

Title:

Dare Adventure Farm Corporation v. Court of Appeals, et al. (G.R. No. 164344, September 11, 2013)

Facts:

Acquisition and Discovery:

1. **July 28, 1994**: Dare Adventure Farm Corporation (Petitioner) acquired a parcel of land (65,100 sqm in San Roque, Lilo-an, Metro Cebu known as lot 7531-part) from the Goc-ong family (Agripina Goc-ong, Porferio Goc-ong, et al.) via a deed of absolute sale.
2. **Post-purchase discovery**: Petitioner discovered a joint affidavit dated **June 19, 1990**, where the Goc-ons had declared ownership of the property and mortgaged it to the Ngs (Felix Ng and Martin T. Ng), securing an obligation of P648,000. If unpaid in 36-monthly installments, the Ngs would become owners.

RTC Proceedings:

3. **January 16, 1997**: The Ngs filed a complaint for recovery of a sum of money, or foreclosure of mortgage against Agripina R. Goc-ong in the Regional Trial Court (RTC), Branch 56, Mandaue City, docketed as Civil Case No. MAN-2838.
4. **Default judgment**: Agripina was declared in default, and on **October 16, 1997**, the RTC declared the Ngs owners of lot 7531-part and awarded P10,000 each for attorney's fees and litigation expenses.

Appeals and Annulment:

5. **2001**: Petitioner filed an action in the Court of Appeals (CA) to annul the RTC's October 16, 1997 decision.
6. **June 19, 2001**: CA dismissed the petition outright for failing to allege the unavailability of other remedies (new trial, appeal, petition for relief).
7. **October 24, 2003**: CA denied the motion for reconsideration, reaffirming the failure to explain non-availment of other remedies.

Issues

1. **Whether the petitioner properly availed the action for annulment of judgment under Rule 47 of the 1997 Rules of Civil Procedure.**
2. **Whether alternate remedies such as quieting of title or reconveyance were more appropriate than the action for annulment.**

Court's Decision

I. Validity of the Annulment Action

- **Nature and Conditions of Rule 47**: Annulment of judgment is an equitable and exceptional remedy, only applicable when traditional remedies (new trial, appeal, etc.) are unavailable due to no fault of the petitioner and are limited to cases of lack of jurisdiction or extrinsic fraud.
- **Petitioner's Status**: The petitioner, not being a party to Civil Case No. MAN-2838, was not bound by its judgment and hence could not legally use Rule 47 for annulment because the judgment could not prejudice it.
- **Relevant Doctrine**: The principle of immutability of final judgments (unchangeability after finality) underpins procedural efficiency and finality.

II. Proper Remedies Identified

- **Quieting of Title**: The Court suggested an action for quieting of title as appropriate, aimed at removing doubts and confirming ownership by clarifying rights.
- **Reconveyance**: Also recommended was the equity remedy of reconveyance, appropriate where property was wrongfully registered in another's name; if property is in an innocent purchaser's hands, damages could be sought.

Doctrine

- **Immutability of Final Judgments**: Final judgments are unchangeable and irrevocable, ensuring procedural finality and judicial economy.
- **Due Process**: Judgment only binds parties to the action; non-parties are not bound and cannot typically seek annulment under Rule 47.
- **Proper Legal Recourse**: Actions like quieting of title or reconveyance are appropriate for clarifying ownership and seeking redress when property rights are contested post-judgment.

Class Notes

- **Elements of Annulment of Judgment (Rule 47)**:
 - Available only when other remedies are unavailable through no fault of petitioner.
 - Grounds limited to lack of jurisdiction or extrinsic fraud.
 - Non-parties to original action must seek alternative remedies (quieting of title, reconveyance).

Relevant Statute (Rule 47, Section 1):

- Annulment can be sought when traditional remedies are no longer available.

****Finality and Execution of Judgments (Rule 39, Section 47)**:**

- Judgments bind only upon parties involved and successors in interest by title.

Historical Background

- ****Contextual Significance****: This case underscores the judiciary's inclination towards maintaining the finality of judgments to prevent endless litigation and ensure legal certainty. It also demonstrates the procedural safeguards in judicial remedies, emphasizing due process rights and the limits of legal recourse, especially for third parties affected by judicial decisions.