

EMMANUEL PACSI, ALEJANDRO PACSI, FLORITA PACSI, HECTOR PACSI, ERNESTO PACSI, CORAZON PACSI, IMELDA SEDANO, RONALD SEDANO, ALICIA P. DIZON, JOEL DIZON, FERDINAND PACSI, NELLIE PA...

Ponente: MENDOZA, J.

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MENDOZA, J.:

Before Us is an appeal from the January 10, 2000 Decision[1] of the Regional Trial Court, Branch 4, Baguio City, in Civil Case No. 3828-R, an action for Quieting of Title, filed by Emmanuel Pacsi, Alejandro Pacsi, Florita Pacsi, Hector Pacsi, Ernesto Pacsi, Corazon Pacsi, Imelda Sedano, Ronald Sedano, Alicia P. Dizon, Joel Dizon, Ferdinand Pacsi, Nellie Pacsi, Emerita P. Balalad, Lord Balalad, Jonathan Pacsi, Jonalyn Pacsi, Gildo Pacsi, and Monar O. Pacsi (plaintiffs-appellees) against Elpidio Tiong (defendant-appellant) and the Office of the Registry of Deeds of the City of Baguio, the decretal portion of which states:

“WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiffs and against defendants as follows:

- Ordering the Register of Deeds of Baguio City to cancel the encumbrance consisting of a writ of attachment, annotated at the back of Transfer Certificate of Title No. 65094;
- Ordering private defendant ELPIDIO TIONG to further desist from representing that he has a valid claim over the property of the herein plaintiffs and surrender all documents, instruments and contracts in his possession pertaining to the attachment on the lot of the herein plaintiffs;
- Ordering that the writ of attachment, which is a cloud of doubt as to the ownership of the herein plaintiffs, be removed and cleared insofar as the parties in this case are concerned;
- The counter-claim for damages is hereby dismissed.

SO ORDERED.”[2]

The facts, as culled from the records, are as follows:

“On October 6, 1983, pursuant to a writ of execution issued in civil case no. 3122 entitled LIMJOCO vs. LOCANO, Deputy Sheriff Antonio Sudaypan levied on execution the titled property of LOCANO described in and covered by TCT No. 27077 for the satisfaction of the civil liability in the said case. Consequently, the property covered by TCT No. 27077 was sold as an auction sale wherein Januaria Limjoco was the highest bidder.

Subsequent to the sale, on January 29, 1985, Januaria Limjoco, with the consent of her husband, Pedro Limjoco sold the property which they won at the public auction in favor of Ma. Elena Tiong and Elpidio Tiong and Elpidio Tiong. As contained in the findings of facts of the decision in civil case no. 522-R, Ma. Elena Tiong paid Pedro Limjoco the sum of ‘ONE HUNDRED FIFTY THOUSAND PESOS (P150,000.00) as partial consideration for the sale of the subsequent lot.’

Quoting further from the said decision: ‘The Limjocos, however, were unable to deliver the subject property to the Tiongs because they failed to consolidate their ownership over the same. It appears that the judgment debtor Fermina Locano was able to redeem the subject property within the one-year period of redemption. Thereafter, Fermina Locano sold the subject property to Salvino Liwan.’

Due to the failure of Pedro Limjoco to deliver the property subject matter of sale in favor of the Tiongs, the latter asked that the money they paid in the sum of P150,000.00 be returned to them. Limjoco failed to refund the money which constrained Ma. Elena Tiong to file a civil case for ‘sum of money and damages with a prayer for a writ of preliminary injunction’ against Pedro S. Limjoco. The case was docketed as civil case no. 552-R.

Pursuant to a motion filed by Ma. Elena Tiong in civil case no. 552-R, the Regional Trial Court, Branch 4, through (then) Honorable Judge Stella Dadvivas Faralles, issued an order dated April 18, 1985, allowing the attachment of the property of Pedro Limjoco covered by TCT No. T-16918. This was where the attachment first came to be.

Even with the existence of the writ of attachment properly annotated at the back of TCT No. T-16918, the said property had been the subject of various transactions. Thus, on January 3, 1986, Pedro Limjoco sold the property to a certain Cesario Albano, Jr., who in turn, on April 13, 1987, sold the said property to Arpelina Morales, who in turn, on April 26, 1996, sold the same to the PACSI’s, the herein plaintiffs. It was by virtue of this sale that the PACSI’s became the registered owner of the lot covered by TCT No. 65094.

Contending now that the decision in civil case no. 552-R had already become final and executory, the plaintiffs now seek that their title be quieted by asking the court to remove the encumbrance, i.e. the attachment, annotated at the back of their title. To this end, the plaintiffs, on September 23, 1997, filed the instant complaint. The defendant, on October 14, 1997, filed his answer. Issues having been joined, the pre-trial was held on September 30, 1997 and a pre-trial order was thereafter issued.

The court, desiring to clarify certain matters, scheduled the case for hearing on December 16, 1997. The parties appeared and manifested that they will be submitting additional stipulations of facts within ten days from said date and then, to submit their simultaneous position papers within 30 days from the said date, with an agreement that whether these motion/stipulations/position papers sought to be submitted within the said period of time be submitted or not, the case shall be deemed submitted for resolution. An order to this effect was issued by the court on December 16, 1997.

Ironically, despite such joint pronouncements from counsels of the contending parties, the records will bear that no additional stipulations and/or position papers were submitted by both parties.”[3]

On January 10, 2000, the RTC rendered the assailed Decision, pertinent portions of which read:

“As limited in the Pre-trial, the issues to be resolved are as follows:

1. WHETHER OR NOT THE DECISION RENDERED IN CIVIL CASE 552-R HAS RENDERED MOOT AND ACADEMIC THE NOTICE OF ATTACHMENT ON TCT NO. 65094; and
2. WHETHER OR NOT THE PARTIES ARE ENTITLED TO THE CLAIMS FOR DAMAGES.

Article 476 of the Civil Code provides:

‘Art. 476. Whenever there is cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.’

In the above quoted provision, the elements of quieting title can be broken down as follows: (a) That there is a

cloud on title to real property; (b) the cloud is by reason of an instrument, record, claim, encumbrance or proceeding; (c) such instrument, record, claim, encumbrance or proceeding is apparently valid or effective; (d) but in truth and in fact, it is invalid, ineffective, voidable, unenforceable or extinguished'

Based on the foregoing elements, we note that there is a cloud on the title of plaintiff's real property. There is no dispute that the plaintiffs are the registered owners of the real property sought to be quieted. The title to the property is the best evidence and which, in fact, was not disputed but was even admitted by the defendant. There is a cloud because the encumbrance, in the form of attachment, is well contemplated by Art. 476. In this regard, even the law is very categorical that an encumbrance could be a cloud on real property; also the encumbrance appears to be valid. The writ of attachment was issued pursuant to a valid order issued by then presiding judge of the Regional Trial Court-Branch 4; in addition it appears that the said writ of attachment has become ineffective by reason of the finality of the decision in civil case no. 552-R.

It is contended by the defendant that the finality of the decision in civil case no. 552-R is only insofar as the third party complaint is concerned. This is true because even the certificate of finality of decision in civil case no. 552-R categorically refers to the third party complaint. But even then, the court cannot disregard the binding effect of civil case no. 552-R with respect to the ineffectivity and unenforceability of the writ of attachment considering the express finding of the decision in civil case no. 552-R that 'with respect to the principal controversy between the plaintiff Tiong and defendant Limjoco, they finally agreed to settle their dispute even before evidence was received by the Court. Thus, trial proceeded only with respect to the third party defendant Salvino Liwan who as aforesaid was declared in default.' (page two of decision, civil case no. 552-R).

In this regard, the defendant is thereby estopped from denying the binding effect of the decision in civil case no. 552-R. Had it been otherwise, the defendant could have easily refuted the said finding by filing a motion for reconsideration or, at least, to have called the attention of the court as to the said ruling. But he did not. On the contrary, defendant kept silent and allowed the decision to be rendered, sans the express declaration against their interest. Defendant due to his silence is, 'precluded from asserting as against the other and his privies any right or title in derogation of the deed or from denying the truth of any material fact.'

At any rate, a further examination of civil case no. 552-R reveals that ELPIDIO TIONG, the herein defendant, is not even a party to civil case no. 552-R. He may be the husband of the plaintiff therein but, nowhere has he ever been impleaded to the said case. Whatever incidents which took place, therefore, could not have legally bound him, vis-à-vis, he cannot invoke any right that may arise from the said case, including the writ of attachment. Thus, even granting that we follow the argument of defendant that the decision in civil case no. 552-R refers only to the third party complaint, ELPIDIO TIONG would not be the proper party in interest to enforce the writ of attachment. This is so because by the very nature of the action to quiet title: 'The result is not binding upon the whole world, therefore, not in rem. It is really 'in personam' because it is enforceable only against the defeated party or privies.' (Sabrina Santiago et al. vs. J.M. Tuason and Co., Inc., L-14223, Nov. 23, 1960, as cited in the Civil Code of the Philippines, Volume 2, 1984 edition, page 476, by Paras).

In the end, equity and jurisprudence has swayed this court to allow the quieting of the title of the plaintiffs. The very purpose of the remedy would lead to no other conclusion:

'The reason is that equity comes to the aid of him who would suffer if the instrument were enforced. He is in good conscience entitled to a removal of the cloud or doubt upon his title. On the other hand, the respondent has no legal or moral ground to hold the instrument against the petitioner's title.' (Report of the Code Commission, p. 55)

Anent the second issue as to the prayer for damages, no damages or monetary award of any kind is hereby awarded since no prayer towards that end was sought by the plaintiffs. And since the complaint is meritorious and well-founded, no damages is likewise awarded in favor of the defendant."[4]

Dissatisfied with the above decision of the RTC, defendant-appellant interposed the instant appeal raising the following errors---

I. THAT THE TRIAL COURT HAS ERRONEOUSLY ASSUMED THAT THE MAIN ISSUE FOR THE RECOVERY OF THE AMOUNT OF ONE HUNDRED FIFTY THOUSAND PESOS (P150,000.00) IN CIVIL CASE NO. 552-R WITH REGIONAL TRIAL COURT, BRANCH 59, BAGUIO CITY, WAS ALREADY SETTLED BETWEEN THE PARTIES;

II. THAT THE TRIAL COURT HAS ERRONEOUSLY DECLARED THAT APPELLANT IS ESTOPPED FROM DENYING THE BINDING EFFECT OF THE DECISION IN CIVIL CASE NO. 552-R;

III. THAT THE TRIAL COURT HAS ERRONEOUSLY RULED THAT ELPIDIO TIONG IS NOT A PARTY IN CIVIL CASE NO. 552-R, AND NEITHER IS HE THE PROPER PARTY TO ENFORCE THE WRIT OF ATTACHMENT AND;

IV. THAT THE TRIAL COURT HAS ERRONEOUSLY ORDERED THE CANCELLATION OF THE NOTICE OF ATTACHMENT, ON GROUNDS OF EQUITY AND JURISPRUDENCE.”[5]

We find the instant appeal bereft of merit.

The errors imputed by defendant-appellant may be summarized into one (1) basic issue, – whether or not the RTC erred in rendering judgment in favor of plaintiffs-appellees (in Civil Case No. 3828-R, for Quieting of Title) and thereby canceling the encumbrance annotated at the back of their title (TCT No. 65094).

We resolve the issue in the negative.

Preliminarily, it bears emphasizing that an action for quieting of title is essentially a common law remedy grounded on equity.[6] As held in the case of *Baricuatro, Jr. v. Court of Appeals*,[7]

“x x x quieting of title is a common law remedy for the removal of any cloud upon or doubt or uncertainty with respect to title to real property. Originating in equity jurisprudence, its purpose is to secure ‘ . . . an adjudication that a claim of title to or an interest in property, adverse to that of the complainant, is invalid, so that the complainant and those claiming under him may be forever afterward free from any danger of hostile claim.’ In an action for quieting of title, the competent court is tasked to determine the respective rights of the complainant and other claimants,’ . . . not only to place the things in their proper place, to make the one who has no rights to said immovable respect and not disturb the other, but also for the benefit of both, so that he who has the right would see every cloud of doubt over the property dissipated, and he could afterwards without fear introduce the improvements he may desire, to use, and even to abuse the property as he deems best. . . (italics supplied).”

Under Article 476 of the Civil Code, quieting of title may be availed of only when, by reason of any instrument, record, claim, encumbrance or proceeding, which appears valid but is, in fact, invalid, ineffective, voidable or unenforceable, a cloud is thereby casts on the complainant’s title to real property or any interest therein. Specifically, Article 476 provides:

“Article 476. Whenever there is a cloud on title to real property or any interest therein, by reason of any instrument, record, claim, encumbrance or proceeding which is apparently valid or effective but is in truth and in fact invalid, ineffective, voidable, or unenforceable, and may be prejudicial to said title, an action may be brought to remove such cloud or to quiet the title.

An action may also be brought to prevent a cloud from being cast upon title to real property or any interest therein.”

Accordingly, for an action to quiet title to prosper, two (2) important points: (1) the plaintiff has a legal or an

equitable title to or interest in the real property subject of the action; and (2) the deed, claim, encumbrance or proceeding claimed to be casting doubt on his title must be shown to be in fact invalid or inoperative despite its prima facie appearance of validity or legal efficacy.[8]In this case, the abovementioned vital requisites for quieting of title are met. Firstly, plaintiffs-appellees have legal title to, and interest in, the real property covered by TCT No. 65094 by virtue of the sale in their favor of the subject property. Secondly, there appears to be a cloud on the said title by virtue of the writ of attachment annotated at the back of TCT No. 65094. It is quite clear that the said writ is invalid and should be cancelled accordingly by virtue of the dismissal of Civil Case No. 552-R by the RTC of Baguio, Branch 59, from which it draws its very existence.

We opine and so hold that the cancellation of such encumbrance is not only the legal action that should be done, but, it is also the just and equitable solution as well to this controversy. The trial court (RTC of Baguio City, Branch 59) in the said case may have centered on third-party defendant Salvino Liwan but it cannot be denied that the trial court had disposed of the case accordingly. Notably too, the trial court therein specifically pronounced that:

“With respect to the principal controversy between the plaintiff Tiong and defendant Limjoco, they finally agreed to settle their dispute even before evidence was received by the Court. Thus, trial proceeded only with respect to the third party defendant Salvino Liwan who as aforesaid was declared in default.”[9]

The decision of the RTC in Civil Case No. 552-R is binding on all the parties concerned. It has become final and executory. Defendant-appellant cannot, therefore, deny the legal consequences emanating from the said decision. Assuming the allegation of defendant-appellant that “Mr. Pedro S. Limjoco, reneged on this agreement, hence no compromise agreement was submitted for the court’s approval”[10] to be true, defendant-appellant, as the RTC puts it, “is thereby estopped from denying the binding effect of the decision in civil case no. 552-R.”[11] Defendant-appellant (and his wife) opted to remain unspoken when he had ample opportunity to challenge the decision of the trial court. He cannot belatedly, at this stage, in this case, question such decision. To consider defendant-appellant’s posture would be to modify the decision rendered by the court in Civil Case No. 552-R, – an utter disregard of the time-honored principle followed in this jurisdiction that final judgments are no longer open to amendments or modifications. Thus:

“The rule is clear that no modification of judgment could be granted to a party who did not appeal. It is enshrined as one of the basic principles in our rules of procedures, specifically to avoid ambiguity in the presentation of issues, facilitate the setting forth of arguments by the parties, and aid the court in making its determinations. It is not installed in the rules merely to make litigations laborious and tedious for the parties. It is there for a reason.”[12]

All told, We hold that the writ of attachment which went beyond the dismissal of Civil Case No. 552-R, from which it draws its very existence, is no longer effective and enforceable. Thus, no reversible error was committed by the RTC in rendering the assailed decision.

This being the case, the issue of whether or not defendant-appellant is indeed a proper party to enforce the writ of attachment becomes moot and academic.

WHEREFORE, the January 10, 2000 Decision of the Regional Trial Court, Branch 4, Baguio City, in Civil Case No. 3828-R, is hereby AFFIRMED.

SO ORDERED.

Asuncion, (Chairman) and Tayag, JJ;, concur.

[1] Records, pp. 109-123

[2] Records, p. 123

[3] Records, p. 109-121

[4] Records, pp. 121-123

[5] Rollo, pp. 32-33

[6] Calacala v. Republic, 464 SCRA 438 (2005)

[7] 325 SCRA 137 (2000) cited in the case of Calacala v. Republic of the Philippines, supra

[8] Calacala v. Republic of the Philippines, supra

[9] Records, p. 8; emphasis supplied

[10] Rollo, p. 35

[11] Records, p. 122; emphasis supplied

[12] Hufana v. Genato, 365 SCRA 384 (2001) citing Batingcal v. Court of Appeals, 351 SCRA 60 (2001); See relevant case of Policarpio v. RTC of Quezon City, Br. 83, 235 SCRA 314 (1994)

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