

**TERESITA VILLAREAL MANIPOR, LAILANIE VILLAREAL
MACANDOG, RODELO VILLAREAL, ELY VILLAREAL, NOELITO
VILLAREAL AND LUISITO VILLAREAL, AS REPRESENTED BY HIS
ATTORNEY-IN-FACT, TERESI...**

G.R. No. 150159. July 25, 2003

Ponente: YNARES-SANTIAGO, J.

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YNARES-SANTIAGO, J.:

Respondent Spouses Pablo and Antonia Ricafort instituted an action for annulment of Transfer Certificate of Title No. 199241[1] in the name of the spouses Renato and Teresita Villareal covering a lot measuring 229 square meters, located in Barangay Comembo, Makati City. The complaint was filed with the Regional Trial Court of Makati City, Branch 65 and docketed as Civil Case No. 96-208.

Respondents alleged that they are co-owners of said property, together with Abelardo Villareal, the father and predecessor of therein defendant Renato, as evidenced by an agreement[2] whereby Abelardo recognized their ownership of one-half portion of the lot in question. Respondents claimed that, in violation of the agreement, Abelardo obtained during his lifetime Original Certificate of Title No. 391[3] over the lot without their knowledge and consent. After Abelardo died in 1993, Renato and his wife Teresita transferred title over the land in their name and were thus issued TCT No. 199241.

In the course of proceedings in Civil Case No. 96-208, the parties entered into a compromise settlement[4] wherein Renato and Teresita admitted the genuineness and due execution of the agreement between respondents and Abelardo, as well as the averments contained therein. Hence, they agreed to physically divide the lot in half, with the back portion thereof going to respondents. The parties also agreed to cause a relocation survey to be conducted, the expenses of which shall be borne equally by them. Renato and Teresita further bound themselves to pay respondents the amount of P40,000.00 as costs of suit.

The trial court approved the parties' compromise agreement in a judgment promulgated on July 30, 1999.[5]

Not long thereafter, respondents filed a motion[6] to cite Renato and Teresita in contempt of court for refusing to comply with the terms of the compromise agreement. Before the motion was heard by the trial court, petitioners herein - Teresita Villareal Manipor, Lailanie Villareal Macandog, Rodelo Villareal, Ely Villareal, Noelito Villareal and Luisito Villareal, filed a motion for intervention and substitution of parties,[7] alleging that Renato and Teresita have waived their interest in the disputed lot in their favor. Petitioners are all siblings of Renato and are his co-heirs to the lot covered by TCT No. 199241.

Later, upon realizing that the compromise judgment was already final, petitioners filed a manifestation[8] stating that they will be filing a petition for relief from judgment instead. They admitted that, with the exception of their brother Luisito, who resides in the United States, more than 60 days have already lapsed since the other Villareal siblings learned of the compromise judgment. However, they alleged that Luisito learned of the compromise

judgment only much later when the others "sought his consent" to the same on June 20, 2000. They maintained that the filing of a petition for relief by Luisito was not yet time-barred.

Despite the said manifestation, the motion for intervention and substitution was denied on August 10, 2000.[9] Petitioners did not file any motion for reconsideration of the said order.

On August 15, 2000, Luisito, through his attorney-in-fact, Teresita Villareal Manipor, filed a petition for relief[10] from the compromise judgment under Rule 38 of the Rules of Court. The trial court denied the same outright on the grounds of lack of affidavit of merit. Moreover, the petition was brought way beyond the six-month period from entry of judgment prescribed under the Rules.[11]

Undaunted, petitioners filed a petition for annulment of the compromise judgment under Rule 47 of the Rules of Court before the Court of Appeals, which was docketed as CA-G.R. SP No. 64953.[12] The petition was deemed as not filed considering that there was no explanation why service by registered mail was resorted to, as required in Section 11, Rule 13 of the Rules of Court. Petitioners' motion for reconsideration was also denied for failure to state the material dates, in violation of Section 1, Rule 9 of the Revised Internal Rules of the Court of Appeals (RIRCA).[13]

Petitioners did not appeal from the said resolutions of the appellate court in CA-G.R. SP No. 64953. Instead, they filed on August 20, 2001, another petition for annulment of the compromise judgment which was docketed as CA-G.R. SP No. 66192. However, this second petition was dismissed for failure of petitioners to show that they were unable to move for a new trial or a petition for relief from judgment through no fault attributable to them. Petitioners previously availed of a petition for relief, but the same was dismissed for having been filed out of time.[14]

Unfazed, petitioners interposed the present appeal based on the following grounds:

- i.] THE MAIN ISSUE - THE HONORABLE COURT OF APPEALS ERRED IN ATTRIBUTING FAULT ON THE PART OF THE PETITIONERS SIMPLY ON THE BASIS OF THE DENIAL OF THEIR PETITION FOR RELIEF BY THE HONORABLE REGIONAL TRIAL COURT WITHOUT REGARD TO THE RATIONALE BEHIND ITS FILING, AND IN VIOLATION OF THEIR RIGHT TO DUE PROCESS.
- ii.] SUB-ISSUE - THE HONORABLE COURT OF APPEALS ERRED IN CONSIDERING THEIR ORIGINAL PETITION AS NOT HAVING BEEN FILED BASED ON RULE 13, SECTION 11 BECAUSE THE SAID RULE APPLIES TO SUBSEQUENT PLEADINGS.
- iii.] SUB-ISSUE - THE HONORABLE COURT OF APPEALS ERRED IN DENYING THEIR MOTION FOR RECONSIDERATION FOR FAILURE TO STATE THE MATERIAL DATES AS PROVIDED UNDER SECTION 1, RULE 9, RIRCA.[15]

Before we proceed to the main issue raised by petitioners, we must first address the two sub-issues stated in the assignment of errors. It appears that petitioners did not appeal from the Court of Appeals resolutions denying the first petition for annulment of compromise judgment and the subsequent motion for reconsideration brought by petitioners in CA-G.R. SP No. 64952, as a result of which the same became final. Basic is the rule that perfection of an appeal in the manner and within the period prescribed by law is not only mandatory but jurisdictional and failure to perfect an appeal has the effect of rendering the judgment or resolution final and executory.[16] Hence, petitioners are precluded from resurrecting any issue relative to these resolutions after they have lapsed into finality by operation of law.

On the other hand, the resolution in CA-G.R. SP No. 66192, denied petitioner's second petition for annulment of judgment. Petitioners contend that the Court of Appeals erred in dismissing their second petition for annulment of

the compromise judgment, because the appellate court effectively deprived them of their day in court since they stood to lose their inheritance through a void compromise judgment. They insist that the compromise judgment in Civil Case No. 96-208 was a nullity because they were not impleaded as parties-defendants despite the fact that they were co-heirs of Renato and indispensable parties therein. They alleged that they only learned of the compromise judgment a year after it was promulgated.

It is true that the remedy of annulment of judgment may be availed of only where the ordinary remedies of new trial, or appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.[17] If the petitioner failed to avail of such remedies without sufficient justification, he cannot avail of an action for annulment because, otherwise, he would benefit from his own inaction or negligence.[18]

Under Section 3 of Rule 38,[19] a petition for relief must be filed within sixty (60) days after the petitioner learns of the judgment and within six months after entry thereof. This six-month period, as applied to a compromise judgment, runs from the date of its rendition because a judgment upon compromise is immediately executory and considered to have been entered on the date it was approved by the trial court.[20] The six-month period under Rule 38 presupposes that the petitioner learned of the judgment from which he seeks relief also within the same time frame. Otherwise, a petition for relief is not available and the only other remedy against such judgment is an action for its annulment under Rule 47.[21]

Consequently, petitioner's second action for annulment should not have been dismissed because at no instance could petitioners have timely filed a petition for relief in the first place. They could not have complied with the six-month time requirement since the compromise judgment came to their knowledge after the said period had already lapsed. If any fault could be ascribed to petitioners, it is for wrongly assuming that they availed of the right remedy. However, such an error cannot be used as a basis for denying them the opportunity to avail of the proper remedy.

Petitioners' contention that the compromise judgment is null and void for failure of respondents to implead them as parties-defendants, is mainly anchored on the supposition that they are co-heirs of Renato to the lot covered by TCT No. 199241. This assertion has no merit given the fact that on its face, the certificate of title shows that the property is solely owned by Renato Villareal, married to Teresita Villareal, and without any indication whatsoever that petitioners have an interest in the disputed lot. It must be emphasized that respondents cannot be expected to know details that are not reflected on the face of the certificate of title. In other words, no one could have guessed that petitioners were claiming a right over the property by virtue of succession or, assuming petitioners' allegations to be true, that Renato only held the property in trust for his brothers and sisters.

Relative to this, petitioners admitted in a *sinumpaang salaysay*[22] that they acquiesced to have the lot donated and registered in Renato's name because the same was among the last wishes of their father prior to his death. Apart from the fact that this could clearly be regarded as a waiver of their interest over the lot in favor of Renato, it could also be said that it was by petitioners' own fault that their rights, if any, were kept beyond the awareness of others.

In view also of such admission, petitioners are estopped from denying Renato's absolute title to the lot. Under the principle of estoppel, an admission or representation is rendered conclusive upon the person making it and cannot be denied or disproved as against the person relying thereon.[23] Verily, since petitioners themselves admitted that they donated and caused registration of the lot in Renato's name, they cannot now be allowed to defeat respondents' claim by conveniently asserting that they are co-owners of the lot. Otherwise, respondents, who rightfully relied on the certificate of title, would be prejudiced by petitioners' misleading conduct.

Thus, for purposes of the action for annulment of TCT No. 199241, the only indispensable party-defendant was

Renato and his wife. He is the registered owner of the lot and is conclusively presumed, for all intents and purposes, to be its owner in fee simple. A certificate of registration accumulates in one document a precise and correct statement of the exact status of the fee held by its owner which, in the absence of fraud, is the evidence of title showing exactly the owner's real interest over the property covered thereby.[24] Renato thus had the authority to bind the lot to the exclusion of all others and his participation as party-defendant in Civil Case No. 96-208 was sufficient for the trial court to validly exercise its jurisdiction.

An indispensable party is defined as one without whom no final determination of an action can be had.[25] Necessarily, an indispensable party is likewise a party in interest who stands to be benefited or injured by the judgment or is entitled to the avails of the suit.[26] In the instant case, the non-inclusion of petitioners as parties-defendants will not affect the final determination of Civil Case No. 96-208, because they are not the registered owners of the lot. Moreover, it appears that they have ceded their alleged rights to Renato and would therefore have no rightful interest, inchoate or otherwise, that would be affected by the assailed compromise judgment.

WHEREFORE, the instant petition is DENIED and the dismissal of the petition for annulment in CA-G.R. SP No. 66192 is AFFIRMED.

SO ORDERED.

Davide, Jr., C.J., Vitug, Carpio, and Azcuna, JJ., concur.

[1] Rollo, p. 65.

[2] Id., p. 136.

[3] Id., p. 76.

[4] Id., p. 68.

[5] Id., p. 50.

[6] Original Records, p. 107.

[7] Id., p. 123.

[8] Id., p. 147.

[9] Id., p. 154.

[10] Id., p. 155.

[11] Id., pp. 195-196.

[12] Id., p. 269.

[13] Id., p. 301.

[14] Id., p. 322.

[15] Supra, note 1, p. 27.

[16] Sy Chin v. Court of Appeals, 345 SCRA 673, 681 (2000), citing Laza v. Court of Appeals, 336 Phil. 631 (1997).

[17] 1997 Rules of Civil Procedure, Rule 47, Sec. 1.

[18] I Regalado, Remedial Law Compendium, p. 557 (1997).

[19] SEC. 3. Time for filing petition; contents and verification.- A petition provided for in either of the preceding sections of this Rule must be verified, filed within sixty (60) days after the petitioner learns of the judgment, final order, or other proceeding to be set aside, and not more than six (6) months after such judgment or final order was entered or such proceeding was taken; and must be accompanied with affidavits showing the fraud, accident, mistake or excusable negligence relied upon, and the facts constituting the petitioner's good and substantial cause of action or defense, as the case may be.

[20] Supra, note 17, p. 395, citing *Bodiogran v. Ceniza, et al.*, 102 Phil 750 (1957) and *Dirige v. Biranya*, 17 SCRA 840 (1966).

[21] Rule 47, Sec. 1. Coverage. - This Rule shall govern the annulment by the Court of Appeals of judgments or final orders and resolutions in civil actions of Regional Trial Courts for which the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.

[22] Supra, note 6, p. 138.

[23] Civil Code, Article 1431.

[24] See *Carvajal v. Court of Appeals*, 345 Phil. 582, 595 (1997), citing *Legarda and Prieto v. Saleeby*, 31 Phil. 590, 594 (1915).

[25] Rules of Court, Rule 3, Section 7.

[26] Rules of Court, Rule 3, Section 2.

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