

TAGAYTAY-TAAL TOURIST DEVELOPMENT CORPORATION, PETITIONER, VS. COURT OF APPEALS (SPECIAL NINTH DIVISION) AND THE CITY OF TAGAYTAY, RESPONDENTS.

G.R. No. 106812. June 10, 1997

Ponente: KAPUNAN, J.

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KAPUNAN, J.:

The instant petition for review on certiorari seeks to reverse the decision[1] of respondent Court of Appeals in CA-G.R. CV No. 24933 entitled "City of Tagaytay vs. Tagaytay-Taal Tourist Development Corporation" promulgated on November 11, 1991 and the Resolution of the Court of Appeals dated August 24, 1992 denying petitioner's motion for reconsideration.

The Court of Appeals' decision sought to be reviewed affirmed the decision of the Regional Trial Court of Cavite, Branch XVIII, dated December 5, 1989[2] granting respondent City's unnumbered "Petition for Entry of New Certificate of Title," and ordering the issuance in its name of new certificates of title over certain properties it acquired through public auction to satisfy petitioner's alleged real estate tax delinquency.

It appears that petitioner was the registered owner of four (4) parcels of land with an aggregate area of 220 hectares and covered by TCT Nos. T-9816, T-9817, T-9818 and T-9819 supposed to be of the Register of Deeds of Tagaytay City. The properties were mortgaged on June 7, 1976 to Filipinas Manufacturers Bank and Trust Company by Benjamin Osias, representing himself as President and Chairman of the Board of petitioner. Two of the parcels of land, Lot 10-A and Lot 10-B of Subd. Plan (LRC) Psd-229279 and covered by TCT No. T-9816 and TCT No. 9817, respectively, are more particularly described as follows:

TECHNICAL DESCRIPTION

TCT No. 9816

CITY OF TAGAYTAY

A parcel of land (Lot 10-A of the subdivision plan (LRC) Psd-229279, being portion of Lot 10, Psu-82838, Amd. 4 L.R.C. Record No. 43057, situated in the Barrio of Birinayan, Municipality of Talisay, Province of Batangas, island of Luzon. Bounded on the NW., and NE., points 7 to 1 and 1 to 2 Lot 10-B on the SE., points 3 to 4, Lot 1-C both of the subdivision plan; and on the SW., points 4 to 7 by property of Agapito Rodriguez x x x x containing an area of SEVENTY FOUR THOUSAND THREE HUNDRED FORTY (74,340) SQUARE METERS, more or less xxx.

TECHNICAL DESCRIPTION

TCT No. 9817

CITY OF TAGAYTAY

A parcel of land (Lot 10-B, of the subdivision plan (LRC) Psd-229279, being a portion of Lot 10, Psu-82838,

Amd. 4., L.R.C. Record No. 49057), situated in the Barrio of Birinayan, Municipality of Talisay, Province of Batangas, Island of Luzon. Bounded on the NE., points 14 to 1 and 1 to 4 by property of Angel T. Limjoco; on the SE., points 4 to 5 by Lot 10-B, on the SW., and SE., points 5 to 7 by Lot 10-A, both of the subdivision plan; on the SW., points 7 to 9 by property of Agapito Rodriguez; and on the NW., points 9 to 12 by Lot 11, points 12 to 13 by Lot 9, and points 13 to 14 containing an area of NINE HUNDRED THIRTY SEVEN THOUSAND AND EIGHT HUNDRED FOURTEEN (937,814) SQUARE METERS, more or less xxx.

Owing to a dispute regarding the composition of its set of corporate officers and board of directors, petitioner in June of 1976, filed a complaint to nullify the aforesaid mortgage with the Regional Trial Court of Cavite, docketed as Civil Case No. TG-346, with prayer for the issuance of a writ of preliminary injunction. The trial court forthwith issued a temporary restraining order enjoining the Register of Deeds from registering the mortgage and directing it to hold for safekeeping the four (4) titles covering the properties until further orders.

On August 13, 1979, the trial court rendered a decision^[3] dismissing the complaint for lack of jurisdiction stating that the subject matter thereof involved the determination of who were the legitimate officers of petitioner, a question falling within the jurisdiction of the Securities and Exchange Commission. Said decision was subsequently upheld by this Court in G.R. No. 55521 in Tagaytay-Taal Tourist Development Corporation vs. Judge Alfredo B. Concepcion, et al.

In the meantime, the parcels of land covered by TCT Nos. T-9816 and T-9817 allegedly became delinquent in the payment of real estate taxes corresponding to the years 1976-1983 in the amounts of P131,465.20 and P950,616.11, respectively, resulting in the sale of the said properties in a public auction on November 28, 1983 to satisfy the taxes. Respondent City itself was the successful bidder in the public auction sale and was issued a Certificate of Sale on the same date.

On June 30, 1989, respondent City registered the final bills of sale over the lots covered by TCT Nos. T-9816 and T-9817.

On July 14, 1989, respondent City filed before the Regional Trial Court of Cavite City, sitting as land registration court, an unnumbered petition for the entry of new certificates of title over the lots in its name. Said petition was opposed by herein petitioner, alleging that the tax delinquency sale was null and void for lack of valid and proper notice to petitioner.^[4]

On December 5, 1989, the trial court rendered its decision holding that whatever rights and interests petitioners may have had in the subject properties had long been lost through prescription or laches, the dispositive portion of the decision reads:

WHEREFORE, finding the petition to be meritorious and sufficiently sustained with preponderant, legal and factual basis, this Court hereby gives its imprimatur to it and grants the same, dismissing in the process, the Opposition filed by Tagaytay-Taal Tourist Development Corporation. Accordingly, the Register of Deeds of Tagaytay City is hereby ordered to allow the City to consolidate the titles covering the properties in question (TCT Nos. T-9816 and T-9817), by issuing in its favor, and under its name, new Transfer Certificates of Titles and cancelling as basis thereof, the said TCT Nos. 9816 and 9817 in the name of Tagaytay-Taal Tourist Development Corporation, all of which, being hereby declared null and void, henceforth.

Not satisfied with the above decision, petitioner appealed to the Court of Appeals, docketed as CA-G.R. CV No. 24933, citing the following errors:

I. THE TRIAL COURT ERRED IN GIVING DUE COURSE TO THE PETITION FROM WHICH THE PRESENT APPEAL AROSE DESPITE ITS BEING PREDICATED ON A MISPLACED LEGAL BASIS.

II. THE TRIAL COURT ERRED IN FINDING THAT THE ENFORCEMENT OF WHATEVER RIGHTS THE

APPELLANT HAS OVER THE SUBJECT PROPERTIES HAD ALREADY PRESCRIBED.

On July 19, 1991, during the pendency of CA-G.R. CV No. 24933, petitioner filed with the Regional Trial Court of Cavite, sitting as a regular court, a petition entitled "Tagaytay-Taal Tourist Development Corporation vs. City of Tagaytay, Municipality of Laurel (formerly Talisay), Province of Batangas, Register of Deeds of Batangas, and Register of Deeds of the City of Tagaytay," docketed as Civil Case No. TG-1196,[5] assailing the authority of respondent City to levy real estate tax on the properties covered by TCT Nos. T-9816 and T-9817 on the ground that said properties are located in the Province of Batangas, and not in Tagaytay City. The case was assigned to Branch XVIII of the RTC.

On October 21, 1991, petitioner filed a Motion to Suspend Proceedings in CA-G.R. CV No. 24933,[6] until the termination of TG-1196 arguing that should the RTC in Civil Case No. TG-1196 rule that respondent City is without authority to levy realty taxes on the properties in question, then the decision of the RTC of December 5, 1989, subject of appeal in the Court of Appeals, directing the issuance of new certificates of titles in the name of respondent City over the properties would have no legal basis. The Court of Appeals did not resolve the motion.

On September 24, 1991, the Regional Trial Court of Cavite in Civil Case No. TG-1196 granted petitioner's application for writ of preliminary injunction, enjoining respondents therein from taking physical possession of the properties and/or offering the same for sale.[7]

On November 11, 1991, the Court of Appeals promulgated a decision[8] affirming the judgment of the Regional Trial Court in the petition for the entry of new certificates of title. Petitioner's motion for reconsideration was denied in a Resolution of the Court of Appeals dated August 24, 1992.[9]

Thus, on October 16, 1992, petitioner filed the instant petition on the following grounds:

xxx. The Regional Trial Court of Cavite (Tagaytay City) sitting as a land registration/cadastral court did not have any jurisdiction to hear and decide respondent City's petition for entry of new certificate of title. The respondent appellate Court, therefore, erred in affirming the decision of the lower court dated December 5, 1989. Assuming that the lower court has jurisdiction, the petition of respondent City should have been denied considering that the public auction sale of herein petitioner's properties was conducted without due and valid notice; and

xxx. In any event, the decision of the respondent Court is premature. The issue of authority of respondent City to levy real estate taxes on petitioner's properties, to declare herein petitioner a tax delinquent and to sell the properties in question is still pending determination by the Regional Trial Court of Tagaytay City in Civil Case No. TG-1196. The determination of such authority constitutes a prejudicial issue which must be resolved ahead of respondent City's petition for entry of a new title.

In the meantime, on October 21, 1994, the Regional Trial Court of Cavite rendered a decision in Civil Case No. TG-1196,[10] the dispositive portion of which reads:

WHEREFORE, judgment is hereby rendered granting the instant petition and as a consequence, the public auction sale of the properties of the petitioner, both covered by TCT Nos. T-9816 and T-9817 of the Register of Deeds of Tagaytay City, as well as the Certificate of Sale and the Final Bills of Sale of said properties in favor of the respondent City of Tagaytay City, and all proceedings held in connection therewith are hereby annulled and set aside, and the respondent Register of Deeds of the City of Tagaytay is hereby directed to cancel Entries Nos. 21951/T-9816 and 21984/T-9816 annotated and appearing on TCT No. T-9816 and Entries Nos. 21950/T-9817 and 30087/T-9817 annotated and appearing on TCT No. T-9817 regarding the sale of the lots described therein in favor of the City of Tagaytay.

Moreover, the writ of preliminary injunction issued by this Court on September 24 is hereby made permanent.

SO ORDERED.

No appeal having been taken from the above cited decision by any of the parties, the same had become final and executory.

Asserting that the decision of the Regional Trial Court in Civil Case No. TG-1196 is material to the resolution of the petition at bar, petitioner on May 31, 1995 filed a Supplemental Petition dated May 24, 1995 principally anchored on the following grounds:

xxx. In addition or as supplement to the grounds relied upon in the petition, petitioner seeks the reversal of the decision (Annex 'A', Petition) and resolution (Annex 'B', Petition) promulgated in CA-G.R. CV No. 24933 on November 11, 1991 and August 24, 1992, respectively, on the basis of the following: By a decision (now final and conclusive on respondent City of Tagaytay and the petitioner) rendered by the Regional Trial Court of Cavite on October 21, 1994 in Civil Case No. TG-1196 entitled 'Tagaytay Taal Tourist Development Corporation vs. City of Tagaytay, et al.' the respondent City of Tagaytay had been found without authority to levy real estate taxes on the properties. The public auction sale at which respondent City of Tagaytay allegedly purchased the properties subject of the petition was annulled and set aside. Similarly, the certificates of sale and the final bills of sale covering said properties were annulled and set aside. Hence, there is clearly no basis for the decision (Annex 'A', Petition) and Resolution (Annex 'B', Petition) of respondent Court of Appeals promulgated on November 11, 1991 and August 24, 1992 in CA-G.R. CV No. 24933.[11]

After respondent City filed its comment on the supplemental petition, followed by petitioner's reply thereto, this Court gave due course to the petition and required the parties to file their respective memoranda.

We grant the petition.

The issues in the instant petition are: (a) whether or not the Regional Trial Court of Cavite, sitting as a land registration or cadastral court, had jurisdiction to hear and decide respondent City's petition for the cancellation of TCT No. T-9816 and TCT No. T-9817 in the name of petitioner and the issuance of new ones in the name of respondent City despite serious opposition by petitioner; (b) whether or not respondent City had the right to levy real estate tax over the properties covered by TCT Nos. T-9816 and T-9817.

We answer both issues in the negative.

I

Respondent City's unnumbered petition filed on July 14, 1989 with the Regional Trial Court of Cavite sitting as land registration or cadastral court for the entry of new certificates of title over the properties in its name, is pursuant to Section 75, Presidential Decree No. 1529,[12] which provides as follows:

SEC. 75. Application for new certificate upon the expiration of redemption period. — Upon the expiration of the time, if any, allowed by law for redemption after registered land has been sold on execution taken or sold for the enforcement of a lien of any description, except a mortgage lien, the purchaser at such sale or anyone claiming under him may petition the court for the entry of a new certificate of title to him.

Before the entry of a new certificate of title, the registered owner may pursue all legal and equitable remedies to impeach or annul such proceedings.

It is crystal from the above-quoted provision that upon the expiration of time allowed by law for redemption of a registered land sold on execution, the purchaser at such sale may petition for the issuance of a new certificate of title to him, subject to the condition that "before entry of a new certificate of title the registered owner may pursue all legal and equitable remedies to impeach or annul such proceedings." (underscoring ours).

Here, petitioner had the right to avail of its legal and equitable remedies to nullify the delinquency sale because, firstly, there was lack of notice to it, and therefore, it was deprived of due process; secondly, the properties in question became subject of serious controversy brought about by the filing of a complaint in June of 1976 with the RTC of Cavite in Civil Case No. TG-346 to nullify the contract of mortgage over the properties for lack of authority to execute the contract, as well as the pendency before the SEC of the dispute as to who were the duly elected directors and officers of petitioner, which directly affected the validity of their dealing and disposition of the subject properties, all of which matters were ventilated in petitioner's opposition to respondent City's petition for issuance of new certificates of title in its name; and thirdly, respondent City had no authority to impose realty tax on petitioner as the properties alleged to have been delinquent are actually located in Talisay, Batangas.

Thus, in the opposition of petitioner to the issuance of new certificates of title to respondent City, it was vigorously argued that:

That herein oppositor, as owner, should be named as a necessary party or given notice in such a petition is implicit in the said provision of the law. Were this not so, the provision giving the registered owner the opportunity to pursue all legal and equitable remedies to impeach or annul proceedings wherein the entry of a new certificate of title is sought would be rendered negatory.

The present petition is very clearly a case in point for the simple reason that herein oppositor was not even named as a party and notice thereof came to it purely by chance. Had it not come to know of the petition, herein oppositor would have been deprived of the change to have recourse to the remedies allows it by law.

Herein oppositor to the present petition is essentially anchored upon the fact that the suppose sale at public auction of the properties in question on November 28, 1983 to the City Government of Tagaytay was null and void considering that it was effected without any previous legally valid and effective notice to the owner thereof, herein oppositor.

While it may appear in the records of the Office of the Treasurer of Tagaytay City that a notice or notices were sent, the same could not have been considered properly addressed to and received by herein oppositor to warrant the conduct of said sale.

It must be pointed out that this Honorable Court, in its decision dated August 13, 1979, in Civil Case No. TG-346 disclaimed jurisdiction in that case and thereby tossed the question of the determination of the lawful directors and officers of oppositor corporation to the Securities and Exchange Commission. At the time the Tagaytay City Treasurer moved to seek the satisfaction of the delinquent taxes of oppositor corporation on its aforementioned properties, there was yet nobody who could validly act for and in its behalf. Any notice covering the scheduled sale of its properties therefore could not have been deemed effective notice as it must necessarily have been sent to someone who had no legal personality or capacity to act for it and if said notice was, in fact, received by anybody, such notice and receipt thereof could not have validly bound oppositor corporation for failure to act accordingly.

Being aware of the then situation of oppositor corporation which was frozen to immobility by the decision of this Honorable Court in the aforementioned Civil Case No. TG-346, the Treasurer of Tagaytay City should have deferred action on oppositor corporation's property tax delinquency until such time that it could already perform acts as a juridical person through its officers and directors certified and recognized as such by the SEC. That is proceeded with the auction sale after a notice which is invalid rendered the same null and void.

And consequently, the present petition has no valid and legal basis.[13]

The issues raised before the RTC sitting as a land registration or cadastral court, without question, involved substantial or controversial matters and, consequently, beyond said court's jurisdiction. The issues may be resolved only by a court of general jurisdiction.

In Re: Balanga vs. Court of Appeals,[14] we emphatically held:

xxx. While it is true that Section 78 of Act. 496 on which the petition is based provides that upon the failure of the judgment-debtor to redeem the property sold at public auction the purchaser of the land may be granted a new certificate of title, the exercise of such function is qualified by the provision that 'at any time prior to the entry of a new certificate the registered owner may pursue all his lawful remedies to impeach or annul proceedings under executions or to enforce liens of any description.' The right, therefore, to petition for a new certificate under said section is not absolute but subject to the determination of any objection that may be interposed relative to the validity of the proceedings leading to the transfer of the land subject thereof which should be threshed out in a separate appropriate action. This is the situation that obtains herein. Teopista Balanga, the judgment-debtor, is trying to impeach or annul the execution and sale of the properties in question by alleging that they are conjugal in nature and the house erected on the land has been constituted as a family home which under the law is exempt from execution. These questions should first be determined by the court in an ordinary action before entry of a new certificate may be decreed.

This pronouncement is also in line with the interpretation we have placed on Section 112 of the same Act to the effect that although cadastral courts are empowered to order the cancellation of a certificate of title and the issuance of a new one in favor of the purchaser of the land covered by it, such relief can only be granted if there is unanimity among the parties, or no serious objection is interposed by a party in interest. As this Court has aptly said: 'While this section, (112) among other things, authorizes a person in interest to ask the court for any erasure, alteration, or amendment of a certificate of title x x x and apparently the petition comes under its scope, such relief can only be granted if there is unanimity among the parties, or there is no adverse claim or serious objection on the part of any party in interest; otherwise the case becomes controversial and should be threshed out in an ordinary case or in the case where the incident properly belongs' (Angeles v. Razon, G.R. No. L-13679, October 26, 1959, and cases cited therein). x x x.

From the foregoing ruling, it is clear that petitions under Section 75 and Section 108 of P.D. 1529 (formerly Sec. 78 and Sec. 112 of Act 496) can be taken cognizance of by the RTC sitting as a land registration or cadastral court. Relief under said sections can only be granted if there is unanimity among the parties, or that there is no adverse claim or serious objection on the part of any party in interest; otherwise, the case becomes controversial and should be threshed out in an ordinary case or in the case where the incident properly belongs.[15]

Petitioner also questioned the validity of the delinquency sale for lack of notice, the effect of which was to vitiate the sale. Indeed, there is nothing on record to show to whom the notice of the delinquency sale was sent and who received the same, which is a critical issue considering that at that time there was a question as to who were the lawful directors and officers of petitioner, the determination of which was disclaimed by the Regional Trial Court in Civil Case No. TG-346 and was thereby thrown into the lap of the Securities and Exchange Commission. In other words, at the time of the delinquency sale, there was no definite person yet who was clothed with authority to act for and in behalf of petitioner. There being no evidence that petitioner was notified of the delinquency sale, the omission rendered the sale null and void.

The assailed decision of the appellate court declares that the prescribed procedure in auction sales of property for tax delinquency being in derogation of property rights should be followed punctiliously. Strict adherence to the statutes governing tax sales is imperative not only for the protection of the taxpayers, but also to allay any possible suspicion of collusion between the buyer and the public officials called upon to enforce such laws. Notice of sale to the delinquent land owners and to the public in general is an essential and indispensable requirement of law, the non-fulfillment of which vitiates the sale.

We give our stamp of approval on the aforementioned ruling of the respondent court. x x x.[16]

The Court of Appeals, in affirming the decision of the Regional Trial Court, reasoned out that petitioner was

barred by prescription and laches in questioning the lack of notice of the delinquency sale because it knew of such sale "at least on 27 November 1984 when it secured from the Honorable Supreme Court, through its President Eduardo L. Santos, telegraphic restraining order enjoining petitioner-appellee from consolidating title over the subject properties." [17]

Precisely, the capacity of Eduardo L. Santos as director and corporate officer of petitioner corporation has been questioned by the other stockholders of petitioner who asserted that Santos and others made it appear that they are stockholders by virtue of shares traceable from the unissued shares, which were nullified by the SEC. [18] On June 15, 1990, petitioner, et al., filed with the SEC an action for "Injunction and Damages, with Preliminary Injunction and Enforcement of SEC Decision" against Eduardo L. Santos and others, [19] praying principally that Eduardo L. Santos and his co-respondents be declared "not stockholders of the corporation and are unlawful usurpers of the positions of directors and corporate officers of the Corporation." [20]

Consequently, knowledge of Eduardo L. Santos of the delinquency sale could not have been considered as notice to petitioners.

Considering, therefore, that the Regional Trial Court of Cavite acted without jurisdiction over the case so that its decision is null and void, it necessarily follows that the decision of the Court of Appeals affirming the RTC's decision has no leg to stand on.

II

The Regional Trial Court of Cavite, sitting as a land registration or cadastral court, could not have ordered the issuance of new certificates of title over the properties in the name of respondent City if the delinquency sale was invalid because said properties are actually located in the municipality of Talisay, Batangas, not in Tagaytay City. Stated differently, respondent City could not have validly collected real taxes over properties that are outside its territorial jurisdiction. This is clear from P.D. 464, otherwise known as the Real Property Tax Code, the pertinent provisions of which state:

SEC. 5. Appraisal of Real Property. — All real property, whether taxable or exempt, shall be appraised at the current and fair market value prevailing in the locality where the property is situated.

x x x.

SEC. 39. Rates of Levy. — The provincial, city or municipal board or council shall fix a uniform rate of real property tax applicable to their respective localities as follows:

x x x.

SEC. 47. Special Levy by Local Governments. — The provincial, city, municipal boards or councils may, by ordinance, provide for the imposition and collection of a special levy on the lands comprised within the province, city or municipality or parts thereof. x x x.

x x x.

SEC. 57. Collection of Tax to be the Responsibility of Treasurers. — The collection of the real property tax and all penalties accruing thereto, and the enforcement of the remedies provided for in this Code or any applicable laws, shall be the responsibility of the treasurer of the province, city or municipality where the property is situated.

The Regional Trial Court of Cavite in Civil Case No. TG-1196 rendered a decision on October 21, 1994 ruling that the properties in question are actually situated in Talisay, Batangas, [21] hence, the assessment of real estate taxes thereon by respondent City and the auction sale of the properties on November 28, 1983, as well as the

Certificate of Sale and Final Bill of Sale in favor of respondent City are null and void. We quote with favor portions of said decision:

As earlier stated herein, the portion of Barrio of Birinayan, Municipality of Talisay, Province of Batangas, by virtue of the provisions of Commonwealth Act No. 338 corresponds to Exhibit '1-B' of the Plan of Mendez-Nuñez marked as Exhibit '1', and it is noted that Exhibit '1-B' or that portion of the Municipality of Talisay, Province of Batangas given to the respondent City under Commonwealth Act No. 338 is located below the Tagaytay Ridge which was the boundary between the Provinces of Cavite and Batangas before the enactment of Commonwealth Act No. 338. Thus, taking into account the above-quoted portion of the explanatory note of Republic Act No. 1418, there can be no doubt that what had been ordered returned by the law to the Municipality of Talisay, Province of Batangas does not extend only to the portion annexed to the respondent City by virtue of Executive Order No. 336 but also the portion mentioned under Commonwealth Act No. 338. Besides, the same explanatory note mentions specifically the return of the two (2) barrios of Talisay, Batangas, and not merely portions thereof, hence the conclusion is inescapable that Republic Act No. 1418 intended the return of the entire barrios of Caloocan and Birinayan to the same municipality.

It is beyond my doubt, therefore, that Lots 10-A and 10-B of TCT Nos. T-9816 and T-9817 of petitioner, which are located in Barrio Binirayan, Municipality of Talisay, Province of Batangas, at the time Republic Act No. 1418 took effect, are no longer within the territorial jurisdiction of the respondent City of Tagaytay and since there is no dispute that under the law, the City of Tagaytay may only subject to the payment of real estate tax properties that are situated within its territorial boundaries (See Sections 27 & 30, Commonwealth Act No. 338; Presidential Decree No. 464; and 1991 Local Government Code), the assessment of real estate taxes imposed by the respondent City on the same properties in the years 1976 up to 1983 appears to be legally unwarranted. In the same manner, the public auction sale, which was conducted by the same respondent on November 28, 1989, for deficiencies on the part of the petitioner to pay real estate taxes on the same years, as well as the certificates of sale and the final bills issued and executed in connection with such auction sale, and all proceedings taken by the respondent City in connection therewith are all considered by this Court as illegal, and null and void.

In fine, this Court finds from the evidence adduced on record that petitioner has preponderantly established its entitlement to the reliefs mentioned in its petition.

WHEREFORE, judgment is hereby rendered granting the instant petition and as a consequence, the public auction sale of the properties of the petitioner, both covered by TCT Nos. T-9816 and T-9817 of the Registry of Deeds of Tagaytay City, as well as the Certificates of Sale and the Final Bills of Sale of said properties in favor of the respondent Tagaytay City, and all proceedings held in connection therewith are hereby annulled and set aside, and the respondent Register of Deeds of the City of Tagaytay is hereby directed to cancel Entries Nos. 21951/T-9816, 21984/T-9816 annotated and appearing on TCT No. T-9816 and Entries Nos. 21950/T-98917 and 30087/T-9817 annotated and appearing on TCT No. T-9817 regarding the sale of the lots described therein in favor of the City of Tagaytay.

The above-cited decision has not been appealed and is now final and executory.[22]

WHEREFORE, the decision of respondent Court of Appeals promulgated on November 11, 1991 and its resolution of August 24, 1992, and the decision of the Regional Trial Court of Cavite dated December 5, 1989 are hereby REVERSED and SET ASIDE. The "Petition for Entry of New Certificates of Title" of respondent City of Tagaytay is DENIED.

SO ORDERED.

Bellosillo, and Hermosisima, Jr., JJ., concur.

Padilla, (Chairman), J., on leave.

Vitug, J., In the result.

[1] Rollo, pp. 45-50.

[2] Id., at 122-124.

[3] Id., at 69-73.

[4] Petitioner claimed that, at the time of sale, no official could properly represent it, as the question of who are its officers was yet to be resolved by the Securities and Exchange Commission and, as a consequence, could not have acquired notice thereof. The issue as to who are the legally elected officers had been raised before the then Court of First Instance of Cavite in Civil Case No. TG-346 entitled Tagaytay-Taal Tourist Development Corporation vs. Benjamin C. Osias, et al. The CFI in its decision dated August 13, 1979 (Rollo, pp. 63-73) ruled that the issue may be validly resolved only by the SEC pursuant to P.D. 902-A. The decision was upheld by the Supreme Court in G.R. No. 55521. On June 21, 1990, petitioner together with stockholders Emmanuel B. Ocampo and others, filed a petition with the SEC (SEC Case No. 3806) dated June 15, 1990 (Rollo, pp. 74-93) against Eduardo L. Santos and others, wherein the basic issue raised was: who are the lawful directors and officers of herein petitioner. On October 23, 1990, the SEC issued an injunction enjoining Eduardo L. Santos, et al. from representing themselves as directors and officers of petitioner (Rollo, pp. 100-118).

[5] Rollo, pp. 125-136.

[6] Id., at 137-141.

[7] Id., at 106-108.

[8] Id., at 45-50.

[9] Id., at 52-53.

[10] Id., at 109-119.

[11] Id., at 89-103.

[12] Same as Section 78 of the Land Registration Act.

[13] RTC Record, pp. 7-8.

[14] 1 SCRA 391 [1961].

[15] *Tanganan vs. Republic*, 94 Phil. 171; *Angeles vs. Razon*, 106 Phil. 384; *Republic vs. Laperal*, 108 Phil. 860.

[16] *Serfino vs. Court of Appeals*, 154 SCRA (1987).

[17] Id., at 50.

[18] Id., at 85.

[19] Id., at 74-97.

[20] Id., at 97.

[21] The Technical Descriptions themselves of both lots covered by TCT No. T-9816 and TCT No. T-9817 specify their location with the words: "xxx situated in the Barrio of Birinayan, Municipality of Talisay, Province of Batangas, Island of Luzon (underscoring ours).

[22] In a Manifestation dated September 25, 1995, Ameurfina Melencio-Herrera and Emelina

Melencio-Fernando, apprised the Court that on August 31, 1995, they filed a petition before the Court of Appeals, docketed as CA-G.R. No. 38298 for the annulment of the decision on the principal grounds of lack of due process and extrinsic fraud, alleging that (a) although they had already brought the subject properties, yet, respondent City did not implead them as proper parties; and (b) while they filed a Motion for Intervention in the trial court, they opted not to pursue their Motion for Intervention upon assurances of respondent City that it would file an appeal should its Motion for Reconsideration of the RTC's decision be denied; however, respondent City filed a defective Motion for Reconsideration which was ordered stricken off the record and respondent City did not appeal for reasons of its own.

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