

### Title:

\*\*Imperial and NIDSLAND vs. Judge Armes and Cruz: A Jurisdictional and Procedural Quagmire in the Annulment of a Void Judgment\*\*

### Facts:

The case stemmed from a Memorandum of Agreement on September 24, 1993, between Julian C. Napal and Rene H. Imperial to form NIDSLAND corporation for real estate business. Despite Imperial fulfilling his obligations, Napal failed to convey a specific portion of property to NIDSLAND, later selling this to Alfonso B. Cruz Jr. While the sale to Cruz occurred, a derivative suit (SEC Petition) was filed by Imperial before the Securities and Exchange Commission (SEC) leading to a notice of lis pendens annotated on the property title after the sale but prior to its registration in Cruz's name. Subsequent to various legal maneuvers including an action for annulment of sale against Cruz filed by Imperial and NIDSLAND, and a petition for annulment of judgment by Napal challenging the SEC Decision, Cruz initiated a "Petition" before the RTC seeking nullification of the SEC Decision alleging lack of jurisdiction over him by the SEC.

### Issues:

1. Whether the Regional Trial Court (RTC) Legazpi City possessed jurisdiction to declare the nullity of the SEC Decision.
2. The appropriate legal remedy to challenge a void judgment issued by a quasi-judicial body like the SEC.

### Court's Decision:

The Supreme Court declared the SEC's decision void for grave abuse of discretion, thus rendering all acts pursuant to it, such as the Deed of Conveyance towards NIDSLAND, null and void. However, the Court also ruled that the remedy sought through RTC Legazpi City, perceived as a "special civil action for certiorari," was incorrect. The Court held that an action for annulment of judgment, as sought by Cruz, doesn't apply to the judgments or final orders issued by quasi-judicial bodies like the SEC according to Rule 47 of the Rules of Court. Consequently, Cruz's petition in RTC lacked legal basis.

### Doctrine:

The case reiterates the principle that a void judgment, for reasons such as lack of jurisdiction over the subject matter or the parties involved, can have no legal effect and may be challenged at any time directly or collaterally. It further emphasizes the specific procedural pathways and jurisdictions involved in challenging decisions by quasi-judicial

bodies.

### Class Notes:

- **Void Judgment Principle:** A judgment rendered without jurisdiction over the subject matter or over the person is void and can be attacked at any time either directly or collaterally.
- **Special Civil Actions for Certiorari (Rule 65):** Only applicable for acts by courts or quasi-judicial bodies that are deemed with grave abuse of discretion amounting to lack or excess of jurisdiction.
- **Annulment of Judgment (Rule 47):** Pertains solely to judgments of regional trial courts or lower courts and is not applicable to quasi-judicial bodies unless specifically provided by law.
- **Indefeasibility of Torrens Title:** A Torrens title is indefeasible and cannot be collaterally attacked; issues regarding the title must be directly challenged.

### Historical Background:

The case sheds light on the complexities and interplay between jurisdictional claims of regular courts and quasi-judicial bodies within the Filipino legal system. It highlights the evolution of jurisdiction over intra-corporate disputes, which was under SEC before being transferred to regional trial courts designated as commercial courts by the Securities Regulation Code (RA 8799).