Republic of the Philippines
Supreme Court
Manila

**THIRD DIVISION**

| | |
|---|---|
| **SPOUSES MARIA BUTIONG and FRANCISCO VILLAFRIA, substituted by DR. RUEL B. VILLAFRIA,** | **G.R. No. 187524** |
| | **Present:** |
| Petitioners, | VELASCO, JR., *J.*, *Chairperson*, PERALTA, PEREZ,* |
| - *versus* - | LEONEN,** and JARDELEZA, *JJ.* |
| **MA. GRACIA RIÑOZA PLAZO and MA. FE RIÑOZA ALARAS,** | **Promulgated:** |
| Respondents. | August 5, 2015 |

x----------x

**DECISION**

**PERALTA, *J.*:**

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision[1] and Resolution,[2] dated March 13, 2009 and April 23, 2009, respectively, of the Court Appeals (*CA*) in CA-G.R. SP No. 107347, which affirmed the Judgment[3] dated October 1, 2001 of the Regional Trial Court (*RTC*) of Nasugbu, Batangas, Branch 14, in Civil Case No. 217.

The antecedent facts are as follows:

On November 16, 1989, Pedro L. Riñoza died intestate, leaving several heirs, including his children with his first wife, respondents Ma.

---

* Designated Acting Member in lieu of Associate Justice Bienvenido L. Reyes, per Special Order No. 2112 dated July 16, 2015.

** Designated Acting Member in lieu of Associate Justice Martin S. Villarama, Jr., per Raffle dated August 3, 2015.

1 Penned by Associate Justice Myrna Dimaranan Vidal, with Associate Justices Martin S. Villarama, Jr. (now Associate Justice of the Supreme Court), and Rosalina Asuncion-Vicente concurring; *rollo*, pp. 38-48.

2 *Id.* at 50.

3 Penned by Judge Antonio A. De Sagun; *id.* at 83-118.

Gracia R. Plazo and Ma. Fe Alaras, as well as several properties including a resort covered by Transfer Certificates of Title (TCT) No. 51354 and No. 51355, each with an area of 351 square meters, and a family home, the land on which it stands is covered by TCT Nos. 40807 and 40808, both located in Nasugbu, Batangas.[4]

In their Amended Complaint for Judicial Partition with Annulment of Title and Recovery of Possession[5] dated September 15, 1993, respondents alleged that sometime in March 1991, they discovered that their co-heirs, Pedro's second wife, Benita Tenorio and other children, had sold the subject properties to petitioners, spouses Francisco Villafria and Maria Butiong, who are now deceased and substituted by their son, Dr. Ruel B. Villafria, without their knowledge and consent. When confronted about the sale, Benita acknowledged the same, showing respondents a document she believed evidenced receipt of her share in the sale, which, however, did not refer to any sort of sale but to a previous loan obtained by Pedro and Benita from a bank.[6] The document actually evidenced receipt from Banco Silangan of the amount of ₱87,352.62 releasing her and her late husband's indebtedness therefrom.[7] Upon inquiry, the Register of Deeds of Nasugbu informed respondents that he has no record of any transaction involving the subject properties, giving them certified true copies of the titles to the same. When respondents went to the subject properties, they discovered that 4 out of the 8 cottages in the resort had been demolished. They were not, however, able to enter as the premises were padlocked.

Subsequently, respondents learned that on July 18, 1991, a notice of an extra-judicial settlement of estate of their late father was published in a tabloid called *Balita*. Because of this, they caused the annotation of their adverse claims over the subject properties before the Register of Deeds of Nasugbu and filed their complaint praying, among others, for the annulment of all documents conveying the subject properties to the petitioners and certificates of title issued pursuant thereto.[8]

In their Answer,[9] petitioners denied the allegations of the complaint on the ground of lack of personal knowledge and good faith in acquiring the subject properties. In the course of his testimony during trial, petitioner Francisco further contended that what they purchased was only the resort.[10] He also presented an Extra-Judicial Settlement with Renunciation, Repudiations and Waiver of Rights and Sale which provides, among others, that respondents' co-heirs sold the family home to the spouses Rolando and

---

4 *Rollo*, p 121.
5 *Id*. at 51-75.
6 *Id*. at 122.
7 *Id*. at 62.
8 *Id*. at 123.
9 *Id*. at 80-82.
10 *Id*. at 124.

Ma. Cecilia Bondoc for ₱1 million as well as a Deed of Sale whereby Benita sold the resort to petitioners for ₱650,000.00.[11]

On October 1, 2001, the trial court nullified the transfer of the subject properties to petitioners and spouses Bondoc due to irregularities in the documents of conveyance offered by petitioners as well as the circumstances surrounding the execution of the same. Specifically, the Extra-Judicial Settlement was notarized by a notary public who was not duly commissioned as such on the date it was executed.[12] The Deed of Sale was undated, the date of the acknowledgment therein was left blank, and the typewritten name "Pedro Riñoza, Husband" on the left side of the document was not signed.[13] The trial court also observed that both documents were never presented to the Office of the Register of Deeds for registration and that the titles to the subject properties were still in the names of Pedro and his second wife Benita. In addition, the supposed notaries and buyers of the subject properties were not even presented as witnesses who supposedly witnessed the signing and execution of the documents of conveyance.[14] On the basis thereof, the trial court ruled in favor of respondents, in its Judgment, the pertinent portions of its *fallo* provide:

> WHEREFORE, foregoing premises considered, judgment is hereby rendered as follows:
>
> x x x x
>
> 4. a) Declaring as a nullity the "Extra-Judicial Settlement with Renunciation, Repudiation and Waiver of Rights and Sale" (Exh. "1", Villafria) notarized on December 23, 1991 by Notary Public Antonio G. Malonzo of Manila, Doc. No. 190, Page No. 20, Book No. IXII, Series of 1991.
>
> b) Declaring as a nullity the Deed of Absolute Sale (Exh. "2", Villafria), purportedly executed by Benita T. Riñoza in favor of spouses Francisco Villafria and Maria Butiong, purportedly notarized by one Alfredo de Guzman, marked Doc. No. 1136, Page No. 141, Book No. XXX, Series of 1991.
>
> c) Ordering the forfeiture of any and all improvements introduced by defendants Francisco Villafria and Maria Butiong in the properties covered by TCT No. 40807, 40808, 51354 and 51355 of the Register of Deeds for Nasugbu, Batangas.
>
> 5. Ordering defendant Francisco Villafria and all persons, whose occupancy within the premises of the four (4) parcels of land described in par. 4-c above is derived from the rights and interest of defendant Villafria, to vacate its premises and to deliver possession thereof, and all

---

11 *Id*.
12 *Id*. at 104.
13 *Id*. at 112.
14 *Id*. at 107.

> improvements existing thereon to plaintiffs, for and in behalf of the estate of decedent Pedro L. Riñoza.
>
> 6. Declaring the plaintiffs and the defendants-heirs in the Amended Complaint to be the legitimate heirs of decedent Pedro L. Riñoza, each in the capacity and degree established, as well as their direct successors-in-interest, and ordering the defendant Registrar of Deeds to issue the corresponding titles in their names in the proportion established by law, pro indiviso, in TCT Nos. 40807, 40808, 51354, 51355 and 40353 (after restoration) within ten (10) days from finality of this Decision, upon payment of lawful fees, except TCT No. 40353, which shall be exempt from all expenses for its restoration.
>
> With no costs.
>
> SO ORDERED.[15]

On appeal, the CA affirmed the trial court's Judgment in its Decision[16] dated October 31, 2006 in the following wise:

> **The person before whom the resort deed was acknowledged, Alfredo de Guzman, was not commissioned as a notary public from 1989 to July 3, 1991, the date the certification was issued. Such being the case, the resort deed is not a public document and the presumption of regularity accorded to public documents will not apply to the same.** As laid down in *Tigno, et al. v. Aquino, et al*.:
>
> > The validity of a notarial certification necessarily derives from the authority of the notarial officer. **If the notary public does not have the capacity to notarize a document, but does so anyway, then the document should be treated as unnotarized.** The rule may strike as rather harsh, and perhaps may prove to be prejudicial to parties in good faith relying on the proferred authority of the notary public or the person pretending to be one. Still, to admit otherwise would render merely officious the elaborate process devised by this Court in order that a lawyer may receive a notarial commission. **Without such a rule, the notarization of a document by a duly-appointed notary public will have the same legal effect as one accomplished by a non-lawyer engaged in pretense.**
> >
> > The notarization of a document carries considerable legal effect. **Notarization of a private document converts such document into a public one, and renders it admissible in court without further proof of its authenticity.** Thus, notarization is not an empty routine; to the contrary, it engages public interest in a substantial degree and the protection of that interest requires preventing those who are not qualified or authorized to act as notaries public from imposing upon the public and the courts and administrative offices generally.

---

15 *Id.* at 116-118.

16 Penned by Associate Justice Normandie B. Pizarro, with Associate Justices Rosalinda Asuncion-Vicente, and Aurora Santiago-Lagman concurring; *id.* at 120-137.

> **Parenthetically, the settlement/family home deed cannot be considered a public document. This is because the following cast doubt on the document's authenticity, to wit:**
>
> **1.) The date of its execution was not indicated;**
> **2.) The amount of consideration was superimposed;**
> **3.) It was not presented to the Registry of Deeds of Nasugbu, Batangas for annotation; and**
> **4.) Not even the supposed notary public, Alfredo de Guzman, or the purported buyer, the Spouses Rolando and Ma. Cecilia Bondoc, were presented as witnesses.**
>
> Concededly, the absence of notarization in the resort deed and/or the lacking details in the settlement/family home deed did not necessarily invalidate the transactions evidenced by the said documents. However, **since the said deeds are private documents, perforce, their due execution and authenticity becomes subject to the requirement of proof under the *Rules on Evidence***, Section 20, Rule 132 of which provides:
>
> > Sec. 20. *Proof of private document.* – Before any private document offered as authentic is received in evidence, its due execution and authenticity must be proved either:
> >
> > (a) By anyone who saw the document executed or written; or
> > (b) By evidence of the genuineness of the signature or handwriting of the maker.
>
> The Complaining Heirs insist that the settlement/family home and the resort deed are void as their signatures thereon are forgeries as opposed to the Villafrias who profess the deeds' enforceability. **After the Complaining Heirs presented proofs in support of their claim that their signatures were forged, the burden then fell upon the Villafrias to disprove the same, or conversely, to prove the authenticity and due execution of the said deeds. The Villafrias failed in this regard.**
>
> **As aforestated, the Villafrias did not present as witnesses (a) the notary public who purportedly notarized the questioned instrument, (b) the witnesses who appear[ed] in the instruments as eyewitnesses to the signing, or (c) an expert to prove the authenticity and genuineness of all the signatures appearing on the said instruments. Verily, the rule that, proper foundation must be laid for the admission of documentary evidence; that is, the identity and authenticity of the document must be reasonably established as a pre-requisite to its admission, was prudently observed by the lower court when it refused to admit the settlement/family home and the resort deeds as their veracity are doubtful**.[17]

Aggrieved, petitioners, substituted by their son Ruel Villafria, filed a Motion for Reconsideration dated November 24, 2006 raising the trial court's lack of jurisdiction. It was alleged that when the Complaint for

---

[17] *Id*. at 127-129. (Emphasis ours)

Judicial Partition with Annulment of Title and Recovery of Possession was filed, there was yet no settlement of Pedro's estate, determination as to the nature thereof, nor was there an identification of the number of legitimate heirs. As such, the trial court ruled on the settlement of the intestate estate of Pedro in its ordinary jurisdiction when the action filed was for Judicial Partition. Considering that the instant action is really one for settlement of intestate estate, the trial court, sitting merely in its probate jurisdiction, exceeded its jurisdiction when it ruled upon the issues of forgery and ownership. Thus, petitioner argued that said ruling is void and has no effect for having been rendered without jurisdiction. The Motion for Reconsideration was, however, denied by the appellate court on February 26, 2007.

On appeal, this Court denied on June 20, 2007, petitioner's Petition for Review on *Certiorari* for submitting a verification of the petition, a certificate of non-forum shopping and an affidavit of service that failed to comply with the 2004 Rules on Notarial Practice regarding competent evidence of affiant's identities.[18] In its Resolution[19] dated September 26, 2007, this Court also denied petitioner's Motion for Reconsideration in the absence of any compelling reason to warrant a modification of the previous denial. Thus, the June 20, 2007 Resolution became final and executory on October 31, 2007 as certified by the Entry of Judgment issued by the Court.[20]

On January 16, 2008, the Court further denied petitioner's motion for leave to admit a second motion for reconsideration of its September 26, 2007 Resolution, considering that the same is a prohibited pleading under Section 2, Rule 52, in relation to Section 4, Rule 56 of the 1997 Rules of Civil Procedure, as amended. Furthermore, petitioner's letter dated December 18, 2007 pleading the Court to take a second look at his petition for review on *certiorari* and that a decision thereon be rendered based purely on its merits was noted without action.[21]

Unsatisfied, petitioner wrote a letter dated March 24, 2008 addressed to then Chief Justice Reynato S. Puno praying that a decision on the case be rendered based on the merits and not on formal requirements "as he stands to lose everything his parents had left him just because the verification against non-forum shopping is formally defective." However, in view of the Entry of Judgment having been made on October 31, 2007, the Court likewise noted said letter without action.[22]

---

18 *Rollo*, p. 186.
19 *Id*. at 182.
20 *Id.* at 186.
21 *Id*. at 183.
22 *Id*. at 185.

On November 27, 2008, the RTC issued an Order issuing a Partial Writ of Execution of its October 1, 2001 Decision with respect to the portions disposing of petitioner's claims as affirmed by the CA.

The foregoing notwithstanding, petitioner filed, on February 11, 2009, a Petition for Annulment of Judgment and Order before the CA assailing the October 1, 2001 Decision as well as the November 27, 2008 Order of the RTC on the grounds of extrinsic fraud and lack of jurisdiction. In its Decision dated March 13, 2009, however, the CA dismissed the petition and affirmed the rulings of the trial court in the following wise:

> **Although the assailed Decision of the Court a quo has already become final and executory and in fact entry of judgment was issued on 31 October 2007, supra, nevertheless, to put the issues to rest, We deem it apropos to tackle the same.**
>
> The Petitioner argues that the assailed Decision and Order of the Court a *quo*, *supra*, should be annulled and set aside on the grounds of extrinsic fraud and lack of jurisdiction.
>
> We are not persuaded.
>
> x x x x
>
> Section 2 of the Rules as stated above provides that the annulment of a judgment may "be based only on grounds of extrinsic fraud and lack of jurisdiction." In *RP v. The Heirs of Sancho Magdato*, the High Tribunal stressed that:
>
> > **There is extrinsic fraud when "the unsuccessful party had been prevented from exhibiting fully his case, by fraud or deception practiced on him by his opponent, as by keeping him away from court, ... or where the defendant never had knowledge of the suit, being kept in ignorance by the acts of the plaintiff; ..."**
>
> Otherwise put, extrinsic or collateral fraud pertains to such fraud which prevents the aggrieved party from having a trial or presenting his case to the court, or is used to procure the judgment without fair submission of the controversy. This refers to acts intended to keep the unsuccessful party away from the courts as when there is a false promise of compromise or when one is kept in ignorance of the suit.
>
> **The pivotal issues before Us are: (1) whether there was a time during the proceedings below that the Petitioners ever prevented from exhibiting fully their case, by fraud or deception, practiced on them by Respondents, and (2) whether the Petitioners were kept away from the court or kept in ignorance by the acts of the Respondent?**
>
> **We find nothing of that sort. Instead, what We deduced as We carefully delved into the evidentiary facts surrounding the instant case as well as the proceedings below as shown in the 36-page Decision of the Court a *quo*, is that the Petitioners were given ample time to rebut the allegations of the Respondents and had in fact addressed**

**every detail of Respondent's cause of action against them. Thus, Petitioners' allegation of the Court *a quo's* lack of jurisdiction is misplaced.**

Our pronouncement on the matter finds support in the explicit ruling of the Supreme Court in *Sps. Santos, et al. v. Sps. Lumbao,* thus:

> **It is elementary that the active participation of a party in a case pending against him before a court is tantamount to recognition of that court's jurisdiction and willingness to abide by the resolution of the case which will bar said party from later on impugning the court's jurisdiction.**

In fine, under the circumstances obtaining in this case the Petitioners are stopped from assailing the Court a *quo's* lack of jurisdiction.

Too, We do not find merit in the Petitioners' second issue, *supra*.

As mentioned earlier, entry of judgment had already been made on the assailed Decision and Order as early as 31 October 2007.

x x x x

**It maybe that the doctrine of finality of judgments permits certain equitable remedies such as a petition for annulment. But the rules are clear. The annulment by the Court of Appeals of judgments or final orders and resolutions in civil actions of the Regional Trial Courts is resorted to only where the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner, supra.**

**If Petitioners lost their chance to avail themselves of the appropriate remedies or appeal before the Supreme Court, that is their own look out.** The High Tribunal has emphatically pointed out in *Mercado, et al. v. Security Bank Corporation,* thus:

> A principle almost repeated to satiety is that "an action for annulment of judgment cannot and is not a substitute for the lost remedy of appeal." **A party must have first availed of appeal, a motion for new trial or a petition for relief before an action for annulment can prosper. Its obvious rationale is to prevent the party from benefiting from his inaction or negligence. Also, the action for annulment of judgment must be based either on (a) extrinsic fraud or (b) lack of jurisdiction or denial of due process. Having failed to avail of the remedies and there being a clear showing that neither of the grounds was present, the petition must be dismissed. Only a disgruntled litigant would find such legal disposition unacceptable.**[23]

When the appellate court denied Petitioner's Motion for Reconsideration in its Resolution dated April 23, 2009, petitioner filed the

---

[23] *Id.* at 44-47. (Emphases ours)

instant Petition for Review on *Certiorari* on June 10, 2009, invoking the following ground:

> I.
> THE COURT OF APPEALS COMMITTED REVERSIBLE ERROR IN NOT RULING THAT THE REGIONAL TRIAL COURT, BRANCH 14, NASUGBU, BATANGAS, ACTED WITHOUT JURISDICTION IN ENTERTAINING THE SPECIAL PROCEEDING FOR THE SETTLEMENT OF ESTATE OF PEDRO RIÑOZA AND THE CIVIL ACTION FOR ANNULMENT OF TITLE OF THE HEIRS AND THIRD PERSONS IN ONE PROCEEDING.[24]

Petitioner asserts that while the complaint filed by respondents was captioned as "Judicial Partition with Annulment of Title and Recovery of Possession," the allegations therein show that the cause of action is actually one for settlement of estate of decedent Pedro. Considering that settlement of estate is a special proceeding cognizable by a probate court of limited jurisdiction while judicial partition with annulment of title and recovery of possession are ordinary civil actions cognizable by a court of general jurisdiction, the trial court exceeded its jurisdiction in entertaining the latter while it was sitting merely in its probate jurisdiction. This is in view of the prohibition found in the Rules on the joinder of special civil actions and ordinary civil actions.[25] Thus, petitioner argued that the ruling of the trial court is void and has no effect for having been rendered in without jurisdiction.

Petitioner also reiterates the arguments raised before the appellate court that since the finding of forgery relates only to the signature of respondents and not to their co-heirs who assented to the conveyance, the transaction should be considered valid as to them. Petitioner also denies the findings of the courts below that his parents are builders in bad faith for they only took possession of the subject properties after the execution of the transfer documents and after they paid the consideration on the sale.

The petition is bereft of merit.

---

[24] *Id.* at 21.

[25] Section 5, Rule 2 of the Rules of Court provides:

Section 5. *Joinder of causes of action.* — A party may in one pleading assert, in the alternative or otherwise, as many causes of action as he may have against an opposing party, subject to the following conditions:

(a) The party joining the causes of action shall comply with the rules on joinder of parties;

(b) The joinder shall not include special civil actions or actions governed by special rules;

(c) Where the causes of action are between the same parties but pertain to different venues or jurisdictions, the joinder may be allowed in the Regional Trial Court provided one of the causes of action falls within the jurisdiction of said court and the venue lies therein; and

(d) Where the claims in all the causes action are principally for recovery of money, the aggregate amount claimed shall be the test of jurisdiction.

Petitioner maintains that since respondents' complaint alleged the following causes of action, the same is actually one for settlement of estate and not of judicial partition:

> FIRST CAUSE OF ACTION
>
> 1. **That Pedro L. Riñoza**, Filipino and resident of Nasugbu, Batangas at the time of his death, **died intestate** on November 16, 1989. Copy of his death certificate is hereto attached as Annex "A";
>
> 2. **That Plaintiffs together with the Defendants** enumerated from paragraph 2-A to 2-J **are the only known heirs** of the above-mentioned decedent. The plaintiffs and the Defendants Rolando, Rafael, Antonio, Angelito, Lorna all surnamed Riñoza, and Myrna R. Limon or Myrna R. Rogador, Epifanio Belo and Ma. Theresa R. Demafelix are the decedent's legitimate children with his first wife, while Benita Tenorio Riñoza, is the decedent's widow and Bernadette Riñoza, the decedent's daughter with said widow. **As such, said parties are co-owners by virtue of an intestate inheritance from the decedent**, of the properties enumerated in the succeeding paragraph;
>
> 3. **That the decedent left the following real properties** all located in Nasugbu, Batangas:
>
> x x x x
>
> 16. **That the estate** of decedent Pedro L. Riñoza **has no known legal indebtedness;**
>
> 17. **That said estate remains undivided up to this date** and it will be to the best interest of all heirs that same be partitioned judicially.[26]

Petitioner is mistaken. It is true that some of respondents' causes of action pertaining to the properties left behind by the decedent Pedro, his known heirs, and the nature and extent of their interests thereon, may fall under an action for settlement of estate. However, a complete reading of the complaint would readily show that, based on the nature of the suit, the allegations therein, and the reliefs prayed for, the action is clearly one for judicial partition with annulment of title and recovery of possession.

Section 1, Rule 74 of the Rules of Court provides:

> RULE 74
> Summary Settlement of Estate
>
> Section 1. *Extrajudicial settlement by agreement between heirs.* — **If the decedent left no will and no debts and the heirs are all of age,** or the minors are represented by their judicial or legal representatives duly authorized for the purpose, **the parties may without securing letters of administration,** divide the estate among themselves as

[26] *Rollo*, pp. 22-23. (Emphases ours)

> they see fit by means of a public instrument filed in the office of the register of deeds, and should they disagree, **they may do so in an ordinary action of partition.** If there is only one heir, he may adjudicate to himself the entire estate by means of an affidavit filled in the office of the register of deeds. The parties to an extrajudicial settlement, whether by public instrument or by stipulation in a pending action for partition, or the sole heir who adjudicates the entire estate to himself by means of an affidavit shall file, simultaneously with and as a condition precedent to the filing of the public instrument, or stipulation in the action for partition, or of the affidavit in the office of the register of deeds, a bond with the said register of deeds, in an amount equivalent to the value of the personal property involved as certified to under oath by the parties concerned and conditioned upon the payment of any just claim that may be filed under section 4 of this rule. It shall be presumed that the decedent left no debts if no creditor files a petition for letters of administration within two (2) years after the death of the decedent.
>
> The fact of the extrajudicial settlement or administration shall be published in a newspaper of general circulation in the manner provided in the next succeeding section; but no extrajudicial settlement shall be binding upon any person who has not participated therein or had no notice thereof.[27]

In this relation, Section 1, Rule 69 of the Rules of Court provides:

> Section 1. *Complaint in action for partition of real estate.* — A person having the right to compel the partition of real estate may do so as provided in this Rule, **setting forth in his complaint the nature and extent of his title and an adequate description of the real estate of which partition is demanded and joining as defendants all other persons interested in the property.**[28]

As can be gleaned from the foregoing provisions, the allegations of respondents in their complaint are but customary, in fact, mandatory, to a complaint for partition of real estate. Particularly, the complaint alleged: (1) that Pedro died intestate; (2) that respondents, together with their co-heirs, are all of legal age, with the exception of one who is represented by a judicial representative duly authorized for the purpose; (3) that the heirs enumerated are the only known heirs of Pedro; (4) that there is an account and description of all real properties left by Pedro; (5) that Pedro's estate has no known indebtedness; and (6) that respondents, as rightful heirs to the decedent's estate, pray for the partition of the same in accordance with the laws of intestacy. It is clear, therefore, that based on the allegations of the complaint, the case is one for judicial partition. That the complaint alleged causes of action identifying the heirs of the decedent, properties of the estate, and their rights thereto, does not perforce make it an action for settlement of estate.

---

27 Emphases ours.

28 Emphasis ours.

It must be recalled that the general rule is that when a person dies intestate, or, if testate, failed to name an executor in his will or the executor so named is incompetent, or refuses the trust, or fails to furnish the bond required by the Rules of Court, then the decedent's estate shall be judicially administered and the competent court shall appoint a qualified administrator in the order established in Section 6 of Rule 78 of the Rules of Court.[29] An exception to this rule, however, is found in the aforequoted Section 1 of Rule 74 wherein the heirs of a decedent, who left no will and no debts due from his estate, may divide the estate either extrajudicially or in an ordinary action for partition without submitting the same for judicial administration nor applying for the appointment of an administrator by the court.[30] The reason is that where the deceased dies without pending obligations, there is no necessity for the appointment of an administrator to administer the estate for them and to deprive the real owners of their possession to which they are immediately entitled.[31]

In this case, it was expressly alleged in the complaint, and was not disputed, that Pedro died without a will, leaving his estate without any pending obligations. Thus, contrary to petitioner's contention, respondents were under no legal obligation to submit the subject properties of the estate to a special proceeding for settlement of intestate estate, and are, in fact, encouraged to have the same partitioned, judicially or extrajudicially, by *Pereira v. Court of Appeals*:[32]

> Section 1, Rule 74 of the Revised Rules of Court, however, does not preclude the heirs from instituting administration proceedings, even if the estate has no debts or obligations, if they do not desire to resort for good reasons to an ordinary action for partition. While Section 1 allows the heirs to divide the estate among themselves as they may see fit, or to resort to an ordinary action for partition, the said provision does not compel them to do so if they have good reasons to take a different course of action. It should be noted that recourse to an administration proceeding even if the estate has no debts is sanctioned only if the heirs have good reasons for not resorting to an action for partition. **Where partition is possible, either in or out of court, the estate should not be burdened with an administration proceeding without good and compelling reasons.**
>
> **Thus, it has been repeatedly held that when a person dies without leaving pending obligations to be paid, his heirs, whether of age or not, are not bound to submit the property to a judicial administration, which is always long and costly, or to apply for the appointment of an administrator by the Court. It has been uniformly**

---

29 *Avelino v. Court of Appeals, et. al.*, 385 Phil. 1014, 1020 (2000), citing *Utulo v. Pasion Vda. de Garcia*, 66 Phil. 302, 305 (1938).

30 *Id.* at 1021; *Torres v. Torres*, 119 Phil. 444, 447 (1964).

31 *Guico, et. al. v. Bautista, et. al.*, 110 Phil. 584, 586 (1960), citing *Bondad v. Bondad*, 34 Phil. 232 (1916); *Fule v. Fule*, 46 Phil. 317 (1924); *Macalinao v. Valdez, et al*., 95 Phil. 318 (1954); 50 Off. Gaz., 3041; *Intestate Estate of Rufina Mercado v. Magtibay, et al.*, 96 Phil. 383 (1954).

32 255 Phil. 863 (1989).

> **held that in such case the judicial administration and the appointment of an administrator are superfluous and unnecessary proceedings.**[33]

Thus, respondents committed no error in filing an action for judicial partition instead of a special proceeding for the settlement of estate as the same is expressly permitted by law. That the complaint contained allegations inherent in an action for settlement of estate does not mean that there was a prohibited joinder of causes of action for questions as to the estate's properties as well as a determination of the heirs, their status as such, and the nature and extent of their titles to the estate, may also be properly ventilated in partition proceedings alone.[34] In fact, a complete inventory of the estate may likewise be done during the partition proceedings, especially since the estate has no debts.[35] Indeed, where the more expeditious remedy of partition is available to the heirs, then they may not be compelled to submit to administration proceedings, dispensing of the risks of delay and of the properties being dissipated.[36]

Moreover, the fact that respondents' complaint also prayed for the annulment of title and recovery of possession does not strip the trial court off of its jurisdiction to hear and decide the case. Asking for the annulment of certain transfers of property could very well be achieved in an action for partition,[37] as can be seen in cases where courts determine the parties' rights arising from complaints asking not only for the partition of estates but also for the annulment of titles and recovery of ownership and possession of property.[38] In fact, in *Bagayas v. Bagayas*,[39] wherein a complaint for annulment of sale and partition was dismissed by the trial court due to the impropriety of an action for annulment as it constituted a collateral attack on the certificates of title of the respondents therein, this Court found the dismissal to be improper in the following manner:

> **In *Lacbayan v. Samoy, Jr.* (Lacbayan) which is an action for partition premised on the existence or non-existence of co-ownership between the parties, the Court categorically pronounced that a resolution on the issue of ownership does not subject the Torrens title issued over the disputed realties to a collateral attack. It must be borne in mind that what cannot be collaterally attacked is the certificate of title and not the title itself.** As pronounced in *Lacbayan*:
>
> > There is no dispute that a Torrens certificate of title cannot be collaterally attacked, but that rule is not material to the case at bar. **What cannot be collaterally attacked is the certificate of title and not the title itself. The certificate**

---

33 *Pereira v. Court of Appeals*, *supra*, at 868. (Emphases ours; citations omitted)

34 *Id.* at 869, citing *Monserrat v. Ibanez*, G.R No. L-3369, May 24,1950.

35 *Avelino v. Court of Appeals, et al.*, *supra* note 23, at 1022.

36 *Id.*

37 *Pereira v. Court of Appeals*, *supra* note 26, at 869, citing *Intestate Estate of Mercado v. Magtibay,* 96 Phil. 383 (1953).

38 *Genesis Investment, Inc. v. Heirs of Ceferino Ebarasabal*, G.R. No. 181622, November 20, 2013, 710 SCRA 399; *Heirs of Juanita Padilla v. Magdua*, 645 Phil. 140 (2010); and *Reillo v. San Jose*, 607 Phil. 446 (2009).

39 G.R. No. 187308 & 187517, September 18, 2013, 706 SCRA 73.

> **referred to is that document issued by the Register of Deeds known as the TCT. In contrast, the title referred to by law means ownership which is, more often than not, represented by that document.** Petitioner apparently confuses title with the certificate of title. Title as a concept of ownership should not be confused with the certificate of title as evidence of such ownership although both are interchangeably used. (Emphases supplied)

**Thus, the RTC erroneously dismissed petitioner's petition for annulment of sale on the ground that it constituted a collateral attack since she was actually assailing Rogelio and Orlando's title to the subject lands and not any Torrens certificate of title over the same**.

Indeed, an action for partition does not preclude the settlement of the issue of ownership. In fact, the determination as to the existence of the same is necessary in the resolution of an action for partition, as held in *Municipality of Biñan v. Garcia*:[40]

> **The first phase of a partition and/or accounting suit is taken up with the determination of whether or not a co-ownership in fact exists, and a partition is proper** (i.e., not otherwise legally proscribed) and may be made by voluntary agreement of all the parties interested in the property. This phase may end with a declaration that plaintiff is not entitled to have a partition either because a co-ownership does not exist, or partition is legally prohibited. It may end, on the other hand, with an adjudgment that a co-ownership does in truth exist, partition is proper in the premises and an accounting of rents and profits received by the defendant from the real estate in question is in order. x x x
>
> The second phase commences when it appears that "the parties are unable to agree upon the partition" directed by the court. In that event[,] partition shall be done for the parties by the [c]ourt with the assistance of not more than three (3) commissioners. This second stage may well also deal with the rendition of the accounting itself and its approval by the [c]ourt after the parties have been accorded opportunity to be heard thereon, and an award for the recovery by the party or parties thereto entitled of their just share in the rents and profits of the real estate in question. x x x.[41]

An action for partition, therefore, is premised on the existence or non-existence of co-ownership between the parties.[42] Unless and until the issue of co-ownership is definitively resolved, it would be premature to effect a partition of an estate.[43]

In view of the foregoing, petitioner's argument that the trial court acted without jurisdiction in entertaining the action of settlement of estate and annulment of title in a single proceeding is clearly erroneous for the instant complaint is precisely one for judicial partition with annulment of

---

40 G.R. No. 69260, December 22, 1989, 180 SCRA 576.

41 *Municipality of Biñan v. Garcia, supra*, at 584-585. (Emphasis ours; citations omitted)

42 *Lacbayan v. Samoy, Jr.*, 661 Phil. 307, 316 (2011).

43 *Id.*

title and recovery of possession, filed within the confines of applicable law and jurisprudence. Under Section 1[44] of Republic Act No. 7691 (*RA 7691*),[45] amending Batas Pambansa Blg. 129, the RTC shall exercise exclusive original jurisdiction over all civil actions in which the subject of the litigation is incapable of pecuniary estimation. Since the action herein was not merely for partition and recovery of ownership but also for annulment of title and documents, the action is incapable of pecuniary estimation and thus cognizable by the RTC. Hence, considering that the trial court clearly had jurisdiction in rendering its decision, the instant petition for annulment of judgment must necessarily fail.

Note that even if the instant action was one for annulment of title alone, without the prayer for judicial partition, the requirement of instituting a separate special proceeding for the determination of the status and rights of the respondents as putative heirs may be dispensed with, in light of the fact that the parties had voluntarily submitted the issue to the trial court and had already presented evidence regarding the issue of heirship.[46] In *Portugal v. Portugal-Beltran*,[47] the Court explained:

> **In the case at bar, respondent, believing rightly or wrongly that she was the sole heir to Portugal's estate, executed on February 15, 1988 the questioned Affidavit of Adjudication under the second sentence of Rule 74, Section 1 of the Revised Rules of Court. Said rule is an exception to the general rule that when a person dies leaving a property, it should be judicially administered and the competent court should appoint a qualified administrator,** in the order established in Sec. 6, Rule 78 in case the deceased left no will, or in case he did, he failed to name an executor therein.
>
> x x x x
>
> **It appearing, however, that in the present case the only property of the intestate estate of Portugal is the Caloocan parcel of land, to still subject it, under the circumstances of the case, to a special proceeding which could be long, hence, not expeditious, just to establish the status of petitioners as heirs is not only impractical; it is burdensome to the estate with the costs and expenses of an**

---

44 Section 1 of Republic Act No. 7691 provides:

Section 1. Section 19 of Batas Pambansa Blg. 129, otherwise known as the "Judiciary Reorganization Act of 1980", is hereby amended to read as follows:

"Sec. 19. *Jurisdiction in civil cases.* – Regional Trial Courts shall exercise exclusive original jurisdiction.

"(1) In all civil actions in which the subject of the litigation is incapable of pecuniary estimation;

"(2) In all civil actions which involve the title to, or possession of, real property, or any interest therein, where the assessed value of the property involved exceeds Twenty Thousand Pesos (₱20,000.00) or, for civil actions in Metro Manila, where such value exceeds Fifty Thousand Pesos (₱50,000.00) except actions for forcible entry into and unlawful detainer of lands or buildings, original jurisdiction over which is conferred upon the Metropolitan Trial Courts, Municipal Trial Courts, and Municipal Circuit Trial Courts; x x x."

45 *An Act Expanding the Jurisdiction of the Metropolitan Trial Courts, Municipal Trial Courts and Municipal Circuit Trial Courts, Amending for the Purpose Batas Pambansa Blg. 129, Otherwise Known as the "Judiciary Reorganization Act of 1980."* Approved on 25 March 1994.

46 *Heirs of Gabatan v. Court of Appeals*, 600 Phil. 112 (2005).

47 504 Phil. 456 (2005).

> **administration proceeding. And it is superfluous in light of the fact that the parties to the civil case – subject of the present case, could and had already in fact presented evidence before the trial court which assumed jurisdiction over the case upon the issues it defined during pre-trial.**
>
> In fine, under the circumstances of the present case, **there being no compelling reason to still subject Portugal's estate to administration proceedings since a determination of petitioners' status as heirs could be achieved in the civil case filed by petitioners, the trial court should proceed to evaluate the evidence presented by the parties during the trial** and render a decision thereon upon the issues it defined during pre-trial, x x x.[48]

Thus, in view of the clarity of respondents' complaint and the causes of action alleged therein, as well as the fact that the trial court, in arriving at its decision, gave petitioner more than ample opportunity to advance his claims, petitioner cannot now be permitted to allege lack of jurisdiction just because the judgment rendered was adverse to them. To repeat, the action filed herein is one for judicial partition and not for settlement of intestate estate. Consequently, that respondents also prayed for the annulment of title and recovery of possession in the same proceeding does not strip the court off of its jurisdiction for asking for the annulment of certain transfers of property could very well be achieved in an action for partition.

As for petitioner's contention that the sale must be considered valid as to the heirs who assented to the conveyance as well as their allegation of good faith, this Court does not find any compelling reason to deviate from the ruling of the appellate court. As sufficiently found by both courts below, the authenticity and due execution of the documents on which petitioner's claims are based were inadequately proven. They were undated, forged, and acknowledged before a notary public who was not commissioned as such on the date they were executed. They were never presented to the Register of Deeds for registration. Neither were the supposed notaries and buyers of the subject properties presented as witnesses.

While it may be argued that Benita, one of the co-heirs to the estate, actually acknowledged the sale of the resort, the circumstances surrounding the same militate against the fact of its occurrence. Not only was the Deed of Sale supposedly executed by Benita undated and unsigned by Pedro, but the document she presented purportedly evidencing her receipt of her share in the sale, did not refer to any sort of sale but to a previous loan obtained by Pedro and Benita from a bank.

Moreover, credence must be given on the appellate court's observations as to petitioners' actuations insofar as the transactions alleged herein are concerned. *First,* they were seemingly uncertain as to the number

---

[48] *Portugal v. Portugal-Beltran, supra,* at 469-471. (Emphases ours)

and/or identity of the properties bought by them.[49] In their Answer, they gave the impression that they bought both the resort and the family home and yet, during trial, Francisco Villafria claimed they only bought the resort. In fact, it was only then that they presented the subject Extra-Judicial Settlement and Deed of Sale.[50] *Second*, they never presented any other document which would evidence their actual payment of consideration to the selling heirs.[51] *Third*, in spite of the blatant legal infirmities of the subject documents of conveyance, petitioners still took possession of the properties, demolished several cottages, and introduced permanent improvements thereon.

In all, the Court agrees with the appellate court that petitioners failed to adequately substantiate, with convincing, credible and independently verifiable proof, their claim that they had, in fact, purchased the subject properties. The circumstances surrounding the purported transfers cast doubt on whether they actually took place. In substantiating their claim, petitioners relied solely on the Extra-Judicial Settlement and Deed of Sale, who utterly failed to prove their authenticity and due execution. They cannot, therefore, be permitted to claim absolute ownership of the subject lands based on the same.

Neither can they be considered as innocent purchasers for value and builders in good faith. Good faith consists in the belief of the builder that the land the latter is building on is one's own without knowledge of any defect or flaw in one's title.[52] However, in view of the manifest defects in the instruments conveying their titles, petitioners should have been placed on guard. Yet, they still demolished several cottages and constructed improvement on the properties. Thus, their claim of good faith cannot be given credence.

Indeed, a judgment which has acquired finality becomes immutable and unalterable, hence, may no longer be modified in any respect except to correct clerical errors or mistakes, all the issues between the parties being deemed resolved and laid to rest.[53] It is a fundamental principle in our judicial system and essential to an effective and efficient administration of justice that, once a judgment has become final, the winning party be, not through a mere subterfuge, deprived of the fruits of the verdict.[54] Exceptions to the immutability of final judgment are allowed only under the most extraordinary of circumstances.[55] Yet, when petitioner is given more than

---

49 *Rollo*, p. 130.
50 *Id*. at 131.
51 *Id*.
52 *Cua v. Vargas*, 326 Phil. 1082, 1094 (2006), citing *Ongsitco v. CA*, 325 Phil. 1069, 1077 (1996), quoting *Pleasantville Development Corporation v. CA*, 323 Phil. 12, 22 (1996), and *Floreza v. De Evangelista*, 185 Phil. 85, 91 (1980).
53 *Ram's Studio and Photographic Equipment, Inc. v. Court of Appeals*, 400 Phil. 542, 550 (2000).
54 *Spouses Selga v. Brar*, 673 Phil. 581, 597 (2011).
55 *Id.*

ample opportunity to be heard, unbridled access to the appellate courts, as well as unbiased judgments rendered after a consideration of evidence presented by the parties, as in the case at hand, the Court shall refrain from reversing the rulings of the courts below in the absence of any showing that the same were rendered with fraud or lack of jurisdiction.

**WHEREFORE**, premises considered, the instant petition is **DENIED.** The Decision and Resolution, dated March 13, 2009 and April 23, 2009, respectively, of the Court Appeals in CA-G.R. SP No. 107347, which affirmed the Judgment dated October 1, 2001 of the Regional Trial Court of Nasugbu, Batangas, Branch 14, in Civil Case No. 217, insofar as it concerns the resort covered by Transfer Certificates of Title No. 51354 and No. 51355, and family home covered by TCT No. 40807 and 40808, are **AFFIRMED**.

**SO ORDERED**.

**DIOSDADO M. PERALTA**
Associate Justice

**WE CONCUR:**

**PRESBITERO J. VELASCO, JR.**
Associate Justice
Chairperson

**JOSE PORTUGAL PEREZ**
Associate Justice

**MARVIC M.V.F. LEONEN**
Associate Justice

**FRANCIS H. JARDELEZA**
Associate Justice

## ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**PRESBITERO J. VELASCO, JR.**
Associate Justice
Chairperson, Third Division

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**MARIA LOURDES P. A. SERENO**
Chief Justice