

Title: Philippine Bank of Communications v. The Register of Deeds for the Province of Benguet

Facts:

The case revolves around two petitions filed by the Philippine Bank of Communications (PBCOM) seeking the replacement of a lost owner's duplicate copy of Transfer Certificate of Title (TCT) No. 21320. PBCOM, claiming ownership through acquisition via an extrajudicial foreclosure sale in 1985, had not been aware of this property due to a failure in forwarding pertinent records to its Makati head office.

PBCOM discovered the property's existence through a Notice and Reminder to Real Property Tax Payers from La Trinidad, Benguet, and subsequently filed an affidavit of loss with the Registry of Deeds of Benguet. During the first petition, the Regional Trial Court, Branch 62 (RTC-Branch 62), dismissed the case due to insufficient evidence of the loss. The bank's follow-up moves, including an omnibus motion for reconsideration and a proposal for publication in a newspaper, were deemed abandoned as PBCOM failed to comply with submission deadlines and procedural requirements.

Instead of appealing the decision, PBCOM filed a second petition, essentially replicating the first, raffled to RTC-Branch 63. This petition was also dismissed, but on the ground of res judicata, stating that since the matter was previously adjudicated on the merits, the second petition was barred. PBCOM then filed an appeal, which it withdrew, before finally resorting to a petition for certiorari with the Court of Appeals, which was dismissed. PBCOM proceeded to bring the matter to the Supreme Court via a Petition for Review on Certiorari under Rule 45 of the Rules of Court.

Issues:

1. Whether PBCOM availed of the correct remedy to challenge the dismissal of the second petition.
2. Whether the RTC-Branch 63 correctly dismissed the second petition on the ground of res judicata.

Court's Decision:

The Supreme Court granted the petition in part. The court found that PBCOM had availed the wrong remedy in filing a Rule 65 petition for certiorari when the appropriate action was to appeal the dismissal on the ground of res judicata. Despite this procedural misstep, the Court decided to rule on the merits of the case in the interest of substantial justice.

The Supreme Court held that while the RTC-Branch 62's dismissal of PBCOM's first petition was for insufficiency of evidence, it did not bar the bank from re-filing a petition to replace its lost title. The Court emphasized the importance of the owner's duplicate certificate of title in the Torrens system, asserting PBCOM's substantive right to seek replacement for the lost title to fully exercise ownership rights over its property.

Doctrine:

The Supreme Court established a clear directive that a registered owner who fails to prove the loss or destruction of their owner's duplicate certificate of title may not be barred from re-filing a new petition for its replacement. The Rules of Court should apply to land registration cases by analogy, in a supplementary capacity, and only when it is practical and convenient.

Class Notes:

- Finality of Judgments: A final judgment or order is one that completely disposes of the case, leaving nothing more for the court to do.
- Res Judicata: Res judicata prevents the same parties from litigating the same issue in a subsequent proceeding if it has been adjudicated by a competent court.
- Owner's Duplicate Certificate of Title: It is an essential element of Torrens system's commitment to ensuring indefeasible and incontrovertible titles, and is necessary for registering transactions affecting the land.
- Proper Remedy: If an option for appeal exists, certiorari under Rule 65 is generally not available as a remedy.

Historical Background:

The Philippine legal system follows the "Torrens system" of land registration, where a register of land holdings maintained by the government guarantees an indefeasible title to those included in the register. This case serves as a standing reminder that while procedural laws are designed to ensure the proper administration of justice, they must not impede substantive rights, especially within the context of land registration and the principles underpinning the Torrens system. The case sets a precedent for rectifying procedural errors to avoid perpetuating an injustice, particularly where property rights and the obligations of banking institutions under the General Banking Law are concerned.