

Title: ****The Heirs of Alfredo Cullado v. Dominic V. Gutierrez****

Facts:

In May 1995, Dominic V. Gutierrez was granted a parcel of land in Isabela via a Katibayan ng Orihinal na Titulo Blg. P-61499. By 1997, an action for recovery of ownership and possession was filed by Gutierrez's father, acting for minor Dominic, against Alfredo Cullado, who had allegedly been squatting on the property since 1977. Cullado defended himself by claiming adverse possession and seeking reconveyance, alleging fraudulent acquisition of the title by Gutierrez. After Cullado's death, his heirs continued the litigation. Despite multiple failures of Gutierrez's counsel to attend hearings, the Trial Court (RTC) eventually ruled in favor of the heirs of Cullado, ordering reconveyance of the land to them. Dominic then unsuccessfully sought relief from judgment, claiming his counsel's negligence. Subsequently, he filed a petition for annulment of judgment with the Court of Appeals (CA), asserting extrinsic fraud and lack of jurisdiction, which the CA granted, reversing the RTC's decision.

Issues:

1. Was Dominic's availment of the remedy of annulment of judgment proper?
2. Did the RTC err in ordering the reconveyance of the land to the heirs of Cullado based on a ruling of ownership in an accion publiciana?
3. Can a Torrens title be subject to a collateral attack in an action for recovery of possession?

Court's Decision:

The Supreme Court held that Dominic's use of annulment of judgment was proper due to the exceptional circumstances of his case, notably that other remedies were no longer available. The Court further ruled that the RTC did not have jurisdiction to decree ownership and order reconveyance of the land in an accion publiciana, as it only had the purview to provisionally determine ownership for resolving possession. The Court also emphasized that a Torrens title cannot be subjected to a collateral attack, aligning with the CA's decision to reverse the RTC ruling and reiterating the indefeasibility and imprescriptibility of Dominic's title.

Doctrine:

1. Annulment of judgment under Rule 47 of the Rules of Court is a remedy reserved for exceptional circumstances when ordinary remedies are no longer available.
2. An accion publiciana does not empower a court to resolve issues of ownership with

finality or to order reconveyance of property titled under the Torrens system, as such an action involves only the determination of a better right of possession.

3. A Torrens title cannot be subjected to a collateral attack outside of a direct proceeding intended for such purpose.

Class Notes:

- Annulment of Judgment: A special remedy used only when other legal remedies are not available, based on the grounds of extrinsic fraud and lack of jurisdiction.
- Accion Publiciana: A plenary action to determine the better right of possession, not ownership, of real property.
- Torrens System Principles: Titles under this system are indefeasible and incontrovertible, not subject to prescription, and cannot be collaterally attacked.
- Extrinsic Fraud: A valid ground for annulment if not used in other remedies, must be filed within four years from its discovery.
- Lack of Jurisdiction: Refers to the court's lack of authority to decide a case or issue with finality which can be a basis for annulment at any time before it is barred by laches or estoppel.

Historical Background:

This case further underscores the principles underpinning the Torrens system of land registration in the Philippines, emphasizing the protection and confidence it affords to registered landowners against improper claims and attacks on ownership. The doctrine of indefeasibility and the prohibition against collateral attacks on a registered title serve as critical components for ensuring stability and integrity in land ownership and transactions.