

ABNER MANGUBAT, PETITIONER, VS. BELEN MORGA-SEVA, RESPONDENT.

G.R. No. 202611. November 23, 2015

Ponente: DEL CASTILLO, J.

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DEL CASTILLO, J.:

This Petition for Review on Certiorari assails the Resolutions of the Court of Appeals (CA) dated (i) July 13, 2011[1] which dismissed for lack of merit petitioner Abner Mangubat's (Abner) Petition for Annulment of Judgment and, (ii) June 13, 2012[2] which denied his motion for reconsideration.

Factual Antecedents

On March 5, 1974, Gaudencio Mangubat (Gaudencio) and his wife Aurelia Rellora-Mangubat (Aurelia) filed with the Regional Trial Court (RTC) of Pili, Camarines Sur a Complaint for Specific Performance with Damages against respondent Belen Morga-Seva (Belen) and two other defendants. The case was docketed as Civil Case No. P-279 and raffled to the RTC Branch 31. On August 27, 1985, the RT.C issued a Decision,[3] the dispositive portion of which reads in part, viz.:

Based on the facts x x x established x x x and the cited applicable law and jurisprudence, this Court hereby renders judgment and orders:

x x x x

3. The defendants to reimburse the plaintiffs the total amount the latter have paid the (Development Bank of the Philippines [DBP]) after 1971, the year the defendants defaulted in their amortization payments to DBP, and in the event of the failure of the defendants to make such reimbursement, for plaintiffs to assume the rights of the old creditor (DBP) and take such remedial action as the situation may warrant, x x x

x x x x

5. The defendants [are] entitled to claim and recover title or ownership over the following properties held as collaterals by DBP, subject, however, to the encumbrance in favor of the plaintiffs, who have substituted for DBP as creditors:

1. The parcel of land covered by TCT No. 6337 with all the improvements thereon; x x x

x x x x

SO ORDERED.[4]

Since Belen and her co-defendants' appeal to the CA and later to this Court were both unsuccessful, the RTC Decision became final and executory.

On September 3, 1998, Gaudencio and his children as heirs (the heirs) of the deceased Aurelia filed with the same court a Complaint for Revival of the Decision in Civil Case No. P-279.[5] They averred that the writ of execution

could not be implemented because Belen and her co-defendants evaded service thereof. And since five years had already lapsed from the date of its entry, Gaudencio and the heirs prayed for the revival of the RTC Decision.

Gaudencio, assisted by Atty. Reynaldo L. Herrera (Atty. Herrera) and Belen by Atty. Junnel M. Relativo, entered into a Compromise Agreement[6] which states as follows:

x x x x

The defendants admit that they shall pay the amount of P33,000.00 that was previously paid by the plaintiffs to [the DBP] prior to the issuance of the decision in Civil Case No. 279, plus its legal interest of 12% per annum since August [1990 until] the year 2000 or a total sum of P72,600.00 plus P5,000.00 for attorney's fee, payable on or before June 30, 2001;

That upon payment of said amount, the plaintiffs will transfer the title, TCT No. 6337 to defendant Belen Morga Seva;

All other claims and counterclaims that the parties may have [against each other] are hereby waived.

x x x x[7]

The RTC approved[8] the agreement and on February 23, 2001 rendered a Decision[9] in accordance therewith. Upon its finality, the Writ of Execution was ordered issued by the said court.[10]

On June 24, 2002, Abner, on his own behalf, moved to substitute his father Gaudencio who died on January 31, 2002.[11] A few months thereafter and now allegedly in behalf of his co-heirs, Abner, through Atty. Haide B. Vista-Gumba (Atty. Vista-Gumba) filed another motion to substitute Gaudencio exclusively for the purpose of executing the final judgment in the case on the claim that it was necessary for the settlement of the intestate estate of his father.[12] In an Order[13] dated September 13, 2002, the RTC granted Abner's motion for substitution but for purposes of execution only.

On December 18, 2003, Belen handed to Atty. Herrera her payment of P91,280.00[14] in accordance with the Compromise Agreement.[15] Alleging, however, that the heirs refused to convey to Belen the lot covered by TCT No. 6337, the RTC, upon motion of Atty. Herrera,[16] directed (1) Abner, who was allegedly in possession of the owner's copy of the title, to surrender the same to the Clerk of Court; and (2) the Clerk of Court to execute in behalf of the heirs a deed of sale or conveyance of the lot in favor of Belen pursuant to Sec. 10, Rule 39 of the Rules of the Court.[17] Abner, however, manifested that as far as he is concerned, Belen has not yet made any payment to the heirs as he was not notified by Atty. Herrera of the same.[18] Thus, Atty. Herrera reported to the court that out of the P91,280.00 handed to him by Belen, he had turned-over the amount of P84,480.00 to the Clerk of Court and retained P6,800.00 as his attorney's fee.[19] This was duly noted by the RTC.[20]

On January 20, 2005, Abner terminated the services of Atty. Herrera.[21] Subsequently and purportedly in behalf of all the heirs, Abner, through Atty. Vista-Gumba, filed a Motion to Declare the Amicable Settlement Null and Void.[22] It was alleged therein that Gaudencio acted only on his own behalf when he entered into the compromise agreement with Belen, hence, the same is null and void for want of consent and participation of the heirs who were indispensable parties.

Interestingly, however, two of the heirs namely, Ruth Mangubat Parcia and Job Mangubat filed a Manifestation with Motion to Withdraw the Heirs' Respective Shares.[23] According to them, they were seven siblings all in all and each is entitled to P12,068.00 from Belen's payment. They do not agree with the course of action taken by Abner relative to the case and prayed that the case be considered closed and terminated and their respective shares from Belen's payment released to them. Belen, on the other hand, questioned Abner's capacity to assail the

compromise agreement. She averred that in the decision of the probate court regarding the intestate estate of Gaudencio, Abner was disinherited by his father.[24]

In an Order[25] dated September 8, 2005, the RTC ruled on the Motion to Declare the Amicable Settlement Null and Void as follows:

The present action for Declaration of Nullity of the Compromise Agreement was filed by Abner Mangubat, son and one. of the heirs of Gaudencio and Aurelia Mangubat, who has been disinherited by final judgment in Spec. Procs. No. P-984 before RTC[,] Branch 33 of this Court x x x thus, Abner Mangubat is not a real party in interest to bring this present action [(to) declare [the] amicable settlement null and void] under Rule 3, Section 2 of the Rules of Court. His allegations that the present motion was brought in behalf of the other heirs of Gaudencio and Aurelia Mangubat is gratuitous and without basis, there is no evidence to show that he is authorized to represent them. As a matter of fact, two of the heirs, Ruth Mangubat Parcia and Job Mangubat manifested that they do not want to be involved and dragged in this proceeding nor in any other action that Abner may institute; that accordingly, they are satisfied with the decision of the Court, and they want to get their share of the deposit x x x.

Be it noted that the decision has been partially satisfied when defendant Belen Morga Seva, thru Atty. Reynaldo Herrera, deposited the amount of P84,480.00 to the Clerk of Court as per [R]eceipt No. 1201439 dated April 6, 2005. Moreover, by his own act, Abner Mangubat is bound by the compromise agreement when he substituted for his father. Record shows that Abner Mangubat continued to retain the legal services of Atty. Reynaldo Herrera as counsel for the plaintiffs contrary to his allegations. The services of Atty. Herrera was terminated only sometime in January 2005. x x x

It is well settled that a judgment on a compromise is not appealable and is immediately executory, unless a motion is filed to set aside the compromise on the ground of fraud, mistake or duress in which case an appeal may be taken from the order denying the motion.

The inaction of Abner Mangubat or [the] other heirs of Gaudencio Mangubat and Aurelia Mangubat for a period of almost four (4) years after becoming aware of the compromise agreement and of the judgment thereon, amounts to a ratification on their part of said agreement. For laches operates to validate an agreement otherwise invalid, granting that the herein compromise agreement was invalid, when the party on becoming aware of the compromise fails to repudiate it promptly. Such ratification is presumed from his or their inaction.

The validity of a judgment or order of a Court cannot be assailed collaterally unless the ground of attack is lack of jurisdiction. If the purported nullity of the judgment lies on the party's lack of consent to the compromise agreement, as claimed by Abner Mangubat being the heir of Aurelia Rellora-Mangubat who died before the filing of this case for revival of judgment, the remedy of the aggrieved party is to have it reconsidered, and if denied to appeal from such judgment or if final to apply for relief under Rule 38 of the Rules of Court or to file an annulment of judgment under Sec. 9 of B.P. 129 before the Honorable Court of Appeals.

It is unfortunate that Abner Mangubat failed to avail of the remedies provided for under the Rules of Court and opted to file this instant motion to declare the compromise agreement null and void which has no leg to stand on.

WHEREFORE, in view of all the foregoing, for lack of sufficient merit, the motion to declare [the] amicable settlement null and void is hereby DENIED.

SO ORDERED.[26]

Again purportedly on behalf of all the heirs, Abner moved for the reconsideration of the above-quoted Order[27] but was denied by the RTC in its Order[28] of February 27, 2006. When the same became final, Belen filed a Motion for Execution of Specific Acts[29] wherein she once more prayed that Abner be ordered to surrender to

the RTC the owner's copy of TCT No. 6337 and the Clerk of Court to execute in her favor and on behalf of the heirs a deed of sale involving the lot covered by the said title. This was granted by the RTC in an Order[30] dated July 14, 2006. Still, Abner refused to comply. Hence, the said court upon motion of Belen[31] issued its Order[32] of September 25, 2006, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing, plaintiffs through Abner Mangubat [are] hereby divested of the ownership of the property covered by Transfer Certificate of Title No. 6337 pursuant to the decision of this Court dated February 23, 2001 and the same is vested to herein defendant Belen Morga-Seva. This order shall now have the force and effect of a conveyance executed in due form of law pursuant to the last sentence of Sec. 10(a) of Rule 39 of the [R]ules of Court.

SO ORDERED.[33]

The afore-mentioned order became final on November 19, 2006.[34] Pursuant thereto, the RTC directed the Registrar of Deeds of Camarines Sur to transfer title to the property under TCT No. 6337 to Belen.[35]

Ruling of the Court of Appeals

On September 21, 2010, Abner filed a Petition for Annulment of Final Order[36] with the CA. He contended that under the Compromise Agreement, Belen was supposed to make her payment on or before June 30, 2001. However, the same was made only on December 18, 2003 or way beyond the period agreed upon. Thus to Abner, it was unjust for the RTC to have issued its September 25, 2006 Order divesting the heirs of ownership of the subject property. Moreover, Abner argued that since the February 23, 2001 RTC Decision approving the Compromise Agreement had long become final and executory, the RTC had already lost its jurisdiction over the case when it issued the September 25, 2006 Order.

In a Resolution[37] dated July 13, 2011, the CA dismissed the Petition for lack of merit. The Motion for Reconsideration[38] thereto was also denied in Resolution[39] dated June 13, 2012.

Hence, this Petition for Review on Certiorari.

The Parties' Arguments

Abner basically reiterates the arguments he advanced before the CA.

For her part, Belen argues that the RTC has jurisdiction over the Complaint for revival of judgment. In fact, the RTC's issuance of the September 25, 2006 Order is nothing but an exercise of jurisdiction pursuant to its authority to handle the case until the full satisfaction of its Decision. At any rate, Abner is guilty of laches as it was only after almost four years from the finality of the said Order that he questioned the same.

Our Ruling

The Petition fails.

It must be stressed that the remedy of annulment of judgment is only available under certain exceptional circumstances as this is adverse to the concept of immutability of final judgments.[40] Hence, it is allowed only on two grounds, i.e., extrinsic fraud and lack of jurisdiction.[41]

Abner anchors his Petition for Annulment of Final Order on lack of jurisdiction. He posits that the RTC had lost jurisdiction over the case when its February 23, 2001 Decision became final, hence, any issuance subsequent thereto is made without any jurisdiction.

The argument is, however, specious. "Lack of jurisdiction on the part of the trial court in rendering the judgment or final order is either lack of jurisdiction over the subject matter or nature of the action, or lack of jurisdiction

over the person of the petitioner." [42] Here, it is undisputed that the RTC acquired jurisdiction over the person of Abner, he having asked for affirmative relief therefrom several times. [43] As mentioned, what Abner questions is the RTC's jurisdiction over the case.

"In a petition for annulment of judgment based on lack of jurisdiction, petitioner must show not merely an abuse of jurisdictional discretion but an absolute lack of jurisdiction. Lack of jurisdiction means absence of or no jurisdiction, that is, the court should not have taken cognizance of the petition because the law does not vest it with jurisdiction over the subject matter. Jurisdiction over the nature of the action or subject matter is conferred by law." [44] The RTC's jurisdiction over petitions for revival of judgment had already been upheld by the Court. [45] It was held that "[a]n action for revival of judgment may be filed either 'in the same court where said judgment was rendered or in the place where the plaintiff or defendant resides, or in any other place designated by the statutes which treat of the venue of actions in general.'" [46] Here, the Complaint for revival of judgment was filed in the same court (RTC-Pili Camarines Sur, Branch 31) which rendered the August 27, 1985 Decision in Civil Case No. P-279. Undoubtedly, the RTC has jurisdiction over the action. There is therefore no valid ground for the Petition for Annulment of Final Order that Abner filed with the CA.

To the mind of the Court, Abner's flawed arguments emanate from his misconception of lack of jurisdiction over the subject matter or nature of the action as a ground for annulment. As aptly observed by the CA, he has confused lack of jurisdiction with error in the exercise of jurisdiction, viz.:

It is settled that once jurisdiction has been acquired, it is not lost until the court shall have disposed of the case in its entirety. [Abner's] predecessor having elected to enforce the compromise agreement, the RTC is still vested with jurisdiction until compliance therewith has been fully enforced.

[Abner] clearly confused lack of jurisdiction with error in the exercise of jurisdiction. Jurisdiction is not the same as the exercise of jurisdiction. As distinguished from the exercise of jurisdiction, jurisdiction is the authority to decide a case, and not the decision rendered therein. Where there is jurisdiction over the person and the subject matter, the decision on all other questions arising in the case is but an exercise of such jurisdiction. And the errors which the court may commit in the exercise of jurisdiction are merely errors of judgment which are the proper subject of an appeal. The error raised by [Abner] pertains to the trial court's exercise of its jurisdiction, not its lack of authority to decide the case. In a petition for annulment of judgment based on lack of jurisdiction, [a] petitioner must show not merely an abuse of jurisdictional discretion but an absolute lack of authority to hear and decide the case. On this basis, there would be no valid ground to grant the petition for annulment of judgment. [47]

Even assuming that the claim of lack of jurisdiction is well-grounded, Abner's Petition for Annulment of Final Order is barred by laches. An action for annulment of judgment or final order if based on lack of jurisdiction, must be brought before it is barred by laches. [48] "The principle of laches or 'stale demands' ordains that the failure or neglect, for an unreasonable and unexplained length of time, to do that which by exercising due diligence could or should have been done earlier ~ negligence or omission to assert a right within a reasonable time, warrants a presumption that the party entitled to assert it has abandoned it or declined to assert it." [49] In this case, it was only after almost four years from the finality of the September 25, 2006 Order that Abner brought an action to annul the same. He did not even care to provide in his petition any justification for his inaction for such a long period of time. Such unreasonable delay warrants the presumption that Abner has declined to assert his right to the property covered by TCT No. 6337. Verily, to permit him now to assert the same would be unfair and inequitable.

In any event, Abner's Petition for Annulment of Final Order was not the proper remedy to nullify the September 25, 2006 Order which is an interlocutory order. "An interlocutory order refers to a ruling respecting some point or

matter between the commencement and end of the suit, but is not a final adjudication of the claims and liabilities of the parties that are in dispute in that suit.[50] The September 25, 2006 Order merely dealt with the incidental matter of causing the transfer of the title to the property covered by TCT No. 6337 under the name of Belen in accordance with the final and executory February 23, 2001 RTC Decision after Abner refused to comply with the directive to deliver the owner's copy thereof. No further settlement of any claim or imposition of any further liability was made in the said order.

WHEREFORE, the Petition for Review on Certiorari is DENIED. The assailed Resolutions of the Court of Appeals dated July 13, 2011 and June 13, 2012 are AFFIRMED.

SO ORDERED.

Velasco, Jr.,[*] Brion, (Acting Chairperson),[**] Mendoza, and Leonen, JJ., concur.

[*] Per Special Order No. 2282 dated November 13, 2015.

[**] Per Special Order No. 2281 dated November 13, 2015.

[1] CA rollo, pp. 28-36; penned by Associate Justice Magdangal M. De Leon and concurred in by Associate Justices Mario V. Lopez and Socorro B. Inting.

[2] Id. at 51-52.

[3] Records, pp. 6-22; penned by Executive Judge Simon D. Encinas.

[4] Id. at 20-22.

[5] Id. at 2-5; docketed as Civil Case No. P-2145.

[6] Id. at 111.

[7] Id.

[8] Id. at 113.

[9] Id. at 114-115; penned by Presiding Judge Martin P. Badong, Jr.

[10] Id. at 118-120.

[11] Id. at 121-122.

[12] Id. at 126-127.

[13] Id. at 128; penned by Acting Judge Nilo A. Malanyaon.

[14] Broken down as follows:

P72,600.00

- amount payable as of year 2000

11,880.00

- interest earned for years 2000-2003

5,000.00

- attorney's fees

1,800.00

- interest earned for years 2000-2003

P91,280.00

[15] Records, pp. 135-137.

[16] Id. at 141-142.

[17] Order dated January 17, 2005, id. at 157-158.

[18] Id. at 159-160.

[19] Id. at 174-176.

[20] Id. at 180.

[21] Id. at 195.

[22] Id. at 183-190.

[23] Id. at 201-203.

[24] See Belen's Supplemental Opposition, id. at 224-225.

[25] Id. at 250-253.

[26] Id. at 250-253.

[27] Id. at 254-258.

[28] Id. at 281-282.

[29] Id. at 296.

[30] Id. at 300.

[31] Id. at 301-302.

[32] Id. at 303-304.

[33] Id. at 304.

[34] Id. at 318.

[35] Id. at 320.

[36] CA rollo, pp. 3-9.

[37] Id. at 28-36.

[38] Id. at 37-39.

[39] Id. at 51-52.

[40] *Antonino v. The Register of Deeds of Makati City*, 688 Phil. 527, 536 (2012) citing *Ramos v. Judge Combong, Jr.*, 510 Phil. 277, 281-282 (2005).

[41] Id.

[42] Pinausukan Seafood House, Roxas Boulevard, Inc. v. Far East Bank & Trust Company, now Bank of the Philippine Islands, G.R. No. 159926, January 20, 2014, 714 SCRA 226, 244.

[43] Miranda v. Tuliao, 520 Phil. 907, 920 (2006).

[44] Spouses Manila v. Spouses Mamo, 672 Phil. 460,473 (2011).

[45] Heirs of Numeriano Miranda, Sr. v. Miranda, G.R. No. 179638, July 8,2013,700 SCRA 746,757.

[46] Id.

[47] CA rollo, pp, 33-34.

[48] Pinawukan Seafood House, Roxas Boulevard, Inc. v. Far East Bank & Trust Company, now Bank of the Philippine Islands, supra note 42 at 245.

[49] Spouses Manila v. Spouses Manzo, supra note 44 at 476,

[50] Heirs and/or Estate of Atty. Rolando P. Siapian v. Intestate Estate of the late Eufrocina G Mackay, 644 Phil. 207, 214 (2010).

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