

Title:

Maria Magdalena V. Aromin vs. Heirs of Spouses Wilfredo and Leonila Somis: A Case of Compromise Agreement and Annulment of Judgment

Facts:

The case involves Maria Magdalena Aromin's petition against the Heirs of Spouses Wilfredo and Leonila Somis, challenging the validity of a Compromise Agreement approved by the Regional Trial Court (RTC) of Bauang, La Union, which led to an annulment of judgment by the Court of Appeals (CA). Maria claimed ownership of three parcels of land, one of which was erroneously transferred to the Somis through a Compromise Agreement facilitated by her attorney-in-fact and lawyers due to a mistake in identifying the property intended for transfer.

The dispute began when Maria instructed her son, Briccio, to pay the realty taxes for her properties, discovering that two were allegedly sold to the Somises via a Deed of Sale with Right to Repurchase, which she claimed not to have signed. This led to a Complaint for Annulment of Documents filed against the Somises, who responded with an Answer. Eventually, both parties entered a Compromise Agreement to withdraw the case, mistakenly including the wrong property to be transferred to the Somises. Despite efforts to correct this mistake through various legal motions and petitions, including an Annulment of Judgment petition filed by Maria in CA, the CA upheld the validity of the Compromise Agreement based on its final and executory nature, dismissing Maria's petitions.

Issues:

1. Whether the Compromise Agreement between the parties is valid and binding.
2. Whether extrinsic fraud and lack of jurisdiction constitute grounds for annulling the trial court's decision.

Court's Decision:

The Supreme Court denied Maria's petition, affirming the CA's resolutions that upheld the trial court's decision approving the Compromise Agreement. It ruled that the decision, having become final and executory, is immutable and binding upon the parties involved. Moreover, the court found no extrinsic fraud or lack of jurisdiction: summonses were duly served, participation in the proceedings was voluntary, and a real contest occurred in the trial. Therefore, Maria was accorded due process, and her allegations of negligence by her previous counsel did not amount to extrinsic fraud.

Doctrine:

The Supreme Court reiterated the doctrine that a final and executory judgment cannot be disturbed or reopened, emphasizing the importance of respecting the immutability of final judgments for the orderly administration of justice. Moreover, it highlighted the principles governing contract validity under Article 1318 of the Civil Code, requiring the concurrence of consent, object, and cause of the obligation.

Class Notes:

- **Finality of Judgment**: A judgment that has acquired finality becomes immutable and unalterable, irrespective of its fairness or accuracy.
- **Compromise Agreement**: A contract whereby the parties make reciprocal concessions to resolve their dispute and avoid litigation, which, once approved by the court and becomes final, is as binding as any other judgment.
- **Elements of Contracts**: Under Article 1318 of the Civil Code, a valid contract requires consent of the parties, a certain object, and a cause of the obligation.
- **Annulling Judgments**: A judgment may only be annulled on grounds of extrinsic fraud or lack of jurisdiction over the subject matter or the parties involved.

Historical Background:

This case demonstrates the intricacies involved when disputing party agreements and the significance of diligence and clarity in legal documentation and representation. It underscores the Philippine legal system's stance on the sanctity of final judgments and the narrow grounds upon which a judgment may be annulled, reflecting the judiciary's commitment to finality and stability in legal proceedings.