

Title: Ancheta vs. Cambay, G.R. No. 205745 March 16, 2012

****Facts:****

1. ****Loan Transaction****: On June 12, 2003, Vivian Ancheta (Vivian) received a P25,000.00 loan from Mary Cambay (Cambay) at a 10% monthly interest rate, payable within two months. As collateral, Vivian mortgaged a parcel of land in Bayombong, Nueva Vizcaya, registered under Marylou Ancheta (Ancheta) and Ricardo Dionila (Dionila).
2. ****SPA Execution****: Ancheta and Dionila allegedly executed a Special Power of Attorney (SPA) on June 10, 2003, authorizing Vivian to use the land as collateral.
3. ****Second Loan****: Vivian obtained another P25,000.00 loan from Cambay on June 16, 2003, evidenced by another promissory note.
4. ****Default and Foreclosure****: Upon Vivian's failure to repay, Cambay filed a Complaint for Judicial Foreclosure against Vivian, Ancheta, and Dionila on August 30, 2004, before the RTC in Lagawe, Ifugao.
5. ****Service of Summons****: Summons was served on Vivian, but not on Ancheta or Dionila directly. Vivian filed for an extension of time to file an answer, which was granted, but no answer was ever submitted.
6. ****Defaults****: The RTC issued a default ruling on March 16, 2005, and proceeded with the case. Ancheta and Dionila did not personally receive any court orders but were later claimed to have been informed via their son.
7. ****RTC Judgment****: On August 31, 2005, the RTC rendered a judgment by default ordering all defendants to pay P50,000.00 plus 24% interest per annum starting one year after June 16, 2003, until fully paid. The land collateral was ordered to be sold at public auction if payment was not made.
8. ****Execution and Sale****: The RTC decision became final on September 26, 2005. The provincial sheriff sold the property to Cambay through an Absolute Deed of Sale on May 22, 2007, and TCT No. T-145718 was issued in Cambay's favor.
9. ****Petition for Relief****: On August 14, 2006, Ancheta filed a Petition for Relief from Judgment citing lack of summons service and forgery of the SPA. The RTC dismissed the petition on October 17, 2006, for being filed late and lacking sufficient grounds.

10. **Petition for Annulment of Judgment**: Auchta filed on February 29, 2008, for Annulment of Judgment with the Court of Appeals (CA), which dismissed her case on March 16, 2012, because she previously filed a Petition for Relief. Ancheta's motion for reconsideration was denied on October 18, 2012.

Issues:

1. Whether a defendant not served with summons can file for annulment of judgment despite a prior unsuccessful petition for relief.
2. Whether filing a previous petition for relief bars one from later seeking annulment of judgment.

Court's Decision:

1. **On Lack of Summons Under Rule 47**: The Supreme Court determined the CA erroneously dismissed Ancheta's petition for annulment on procedural grounds instead of substantively addressing the jurisdiction issue. The Court stated that lack of jurisdiction due to improper service of summons can be pursued via annulment under Rule 47 despite a previous relief petition. The Supreme Court underscored that if Ancheta and Dionila were not served summons, the RTC's judgment would be void. The case was remanded to the CA for further proceedings on the jurisdiction issue.

2. **Resort to Annulment Post-Relief Petition**:

The Court clarified that annulment due to lack of jurisdiction can be pursued irrespective of a previously unsuccessful petition for relief. Lack of jurisdiction can be raised at any time and is not barred by prior procedural deficiencies.

Doctrine:

- **Jurisdictional Challenges**: Jurisdictional defects like lack of summons can void a judgment and can be raised at any point. Annulment under Rule 47 is proper when addressing jurisdiction even if a petition for relief was filed earlier but deemed inappropriate.

Class Notes:

- **Jurisdiction of the Court**: A court's judgment is void if it lacks jurisdiction over the persons involved due to failure of proper summons.

- **Rule 47, Rules of Court**: Annulment is available for judgments issued without jurisdiction or due to extrinsic fraud. Lack of jurisdiction renders judgments void, which can be contested anytime.
- **Procedure and Timeliness**: Courts must address jurisdictional claims substantively before ruling on procedural compliance.

Historical Background:

This case highlights procedural and jurisdictional pitfalls in loan disputes and foreclosures in the Philippine judiciary system. It emphasizes the importance of due process, especially regarding summons service, and delineates the hierarchical relief mechanisms available to litigants in Philippine civil law.