averments of the complaint and countered that: the plaintiff-appellant has no cause of action against them because the issues raised in the complaint were already resolved in a decision^[10] dated January 29, 1992 of the RTC, Branch 62, Angeles City in Civil Case No. 3271; the TCTs under the names of Florante Quizon, Ruperto Paras, the plaintiff-appellant and her children, were cancelled after the said decision became final and executory; plaintiff-appellant filed the complaint to preempt their ejectment from the subject premises; they cannot claim to be innocent buyers in good faith and for valuable consideration because at the time they bought the said lots, a notice of *lis pendens* appears in the memorandum of encumbrances on the titles thereof; whatever right they have on the said lots was lost because they bought the same subject to the outcome of the case in litigation; plaintiff-appellant's illiteracy is not a defense because ignorance of the law excuses no one from compliance therewith; buyers of real estate are duty-bound to look into the encumbrances appearing at the back of the titles and to inquire from the seller as to the status of the property; the plaintiff-appellant's claim for damages has no basis because they simply acted on their right to claim back the properties which they have been deprived for so many years already; plaintiff-appellant is guilty of forum-shopping because the issues raised in the complaint are the same issues litigated before the RTC, Branch 57, Angeles City. By way of compulsory counterclaim, defendants-appellees prayed for the payment of moral and exemplary damages as well as attorney's fees in their favor.

On January 22, 1999, the defendants-appellees filed a "Motion to Set Hearing on the Special and Affirmative Defenses xxx"^[11] raised in their answer.

On September 23, 1999, the defendants-appellees filed a "Manifestation and Substitution of Party Defendant"^[12] praying for the substitution of Milagros Ramos Nuqui in lieu of Rosalina Coleman because of the illness of the latter. On even date, defendants-appellees likewise filed a "Manifestation and Urgent Motion to Set the Special and Affirmative Defenses xxx"^[13] reiterating their earlier motion. Plaintiff-appellant filed her "Comment and Opposition xxx"^[14] to both motions.