

SIXTEENTH DIVISION

[CA-G.R. CV NO. 63477, August 17, 2006]

**SPS. ANTONIO AND VIRGINIA ODUWAYEN, PLAINTIFFS-
APPELLANTS, VS. PHILIPPINE DEPOSIT INSURANCE
CORPORATION ET AL., DEFENDANTS-APPELLEES.**

D E C I S I O N

DIMARANAN-VIDAL, J.:

Before Us is an appeal^[1] from the Order^[2] dated 11 February 1999 of the Regional Trial Court National Capital Judicial Region, Branch 97, Quezon City in Civil Case No. Q-98-33579. The decretal portion of the assailed Order reads:

"WHEREFORE, in view of the affirmative defense of lack of jurisdiction raised by defendants in their answer, and pursuant to Section 1, Rule 9 of the Rules of Court, this case is hereby, DISMISSED.

SO ORDERED."^[3]

THE FACTS

The subject of the controversy which gave rise to the instant action involves a parcel of land with residential unit thereon located at Block A Lot 2, St. Joseph Town Homes, Tandang Sora, Avenue, Q.C.

Plaintiffs-Appellants, Spouses ANTONIO and VIRGINIA ODUWAYEN (hereinafter Appellants), are claiming absolute ownership over the subject property by virtue of absolute sale and confirmation thereof in a Decision^[4] dated 08 May 1990 rendered by the HOUSING LAND USE AND REGULATORY BOARD (HLURB) in HLURB Case No. REM-110889-4234 case filed before it by Plaintiffs-Appellants against the First Management Realty Corp. (hereinafter First Management) and Preferred Properties, Inc. in order to compel the said realty company to secure and deliver the title, among others, on the subject property in their favor.^[5] The case was decided by the HLURB in favor of the Appellants and against the First Management and Preferred Properties, Inc., the *fallo* thereof reads:

"WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered ordering respondent Management Realty Corporation to execute the Deed of Absolute Sale in favor of complainant on the townhouse unit identified as Block A, Lot 2, St. Joseph Townhouse, Tandang Sora, Quezon City and deliver the corresponding title to the complainants free from any and all liens and encumbrances; and ordering respondents, jointly and severally, to pay complainants P20,000.00 as damages and

P10,000.00 as and for attorney's fees.

Further, for violation of sec. 25 of P.D. 957 in relation to Sec. 38 thereof, an administrative fine of P10,000.00 is hereby imposed upon respondent First Management Realty Corporation payable to this Board.

Compliance with the above directives is hereby ordered failing in which will constrain this Office to endorse this case to the Department of Justice, task Force on Subdivision for the the criminal prosecution of the responsible officers of the respondents, if warranted.

SO ORDERED.”^[6]

On the other hand, Defendants-Appellees, Philippine Deposit Insurance Corporation Et Al.,(hereinafter Appellees) insist that the subject property was originally covered by TCT No. RT-78239 and registered in the name of NESTOR F. ALIMAN who purchased the same on 28 September 1983 under a Deed of Absolute Sale from the First Management.^[7] NESTOR F. ALIMAN mortgaged the said property on 30 September 1983 to Admiral United Savings Bank (AUSB) to serve as a security for the loan he obtained in the amount of One Hundred Forty Thousand Pesos (P140,000.00).^[8] For failure to pay his loan obligation, the property was foreclosed and the annotation of sale in favor of the AUSB as highest bidder was made on 17 January 1985.^[9]

Seeking the annulment of the Sheriff’s Sale which was made as a consequence of the foreclosure sale and the title issued in favor of AUSB as well as the issuance of new title in favor of the Appellants, the latter filed an action on 12 July 1996 for the Reconveyance of the subject property with Prayer for Damages and Temporary Restraining Order and/or Writ of Preliminary Injunction against AUSB Et Al., before the Regional Trial Court (RTC) of Quezon City. It was docketed as Civil Case No. Q-96-28099^[10] and raffled to Branch 218.

In a Resolution^[11] dated 8 January 1997, the said RTC, Branch 218 resolved to dismiss the case in this wise:

“WHEREFORE, in view of the foregoing, the Motion to Dismiss by defendant Admiral United Savings Bank is hereby GRANTED.

SO ORDERED.”^[12]

Claiming the existence of cloud on their title over the subject property, the Appellants instituted the present action for quieting of title with damages against the Defendant-Appellee PDIC, as the designated liquidator of AUSB, NOEMI R. JAVIER, the over-all Deputy Liquidator as well as the Registrar of Deeds of Quezon City.^[13] Seeking to introduce an amendment on the original Complaint filed before the court a quo, the Appellants subsequently filed a Motion to Amend Complaint^[14] dated 28 September 1998 which was, however, denied per the assailed Order.

Aggrieved thereby, Appellants come now before this Court assigning the following errors upon the court *a quo*:

First Assignment of Error.

THE TRIAL COURT GROSSLY ERRED IN FINDING THAT THE DECISION RENDERED BY THE HOUSING AND LAND USE REGULATORY BOARD (HLURB) DOES NOT BIND ADMIRAL UNITED SAVINGS BANK AND ITS SUCCESOR IN INTEREST, APPELLEE PDIC[;]^[15]

Second Assignment of Error.

THE TRIAL COURT GROSSLY ERRED IN DECLARING ITS LACK OF JURISDICTION OVER THE SUBJECT MATTER OF THE CASE[;]^[16]

Third Assignment of Error.

THE TRIAL COURT GROSSLY ERRED IN DECLARING ITS LACK OF JURISDICTION OVER THE SUBJECT MATTER OF THE CASE[;]^[17]

OUR RULING

The appeal is unimpressed with merit.

We shall discuss the abovementioned issues jointly considering that they are inter-related.

Appellants principally aver that the court *a quo* grossly erred in finding that the decision dated 08 May 1990 of the HLURB does not bind both the AUSB and the PDIC asserting that the said decision, just like any other administrative agency exercising judicial and quasi-judicial function, deserves great respect and recognition which must be fully enforced.^[18]

We are not persuaded.

We find the contention by Defendants-Appellees on the matter as more persuasive considering that no man shall be affected by any proceedings to which he is a stranger, and strangers to a case are not bound by any judgment rendered by the court^[19] or administrative body.

Evidently, in rendering the assailed Order, the trial court relied principally on the affirmative defenses interposed by the Appellees vis-a-vis the provision of Section 1 of Rule 9 of the Revised Rules of Court which provides:

"SECTION 1. *Defenses and Action not pleaded.* Defenses and actions not pleaded either in a motion to dismiss or in the answer are deemed waived. However, when it appears from the pleadings or the evidence on record that the court has no jurisdiction over the subject matter, that there is another action pending between the same parties for the same cause, or that the