SOLEDAD CHANLIONGCO RAMOS, FRANCISCO D. CHANLIONGCO, ADELBERTO D. CHANLIONGCO, ARMANDO D. CHANLIONGCO AND FLORENCIO D. CHANLIONGCO, PETITIONERS, VS. TERESITA D. RAMOS, SPOUSES T...

G.R. No. 144294. March 11, 2003

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Well-settled is the rule that a final judgment is immutable and unalterable. The only exceptions to this rule are (1) the correction of clerical errors, (2) the so-called nunc pro tunc entries which cause no prejudice to any party, and (3) void judgments.

The Case

Before us is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court, seeking to set aside the July 31, 2000 Resolution[2] of the Court of Appeals (CA) in CA-GR CV No. 29507 which denied petitioners' Motion to Set Aside the CA Decision[3] dated September 28, 1995. The assailed Resolution disposed as follows:

> "Finding the opposition of [respondents] to be well-taken, the [Court hereby DENIES the Motion]."[4]

The Facts

Petitioners are children of the late Paulino V. Chanliongco Jr., who was the co-owner of a parcel of land known as Lot No. 2-G of Subdivision Plan SWO No. 7308. Situated in Tondo, Manila, it was co-owned by him, his sister Narcisa, and his brothers Mario and Antonio. By virtue of a Special Power of Attorney executed by the co-owners in favor of Narcisa, her daughter Adoracion C. Mendoza had sold the lot to herein respondents on different days in September 1986. Because of conflict among the heirs of the co-owners as to the validity of the sale, respondents filed with the Regional Trial Court (RTC)[5] a Complaint[6] for interpleader to resolve the various ownership claims.

The RTC upheld the sale insofar as the share of Narcisa was concerned. It ruled that Adoracion had no authority to sell the shares of the other co-owners, because the Special Power of Attorney had been executed in favor only of her mother, Narcisa.

On appeal, the CA modified the ruling of the RTC. It held that while there was no Special Power of Attorney in favor of Adoracion, the sale was nonetheless valid, because she had been authorized by her mother to be the latter's sub-agent. There was thus no need to execute another special power of attorney in her favor as sub-agent. This CA Decision was not appealed, became final and was entered in favor of respondents on August 8, 1996.[7]

On April 10, 1999, petitioners filed with the CA a Motion to Set Aside the Decision. They contended that they had not been served a copy of either the Complaint or the summons. Neither had they been impleaded as parties to the case in the RTC. As it was, they argued, the CA Decision should be set aside because it adversely affected

their respective shares in the property without due process.

In denying the Motion of petitioners, the CA cited the grounds raised in respondents' Opposition: (a) the Motion was not allowed as a remedy under the 1997 Rules of Civil Procedure; (b) the Decision sought to be set aside had long become final and executory; (c) the movants did not have any legal standing; and (d) the Motion was purely dilatory and without merit.[8]

Hence, this Petition.[9]

The Issue

In their Memorandum, petitioners raise this sole issue for the Court's consideration:

> "x x x [W]hether the Court of Appeals erred in denying petitioners' Motion and allowing its Decision dated September 25, 1995 to take its course, inspite of its knowledge that the lower court did not acquire jurisdiction over the person of petitioners and passing petitioners property in favor of respondents, hence without due process of law."[10]

The Court's Ruling

The Petition is unmeritorious.

Main Issue:
Entitlement to Summons

It is well settled that a decision that has acquired finality becomes immutable and unalterable. A final judgment may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact or law;[11] and whether it will be made by the court that rendered it or by the highest court in the land.[12] The only exceptions to this rule are the correction of (1) clerical errors, (2) the so-called nunc pro tunc entries which cause no prejudice to any party, and (3) void judgments.[13] To determine whether the CA Decision of September 28, 1995 is void, the failure to implead and to serve summons upon petitioners will now be addressed.[14]

To be able to rule on this point, the Court needs to determine whether the action is in personam, in rem or quasi in rem. The rules on the service of summons differ depending on the nature of the action.

An action in personam is lodged against a person based on personal liability; an action in rem is directed against the thing itself instead of the person;[15] while an action quasi in rem names a person as defendant, but its object is to subject that person's interest in a property to a corresponding lien or obligation.[16]

The Complaint filed by respondents with the RTC called for an interpleader to determine the ownership of the real property in question.[17] Specifically, it forced persons claiming an interest in the land to settle the dispute among themselves as to which of them owned the property. Essentially, it sought to resolve the ownership of the land and was not directed against the personal liability of any particular person. It was therefore a real action, because it affected title to or possession of real property.[18] As such, the Complaint was brought against the deceased registered co-owners: Narcisa, Mario, Paulino and Antonio Chanliongco, as represented by their respective estates.

Clearly, petitioners were not the registered owners of the land, but represented merely an inchoate interest thereto as heirs of Paulino. They had no standing in court with respect to actions over a property of the estate, because the latter was represented by an executor or administrator.[19] Thus, there was no need to implead them as defendants in the case, inasmuch as the estates of the deceased co-owners had already been made parties.

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Furthermore, at the time the Complaint was filed, the 1964 Rules of Court were still in effect. Under the old Rules, specifically Section 3 of Rule 3,[20] an executor or administrator may sue or be sued without joining the party for whose benefit the action is prosecuted or defended.[21] The present rule,[22] however, requires the joinder of the beneficiary or the party for whose benefit the action is brought. Under the former Rules, an executor or administrator is allowed to either sue or be sued alone in that capacity. In the present case, it was the estate of petitioners' father Paulino Chanliongco, as represented by Sebrio Tan Quiming and Associates, that was included as defendant[23] and served summons.[24] As it was, there was no need to include petitioners as defendants. Not being parties, they were not entitled to be served summons.

Petitioner Florencio D. Chanliongco, on the other hand, was impleaded in the Complaint, but not served summons. However, the service of summons upon the estate of his deceased father was sufficient, as the estate appeared for and on behalf of all the beneficiaries and the heirs of Paulino Chanliongco, including Florencio.

We also note that the counsel of petitioners, Atty. Felino V. Quiming Jr., is a partner of the law firm that represented the estate of the deceased father. Hence, it can reasonably be expected that the service upon the law firm was sufficient notice to all the beneficiaries of the estate, including Petitioner Florencio D. Chanliongco.

WHEREFORE, the Petition is hereby DENIED and the assailed Resolution AFFIRMED. Costs against petitioners.

SO ORDERED.

Puno, (Chairman), Sandoval-Gutierrez, Corona and Carpio-Morales, JJ., concur.

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[1] Rollo, pp. 3-10.

[2] Id., p. 111. Former Special Fourth Division. Written by Justice Ruben T. Reyes, concurred in by Justice Godardo A. Jacinto (acting Division chairman) and Justice Eloy R. Bello Jr. (member).

[3] Id., pp. 32-51. Fourth Division. Written by Justice Ruben T. Reyes, concurred in by Justice Gloria C. Paras (Division chairman) and Justice Consuelo Ynares-Santiago (member, now a justice of the Supreme Court).

[4] Assailed Resolution, p. 1; rollo, p. 111; correction in bracket supplied to avoid a dangling participial phrase.

[5] Manila, Branch 35. Presided by Judge Ramon P. Makasiar.

[6] Rollo, pp. 52-82.

[7] CA rollo, p. 134.

[8] CA rollo, pp. 334-348.

[9] This case was deemed submitted for decision on April 10, 2001, upon the Court's receipt of respondents' Memorandum signed by Atty. Venancio B. Padilla. Petitioners' Memorandum, filed on February 6, 2001, was signed by Atty. Felino V. Quiming Jr.

[10] Petitioners' Memorandum, pp. 4-5; rollo, pp. 149-150.

[11] Salva v. Court of Appeals, 304 SCRA 632, March 11, 1999; Nacuray v. National Labor Relations Commission, 270 SCRA 9, March 18, 1997; Korean Airlines Co., Ltd. v. Court of Appeals, 247 SCRA 599, August 23, 1995; Lim v. Jabalde, 172 SCRA 211, April 17, 1989.

[12] Nuñal v. Court of Appeals, 221 SCRA 26, April 6, 1993; Manning International Corporation v. NLRC, 195

SCRA 155, March 13, 1991.

[13] Nacuray v. National Labor Relations Commission, supra; Nuñal v. Court of Appeals, supra.

[14] More properly, petitioners should have lodged in the CA a Petition (not a mere motion) for Annulment of Judgment grounded on lack of jurisdiction. Brushing aside this procedural defect for the nonce, in the interest of substantial justice we have decided to take a quick look at the claimed lack of due process. Such claim goes into the very essence of jurisdiction.

[15] Asiavest Limited v. Court of Appeals, 296 SCRA 539, September 25, 1998; Dial Corporation v. Soriano, 161 SCRA 737, May 31, 1988.

[16] Asiavest Limited v. Court of Appeals, supra; Brown v. Brown, 3 SCRA 451, October 31, 1961.

[17] Respondents' Complaint, p. 5; rollo, p. 56.

[18] Fortune Motors (Phils.), Inc. v. Court of Appeals, 178 SCRA 564, October 16, 1989.

[19] Pascual v. Pascual, 73 Phil. 561, May 4, 1942.

[20] "SEC. 3. Representative Parties. — A trustee of an express trust, a guardian, executor or administrator, or a party authorized by statute, may sue or be sued without joining the party for whose benefit the action is presented or defended; but the court may, at any stage of the proceedings, order such beneficiary to be made a party. An agent acting in his own name and for the benefit of an undisclosed principal may sue or be sued without joining the principal except when the contract involves things belonging to the principal."

[21] Papa v. A.U. Valencia and Co., Inc., 284 SCRA 643, January 23, 1998.

[22] §3, Rule 3 of the 1997 Rules of Court.

[23] Respondents' Complaint, p. 5; rollo, p. 56.

[24] Sheriff's Return, p. 1; rollo, p. 87.

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