

SPS. VENANCIO DEL ROSARIO AND DEMETRIA SANTIAGO DEL ROSARIO, PLAINTIFFS-APPELLANTS, VS. OPEN BIBLE BAPTIST CHURCH, PHILIPPINE COMMERCIAL AND INTERNATIONAL BANK (PCIB), NOW BANCO...

Ponente: CORALES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/d520f9fd06bd/>

CORALES, J.:

This is an appeal[1] from the June 15, 2011[2] and March 15, 2012[3] Orders of the Regional Trial Court (RTC), Branch 22, Malolos City, Bulacan in Civil Case No. 397-M-2008. The first assailed Order dismissed plaintiffs-appellants Spouses Venancio and Demetria Del Rosario's (Spouses Del Rosario) complaint for declaration of nullity of assignment/exercise of redemption (the nullity of assignment case) on the ground of res judicata, while the second Order denied their subsequent motion for reconsideration.

The Antecedents

The instant controversy involves a parcel of land in Sta. Maria, Bulacan which has been the subject of an unending legal tussle between the parties. The factual antecedents, as culled from the records, are as follows:

In 1978, Spouses Del Rosario were the registered owners of the subject land then covered by Transfer Certificate of Title (TCT) No. T-234860. On April 27, 1978, they mortgaged it to Insular Bank of Asia and America, later known as Philippine Commercial and International Bank (PCIB), now BDO Unibank, Inc. (BDO),[4] but the same was eventually sold at public auction as a result of the foreclosure proceedings initiated by the bank on April 15, 1980.

Despite the foreclosure, Spouses Del Rosario sold the property to defendant-appellee Open Bible Baptist Church (OBBC) on March 4, 1981. OBBC immediately took possession and introduced improvements thereon, but was not able to transfer title of the land in its name. Still uninformed of the foreclosure proceedings, OBBC instituted on April 26, 1990, an action for specific performance with damages against Spouses Del Rosario, docketed as Civil Case No. 277-M-90 and raffled to RTC, Branch 17, Malolos, Bulacan (the specific performance case). In its January 14, 1991 Decision, the RTC, Branch 17 ruled in favor of OBBC by ordering Spouses Del Rosario to return the purchase price of the land and pay compensatory and exemplary damages plus attorney's fees.

Meanwhile, PCIB could not consolidate to its name the title over the property because Spouses Del Rosario refused to surrender the owner's copy of TCT No. T-234860. In 1992, PCIB agreed to assign its right over the property to OBBC upon compliance with certain terms and conditions.[5] The agreement was later on formalized in a Deed of Assignment[6] whereby the PCIB assigned, transferred, and conveyed to OBBC the subject land for P85,000.00 on an "as-is, where-is" basis.

In 1995, Spouses Del Rosario lodged before the Municipal Trial Court (MTC) of Sta. Maria, Bulacan a complaint for recovery of possession against OBBC, docketed as Civil Case No. 1119 (recovery of possession case) alleging that the satisfaction of the money judgment in the specific performance case effectively rescinded the March 4,

1981 Deed of Absolute Sale between them. OBBC failed to file its Answer and the MTC rendered judgment in favor of Spouses Del Rosario.

In turn, OBBC filed with the RTC a petition for quieting of title against Spouses Del Rosario, docketed as Civil Case No. 81-M-99 (the quieting of title case), claiming that the MTC judgment in the recovery of possession case casts a cloud on its title. The RTC dismissed the case but it was reversed by this Court through Our February 27, 2004 Decision[7] in CA-G.R. CV No. 74073. We directed the Register of Deeds (RD) of Bulacan to cancel Spouses Del Rosario's TCT No. T-234860 and issue title over the said lot in the name of OBBC. The February 27, 2004 Decision attained finality on April 6, 2004 and was entered in the Book of Judgment on the same date.[8]

Four (4) years after, or on July 17, 2008 to be more specific, Spouses Del Rosario initiated the nullity of assignment case. They claimed ownership over the subject land and assailed the validity of the mortgage and the deed of assignment on the following grounds: PCIB failed to annotate the mortgage and the certificate of sale on the owner's copy of TCT No. T-234860, thus, the period to redeem the property did not run; their consent should have been obtained to give validity to the deed of assignment because it was a conventional subrogation; and the deed of assignment was not registered with the RD. They prayed for the nullification of the deed of assignment executed by PCIB in favor of OBBC, the recovery of the ownership and possession of the subject property from OBBC or in the alternative, they be allowed to redeem the property, and payment of attorney's fees and litigation expenses.[9]

BDO and OBBC both moved for the dismissal of the case on the ground of failure to state a cause of action, defective certificate of non-forum shopping and verification.[10] OBBC added that the nullity of assignment case is already barred by res judicata considering the final and executory judgment in the quieting of title case.[11]

The Ruling of the RTC

In its June 15, 2011 Order,[12] the RTC sustained BDO and OBBC's argument that the nullity of assignment case is barred by the prior judgment in the quieting of title case. It found identity of parties, subject matter, and causes of action in both cases and disposed the case as follows:

WHEREFORE, in light of the foregoing finding, the motion to dismiss filed by defendant Open Bible Baptist Church is hereby GRANTED. The instant complaint docketed as Civil Case No. 397-M-2008 is hereby DISMISSED on the ground of res judicata. In view thereof, the motion to dismiss filed by defendant Banco De Oro is now deemed moot and academic.

Furnish copies of this Order to all the parties' counsels.

SO ORDERED.

Spouses Del Rosario sought reconsideration but the RTC denied the same in its March 15, 2012 Order.[13]

Undeterred, Spouses Del Rosario interposed the instant appeal with this lone assigned error:

- THE TRIAL COURT ERRED IN DISMISSING THE COMPLAINT IN THE ORDER DATED JUNE 15, 2011 AND DENYING THE PLAINTIFFS-APPELLANTS' MOTION FOR RECONSIDERATION IN ITS ORDER DATED MARCH 15, 2012[.]

This Court's Ruling

Res judicata serves as an absolute bar to a subsequent action if the following requisites concur: (1) the former judgment or order must be final; (2) the judgment or order must be on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and parties; and (4) there must be between the first and second actions, identity of parties, of subject matter, and of causes of action.[14]

The existence of the the first three (3) requisites is beyond dispute. The only issue here is whether there was also identity of parties and causes of action between the quieting of title and nullity of assignment cases. Spouses Del Rosario argued that the nullity of assignment case already involved BDO and the relief prayed therein is the nullification of the deed of assignment in favor of OBBC or, in the alternative, the redemption of the property. In contrast, BDO was never impleaded in the quieting of title case which dealt mainly on the removal of cloud over OBBC's title to the property as a result of the MTC Decision in the recovery of possession case. In Spouses Del Rosario's opinion, the issue on nullification of the deed of assignment was never raised and tried in the quieting of title case because it was only mentioned in passing in Our February 27, 2004 Decision; thus, there is no identity of causes of action or issues between the quieting of title and nullity of assignment cases.[15]

We are not persuaded.

Identity of causes of action does not mean absolute identity. Otherwise, a party could easily escape the operation of res judicata by changing the form of the action or the relief sought.[16] Thus, the ultimate test to ascertain identity of causes of action is whether or not the same evidence fully supports and establishes both the first and second cases.[17] If the same facts or evidence would sustain both, the two actions are considered the same, and a judgment in the first case is a bar to the subsequent action.[18] Hence, a party cannot, by varying the form of action or adopting a different method of presenting his case, avoid the operation of the principle that one and the same cause of action shall not be twice litigated between the same parties or their privies.[19]

In the quieting of title case, OBBC insisted that the MTC Decision in the recovery of possession case created a cloud on its title over the subject property. OBBC invoked the deed of assignment executed in its favor by PCIB, now BDO, to prove that it has a better title than Spouses Del Rosario over the land in question. On the other hand, Spouses Del Rosario assailed the validity of the deed of assignment when they filed the nullity case and claimed that they were still the owners of the litigated land. By applying the "same evidence test" it is readily apparent that the evidence or facts needed to sustain the two (2) actions are the same. Although differently worded, the pivotal issue in the quieting of title and nullity of assignment cases is who between OBBC and Spouses Del Rosario has a better title over the property. The RTC, Branch 22 in the nullity of assignment case would have to re-examine the facts which led to the execution of the deed of assignment to determine the validity of Spouses Del Rosario's claim that their right to redeem had not yet lapsed and the deed of assignment is not binding on them. Clearly, the parties would relitigate issues which had been settled with finality in the quieting of title case as shown by the following relevant portions of Our February 27, 2004 Decision, viz.:

x x x

As earlier pointed out, the basis and existence of all right and claim and possession of the subject property by the appellant is not the deed of sale of 04 March 1981, but the Deed of Assignment in 1996 in its favor by PCIB. The decision in Civil Case No. 1119 [the recovery of possession case] had ordered appellant [OBBC] to surrender ownership and possession of the subject property to the appellees [Spouses Del Rosario] because the latter had already satisfied the appellant's claim in Civil Case No. 277-M-90 [the specific performance case]. Appellees' satisfaction of appellant's claim in Civil Case No. 277-M-90 wrote finis to the controversy.

On an important note, the appellees [Spouses Del Rosario] had already lost ownership and interest over the subject property because the same was already foreclosed by PCIB, and it is not disputed that the appellees had failed to redeem the same within the reglementary period. So that when the appellant acquired the subject property from PCIB, the appellant's [OBBC] ownership over the same should come out clean and free from any claims by the appellees. Simply, insofar as concerns the transaction between the appellant and PCIB, the appellees are mere outsiders. The decision in Civil Case No. 1119 against the appellant definitely casts a cloud and doubt upon appellant's title and interest over the subject property.

WHEREFORE, in view of the foregoing considerations, the instant appeal is hereby GRANTED. The Court renders judgment SETTING ASIDE the challenged decision of the Regional Trial Court of Malolos, Bulacan, Branch 77, dated 29 August 2001.

The Register of Deeds of Bulacan is hereby directed to cancel Transfer Certificate of Title No. T-234860 in the name of appellees Spouses Venancio and Demetria Del Rosario and to issue title over the said lot in the name of appellant Open Bible Baptist Church.

No pronouncement as to costs.

SO ORDERED. (*Italics appears in the original text of the Decision; emphasis supplied*)

Evidently, it has been determined in the quieting of title case that OBBC has a better right to the property than Spouses Del Rosario. Therefore, when the February 27, 2004 Decision in the quieting of title case attained finality, the issue on the validity of the deed of assignment in favor of OBBC and the absence of Spouses Del Rosario's right to redeem the subject property were also put to rest and Our declaration therein on who has better right to the litigated lot is conclusive upon Spouses Del Rosario and OBBC. The non-inclusion of BDO in the said case is immaterial considering that it is the successor-in-interest of PCIB from which OBBC derived its rights under the deed of assignment; thus, BDO and OBBC share an identity of interest in the subject property and this fact is enough to hold them privy-in-law. It bears stressing that mere substantial identity of parties or a community of interest between the party in the first case and the party in the subsequent case is sufficient to invoke the application of the principle of *res judicata*.^[20] The philosophy behind this rule prohibits the parties from litigating the same issue more than once. When a right or fact has been judicially tried and determined by a court of competent jurisdiction or an opportunity for such trial has been given, the judgment of the court, as long as it remains unreversed, should be conclusive upon the parties and those in privity with them. Verily, there should be an end to litigation by the same parties and their privies over a subject, once it is fully and fairly adjudicated.^[21]

In sum, all the elements of *res judicata* are present in the case at bench and the RTC did not err when it ordered the dismissal of Spouses Del Rosario's complaint.

WHEREFORE, the instant appeal is hereby DENIED. The June 15, 2011 and March 15, 2012 Orders of the Regional Trial Court, Branch 22, Malolos City, Bulacan in Civil Case No. 397-M-2008 are AFFIRMED.

SO ORDERED.

Villon, J., Chairperson and Zalameda, JJ., concur.

[1] See Notice of Appeal dated June 8, 2012 in relation to the RTC's Order dated June 26 2012 granting the appeal, records, pages 232-233 and 235, respectively.

[2] Penned by Pairing Judge Albert R. Fonacier, rollo, pages 39-42.

[3] Records, pages 228-229.

[4] PCIB and Equitable Banking Corporation entered into a merger forming Equitable-PCI Bank (EPCIB) and eventually with BDO Universal Bank, Inc. The surviving entity BDO-EPCIB is now known as BDO Unibank Inc. See PCIB's Motion for Extension of Time To File Appellee's Brief, rollo, page 63.

[5] See undisputed allegations in paragraph 3 of the Complaint in the Nullity of Assignment Case, records, page 8.

[6] Ibid., pages 20-22.

[7] Penned by Associate Justice Bienvenido L. Reyes and concurred by Associate Justices Conrado M. Vasquez, Jr. and Arsenio J. Magpale, *ibid.*, pages 128-141.

[8] See Entry of Judgment, *ibid.*, page 142.

[9] See Complaint for Declaration of Nullity of Assignment/Exercise of Redemption, *ibid.*, pages 3-13.

[10] See BDO and OBBC's respective Motion to Dismiss, *ibid.*, pages 69-79 and 120-124.

[11] See OBBC's Motion to Dismiss with Comment, *ibid.*

[12] *Supra*, at note 2.

[13] *Supra*, at note 3.

[14] *Samson v. Spouses Gabor*, G.R. No. 182970. July 23, 2014.

[15] See Brief for Plaintiffs-Appellants, *rollo*, pages 28-38.

[16] See *Luzon Development Bank v. Conquilla*, G.R. No. 163338. September 21, 2005.

[17] *Perez v. Court of Appeals*, G.R. No. 157616. July 22, 2005.

[18] *Luzon Development Bank v. Conquilla*, *supra*, at note 16.

[19] See *Villarica Pawnshop, Inc. v. Spouses Gernale*, G.R. No. 163344. March 20, 2009.

[20] *Samson v. Spouses Gabor*, *supra*, at note 14; See also *Sendon v. Ruiz*, G.R. No. 136834. August 15, 2001.

[21] See *Pilar Development Corporation v. Court of Appeals*, G.R. No. 155943. August 19, 2013, citing *Stilianopulos v. The City of Legaspi*, G.R. No. 133913. October 12, 1999.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.