

Title: **Shipside Incorporated v. Court of Appeals, RTC Branch 26 (San Fernando City, La Union), and Republic of the Philippines**

**Facts**

1. **Initial Issuance and Sale of Title**:

- On October 29, 1958, Original Certificate of Title (OCT) No. 0-381 was issued in favor of Rafael Galvez over four parcels of land (Lots 1, 2, 3, and 4).
- On April 11, 1960, Galvez sold Lots 1 and 4 to Filipina Mamaril, Cleopatra Llana, Regina Bustos, and Erlinda Balatbat.
- Transfer Certificate of Title (TCT) No. T-4304 was issued to the buyers of Lots 1 and 4.

2. **Subsequent Sales**:

- On August 16, 1960, Mamaril et al. sold Lots 1 and 4 to Lepanto Consolidated Mining Company (Lepanto). TCT No. T-4314 was issued to Lepanto.
- On October 28, 1963, Lepanto sold the properties to Shipside Incorporated (Shipside), and TCT No. T-5710 was issued to Shipside.

3. **Nullification of the Original Title**:

- On February 1, 1963, the Court of First Instance (CFI) of La Union declared OCT No. 0-381 null and void in Land Registration Case No. N-361 due to a motion from the Republic of the Philippines.
- The order to cancel OCT No. 0-381 was affirmed by the Court of Appeals (CA) on August 14, 1973, and became final and executory on October 23, 1973.
- A writ of execution was issued on April 22, 1974, but it reportedly was not executed.

4. **Revival of Judgment and Subsequent Legal Actions**:

- On January 11, 1999, John Hay Poro Point Development Corporation alerted the Solicitor General that the CFI's 1963 orders had not been executed.
- On April 21, 1999, the Solicitor General filed a complaint for revival of judgment and cancellation of titles in RTC San Fernando, La Union (Civil Case No. 6346).

5. **Procedural Posture**:

- Shipside filed a Motion to Dismiss on July 22, 1999, arguing lack of cause of action, the impossibility of revival beyond ten years, and prescription.
- The RTC denied Shipside's motion and subsequent motions, leading to Shipside filing a petition for certiorari with the CA.
- The CA dismissed Shipside's petition due to a lack of proof of authority for the verification

and certification by the Resident Manager, Lorenzo Balbin. An attempt to rectify through a motion for reconsideration was also denied.

**\*\*Issues\*\***

1. **\*\*Authority to File\*\***: Whether the resident manager of Shiplside Incorporated required authorization from the Board of Directors to file the petition.
2. **\*\*Revival of Judgment\*\***: Whether the action for revival of judgment by the Republic was valid despite being filed more than ten years after the original judgment became final.

**\*\*Court's Decision\*\***

1. **\*\*Authority to File\*\***:

- The Supreme Court held that the lack of proof of authorization for the verification and certification was a procedural matter that could be corrected. The submission of the certificate after filing mitigated the initial lack. Hence, the CA's dismissal on this basis was a grave abuse of discretion.

2. **\*\*Revival of Judgment\*\***:

- The Supreme Court ruled that the action for revival of judgment, filed more than 25 years after it became final, was barred by prescription (Article 1144[3] of the Civil Code).  
- The claim of imprescriptibility by the government was not upheld as the land in question was transferred to the Bases Conversion and Development Authority (BCDA) and was no longer part of the government's property. Thus, the Republic was not the real party in interest.

**\*\*Doctrine\*\***

- **\*\*Corporate Authorization\*\***: The requirement for a certification against forum shopping can be relaxed under special circumstances, especially where substantial justice would be served, and the procedural lapse pertains to formality that can be subsequently corrected.
- **\*\*Revival of Judgment\*\***: Actions for revival of judgment must be brought within ten years from the finality of the judgment (Article 1144[3] of the Civil Code).
- **\*\*Imprescriptibility and Real Party in Interest\*\***: The imprescriptibility defense is only applicable if the government holds an interest. In cases where property is transferred to a state-owned corporation, the corporation, not the government, becomes the real party in interest.

**\*\*Class Notes\*\***

- **\*\*Detailed Procedural Posture\*\***: Emphasize the timeline and procedural posture in tracking how cases progress through different courts and motions.
- **\*\*Corporate Verification and Certification\*\***: Understand procedural requirements for corporate litigants, focusing on the legal standing and proper certifying authorities.
- **\*\*Revival of Judgment\*\***: Familiarize with Article 1144(3) of the Civil Code concerning the time limits for filing actions to revive a judgment.
- **\*\*Real Party in Interest\*\***: Clarify the definition and legal standing of the real party in interest under Rule 3, Section 2 of the Rules of Civil Procedure, tying it to corporate law intrincating separations between government agencies and proprietary functions.

**\*\*Historical Background\*\***

The case is set against the backdrop of post-colonial land registration disputes in the Philippines, particularly concerning titles held over military reservations and their eventual conversion for developmental purposes under the Bases Conversion and Development Act (Republic Act No. 7227). The ruling highlights the confluence of corporate law, procedural rules, and administrative policies in the realm of land registration and government property management.