SPS. BERNARDO V. ATIENZA AND EUFROCINA M. ATIENZA,PETITIONERS, VS. THE COURT OF APPEALS, GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), EX-OFFICIO SHERIFF OF MAKATI, THE REGISTERS ...

G.R. NO. 131741. July 31, 2006

Ponente: AZCUNA, J.

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AZCUNA, J.:

This is a petition for review on certiorari questioning the decision and resolution of the Court of Appeals[1] which denied a petition for annulment of the orders of the Regional Trial Court of Makati, Branch 132[2] which in turn dismissed a petition for annulment of sale.

The facts as narrated by the Court of Appeals are as follows:

> Sometime in 1963, petitioners obtained a housing loan from respondent GSIS in the amount of P18,000.00. As security, petitioners executed a real estate mortgage over two (2) parcels of land situated in Makati and Malabon and covered by TCT Nos. 102885 and 108406. Apparently, the loan obligation was not paid, so in 1984, respondent GSIS notified petitioners of the foreclosure sale of their real estate mortgage. To forestall the threatened foreclosure, petitioners paid respondent GSIS the sum P185,000.00. Despite the said payments, respondent GSIS proceeded with the auction sale, with the latter as highest bidder. The certificates of title in the name of petitioners were subsequently cancelled and new ones issued in the name of respondent GSIS.
>
> Petitioners negotiated for the repurchase of the mortgaged properties at the redemption price but respondent GSIS denied the offer. Hence, on 20 September 1987, petitioner Eufrocina filed a complaint for injunction against respondent GSIS before the RTC of Manila, Branch 30 which was docketed as Civil Case No. 87-42116 praying that respondent GSIS be restrained from selling the said mortgaged properties. On 4 February 1992, a similar action was filed by petitioner Eufrocina against respondent GSIS before another branch (Br. 40) of the RTC of Manila which was docketed as Civil Case No. 92-60056. A similar complaint for injunction was later filed on 8 January 1993 against the same respondent before the RTC of Makati, Branch 61 which was docketed as 93-060.
>
> The three (3) injunction suits were dismissed by the trial courts: Civil Case No. 87-42116 on the ground of improper venue; Civil Case No. 92-60056 on the ground that a similar case was already filed for the same cause of action (referring to CC No. 87-42116) and Civil Case No. 93-060 on the ground of res judicata.
>
> Petitioner appealed Civil Case No. 93-060 to this Court (CA G.R. No. 44937) but [the appeal] was subsequently withdrawn.
>
> Thereafter, petitioners instituted this present complaint [CC No. 94-2342] for annulment of sale against herein respondent GSIS before respondent court.
>
> On 12 October 1994, respondent GSIS moved to dismiss the complaint, alleging inter alia:
>
> - The verification made by the plaintiffs pursuant to Administrative Order No. 04-94 of the Honorable

> Supreme Court admits of the filing of other actions involving the same issues raised in the present case.
>
> - That there is another action pending between the same parties for the same cause.
>
> - That the complaint failed to state a cause of action.
>
> Petitioners opposed the motion asserting among others that the verification in the complaint did not admit the filing of other actions involving the same issues raised in the present case and that there is no other action pending between the same parties for the same cause.
>
> The respondent court in its Order of 22 February 1995, granted the motion, the fallo of which reads:
> For resolution is a Motion to Dismiss filed by defendant Government Service Insurance System (GSIS), thru counsel, on October 12, 1994, considered together with three (3) other motions related thereto.
>
> One of the grounds posed by defendant GSIS is [a] violation of Administrative Circular No. 04-94 on Forum Shopping.
>
> In their certification on Non-Forum Shopping embodied in the verification of the complaint, plaintiffs admitted having filed:
>
> - Civil Case No. 93-060 entitled "Eufrocina M. Atienza vs. Government Service Insurance System" at RTC-Branch 61, Makati, for injunction;
>
> - Civil Case No. 87-42116 entitled "Eufrocina Atienza vs. Government Service Insurance System (GSIS)" at RTC-Branch 30, Manila, for injunction; and
>
> - Civil Case No. 92-60056 entitled "Eufrocina Atienza vs. Government Service Insurance System" at RTC-Branch 40, Manila for injunction.
>
> These cases involved the same essential facts and circumstances with the instant case. The filing of this case, therefore, the issues of which could have been properly raised in the three earlier cases, amply demonstrate plaintiffs' act of forum shopping.
>
> IN VIEW THEREOF, this case is hereby dismissed.
>
> The two other grounds asserted by defendant GSIS in its motion [are] considered moot and academic.
>
> SO ORDERED. (pp.116-117, rollo).

Petitioners moved for reconsideration arguing that the present suit for annulment of sale [does] not involve the same cause of action as the three injunction cases filed before the Regional Trial Courts of Makati and Manila are only ancillary or preventive remedies to prevent respondent GSIS from taking over the possession of the subject properties, none of which could have resolved with finality the issue or validity of the auction sale and the subsequent issue of ownership of the mortgaged land.

On 19 June 1995, the Court denied the motion for reconsideration.

Petitioners questioned the respondent's aforementioned Orders before this Court (CA G.R. SP No. 38198) via a petition for certiorari which was denied by this Court on 23 April 1996 portions of which [denial] read:

> The pleadings on file show that petitioners filed [a] motion for reconsideration of the order of dismissal and they received a copy of the order denying their motion for reconsideration on June 30, 1995. There is no showing that petitioners appealed from the Order dated February 22, 1995 which is the proper remedy. The order of dismissal cannot be assailed in this petition for certiorari which was received by this Court on August 22, 1995. By this time, appeal is too late to take, leaving the order to become final by operation of law. And this petition cannot be a good substitute for the appeal which petitioners failed to avail of.

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> WHEREFORE, the petition for certiorari is hereby DISMISSED.
>
> SO ORDERED. (p. 345, rollo).

Petitioners went up to the Supreme Court (G.R. No 125268) thru a petition for review on certiorari. On 14 August 1996, the High Court denied the petition for failure to show that a reversible error had been committed by this court.

On 2 January 1997, petitioners filed this petition on the principal ground that the Order of 22 February 1995 was obtained by respondent GSIS thru fraud and misrepresentation which prevented them from presenting evidence in support of their cause of action and having a trial on the merits.[3]

The Court of Appeals denied the petition, declaring that the appropriate remedy subsequent to the denial of the motion for reconsideration was a petition for review on certiorari and not a petition for certiorari. By failing to file a petition for review on certiorari on time, the Court of Appeals added, the petitioners lost the remedy and the assailed orders became final and executory.

The Court of Appeals went on to say that a petition for annulment of judgments or final orders may only be availed of when the remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.

The Court of Appeals articulated that one of the grounds for the annulment of a judgment or final order is when such is obtained by extrinsic or collateral fraud. It defined extrinsic fraud as follows:

> It is one the effect of which prevents a party from having a trial, or real contest, or from presenting all of his case to the court, or where it operates upon matters pertaining, not to the judgment itself, but of the manner in which it was procured so that there is not a fair submission of the controversy. In other words, extrinsic fraud refers to any fraudulent act of [the] prevailing party in the litigation which is committed outside of the trial of the case, whereby the defeated party has been prevented from exhibiting fully his side of the case, by fraud or deception practiced on him by his opponent. (Macabingkil v. People's Homesite and Housing Corp., 72 SCRA 326, cited in Top Management Programs Corp. v. Court of Appeals, 222 SCRA 769-770).

The Court of Appeals found that the fraud alleged by petitioners is not extrinsic, since petitioners were not prevented from fully ventilating their case because of any fraudulent act employed by the GSIS outside of the trial of the case.[4]

Petitioners thereupon filed this petition and alleged that:

> - The Court of Appeals erred in holding that there was no extrinsic or collateral fraud in support of the petition, despite the clear showing that the order of dismissal was issued upon the initiative of and/or procured by respondent GSIS thru fraud and misrepresentation of the facts, which effectively prevented the petitioners from presenting evidence in support of their cause of action and having a trial on the merits or from presenting their case to the Trial Court, an EXTRINSIC OR COLLATERAL FRAUD in satisfaction of the requirement; and,
>
> - The Court of Appeals erred in holding that the Motion to Dismiss was well-grounded in that the dismissal of the injunction suits constitute res judicata, despite the provisions of the Rules of Court and jurisprudence holding that injunctions are mere interlocutory orders and the dismissal thereof for improper venue does not dispose of the case on the merits.

The petition is not meritorious.

As discussed in the narration of facts, it appears that Civil Case No. 94-2342 had been previously raised to the Court of Appeals via a petition for certiorari,[5] which the Court of Appeals denied due to the use of a wrong

remedy. The Court of Appeals said that the case should have been raised on a petition for review and not a petition for certiorari.[6] The Court of Appeals also denied the motion for reconsideration filed by petitioners.[7] Petitioners questioned the denial before this Court in a petition for review on certiorari.[8] This Court denied the petition for review on certiorari for having been filed one day late and for failure to show any reversible error,[9] and also denied the motion for reconsideration.[10] This case, therefore, has already been decided by this Court with finality. Pacquing v. Court of Appeals[11] declared:

> It is an important fundamental principle in our Judicial system that every litigation must come to an end. Access to the courts is guaranteed. But there must be a limit thereto. Once a litigant's rights have been adjudicated in a valid final judgment of a competent court, he should not be granted an unbridled license to come back for another try. The prevailing party should not be harassed by subsequent suits. For, if endless litigations were to be encouraged, then unscrupulous litigants will multiply in number to the detriment of the administration of justice.[12]

Thus, litigation of this case must now cease.

WHEREFORE, the petition for review on certiorari is hereby DENIED. Costs against petitioners.

SO ORDERED.

Puno, Sandoval-Gutierrez, Corona, and Garcia, JJ., concur.

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[1] CA G.R. No. 42904.

[2] Civil Case No. 94-2342.

[3] Rollo, pp. 43-47.

[4] Id. at 47-49.

[5] CA G.R. No. 38198.

[6] Rollo, pp. 85-88.

[7] Id. at 84.

[8] G.R. No. 125268.

[9] Rollo, p. 76.

[10] Id. at 74.

[11] 200 Phil. 516 (1982).

[12] Id. at 521 citing Ferinion v. Sta Romana, et al., L-25521, February 28, 1996, 16 SCRA 370, 374-375.

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