

ANDY ANG, PETITIONER, VS. SEVERINO PACUNIO, TERESITA P. TORRALBA, SUSANA LOBERANES, CHRISTOPHER N. PACUNIO, AND PEDRITO P. AZARCON, REPRESENTED BY THEIR ATTORNEY-IN-FACT, GALILE...

G.R. No. 208928. July 08, 2015

Ponente: PERLAS-BERNABE, J.

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PERLAS-BERNABE, J.:

Assailed in this petition for review on certiorari[1] under Rule 45 of the Rules of Court are the Decision[2] dated September 28, 2012 and the Resolution[3] dated August 13, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 00992-MIN, which affirmed the Summary Judgment[4] dated September 12, 2006 of the Regional Trial Court of Cagayan de Oro City, Branch 38 (RTC) in Civil Case No. 2003-115 with modification declaring, inter alia, the Deed of Absolute Sale between petitioner Andy Ang (petitioner) and Felicisima Udiaan (Udiaan) null and void.

The Facts

The instant case arose from a Complaint[5] dated March 19, 2003 for Declaration of Nullity of Sale, Reconveyance, and Damages filed by Pedrito N. Pacunio, Editha P. Yaba, and herein respondents Severino Pacunio, Teresita P. Torralba, Susana Loberanes, Christopher N. Pacunio, and Pedrito P. Azarcon (respondents) against petitioner before the RTC involving a 98,851-square meter (sq. m.) parcel of land originally registered in Udiaan's name, as evidenced by Original Certificate of Title (OCT) No. T-3593[6] (subject land). In their Complaint, respondents alleged that they are the grandchildren and successors-in-interest of Udiaan who died[7] on December 15, 1972 in Cagayan de Oro City and left the subject land as inheritance to her heirs. However, on July 12, 1993, an impostor falsely representing herself as Udiaan sold the subject land to petitioner, as evidenced by a Deed of Absolute Sale[8] of even date (Questioned Deed of Absolute Sale). Consequently, OCT No. T-3593 was cancelled and Transfer Certificate of Title (TCT) No. T-79051[9] was issued in the latter's name. In 1997, petitioner entered the subject land and used the same in his livestock business. Respondents then informed petitioner that he did not validly acquire the subject land, and thereafter, demanded for its return, but to no avail.[10] Hence, they filed the aforesaid complaint, essentially contending that Udiaan could not have validly sold the subject land to petitioner considering that she was already dead for more than 20 years when the sale occurred.[11]

In his Answer,[12] petitioner denied respondents' allegations and countered that: (a) at first, he bought the subject land from a person representing herself as Udiaan who showed a community tax certificate as proof of identity, has in her possession OCT No. T-3593, knew the location of the subject land, and was not afraid to face the notary public when they executed the Questioned Deed of Absolute Sale; (b) he was initially prevented from entering the subject land since it was being occupied by the Heirs of Alfredo Gaccion (Heirs of Gaccion); (c) in order to buy peace, he had to "buy" the subject land anew from the Heirs of Gaccion; (d) he was a buyer in good

faith, for value, and was without any knowledge or participation in the alleged defects of the title thereof; and (e) respondents were never in possession of the subject land and they never paid real property taxes over the same. Ultimately, petitioner claimed that he was duped and swindled into buying the subject land twice.[13]

After the pre-trial conference, the parties submitted the case for summary judgment on the basis of the documents and pleadings already filed. The RTC then ordered the parties to simultaneously submit their memoranda in support of their respective positions.[14]

The RTC Ruling

In a Summary Judgment[15] dated September 12, 2006, the RTC ruled in petitioner's favor and accordingly, dismissed the case for lack of merit.[16] It found that while respondents claimed to be Udiaan's successors-in-interest over the subject land, there is dearth of evidence proving their successional rights to Udiaan's estate, specifically, over the subject land. As such, the RTC concluded that respondents are not the real parties in interest to institute an action against petitioner, warranting the dismissal of their complaint.[17]

Dissatisfied, respondents appealed[18] to the CA.

The CA Ruling

In a Decision[19] dated September 28, 2012, the CA affirmed with modification the RTC ruling in that: (a) it nullified the Questioned Deed of Absolute Sale; (b) declared valid the deed of absolute sale between petitioner and the Heirs of Gaccion over a 3,502-sq. m. portion of the subject land; and (c) distributed portions of the subject land to the Heirs of Gaccion and to the children of Udiaan.[20]

It agreed with the RTC's finding that respondents are not real parties in interest to the instant case, considering that, as mere grandchildren of Udiaan, they have no successional rights to Udiaan's estate. In this regard, the CA ratiocinated that respondents could only succeed from said estate by right of representation if their mother, who is one of Udiaan's children,[21] predeceased Udiaan. However, such fact was not established.[22]

This notwithstanding, the CA nullified the Questioned Deed of Absolute Sale because it was clearly executed by a person other than Udiaan, who died more than 20 years before such sale occurred.[23] Considering, however, that some of Udiaan's heirs had already sold a 9,900-sq. m. portion of the subject land to the Heirs of Gaccion, who in turn, sold a 3,502-sq. m. portion to petitioner, the CA apportioned the subject land as follows: (a) 3,502 sq. m. to petitioner; (b) 6,398 sq. m. to the Heirs of Gaccion; and (c) the remainder of the subject land to Udiaan's children.[24]

Aggrieved, petitioner moved for reconsideration,[25] but was denied in a Resolution[26] dated August 13, 2013; hence, this petition.

The Issue Before the Court

The core issue for the Court's resolution is whether or not the CA correctly declared the nullity of the Questioned Deed of Absolute Sale and distributed portions of the subject land to different parties, among others, despite ruling that respondents are not real parties in interest to the instant case.

The Court's Ruling

The petition is meritorious.

Section 2, Rule 3 of the Rules of Court lays down the definition of a real party in interest as follows:

SEC. 2. Parties in interest. - A real party in interest is the party who stands to be benefited or injured by the

judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise provided by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

The rule on real parties in interest has two (2) requirements, namely: (a) to institute an action, the plaintiff must be the real party in interest; and (b) the action must be prosecuted in the name of the real party in interest. Interest within the meaning of the Rules of Court means material interest or an interest in issue to be affected by the decree or judgment of the case, as distinguished from mere curiosity about the question involved. One having no material interest cannot invoke the jurisdiction of the court as the plaintiff in an action. When the plaintiff is not the real party in interest, the case is dismissible on the ground of lack of cause of action.[27] In *Spouses Oco v. Limbaring*,[28] the Court expounded on the purpose of this rule, to wit:

Necessarily, the purposes of this provision are 1) to prevent the prosecution of actions by persons without any right, title or interest in the case; 2) to require that the actual party entitled to legal relief be the one to prosecute the action; 3) to avoid multiplicity of suits; and 4) discourage litigation and keep it within certain bounds, pursuant to public policy.[29]

In the instant case, respondents claim to be the successors-in-interest of the subject land just because they are Udiaan's grandchildren. Under the law, however, respondents will only be deemed to have a material interest over the subject land- and the rest of Udiaan's estate for that matter if the right of representation provided under Article 970,[30] in relation to Article 982,[31] of the Civil Code is available to them. In this situation, representatives will be called to the succession by the law and not by the person represented; and the representative does not succeed the person represented but the one whom the person represented would have succeeded.[32]

For such right to be available to respondents, they would have to show first that their mother: (a) predeceased Udiaan; (b) is incapacitated to inherit; or (c) was disinherited, if Udiaan died testate.[33] However, as correctly pointed out by the CA, nothing in the records would show that the right of representation is available to respondents. Hence, the RTC and the CA correctly found that respondents are not real parties in interest to the instant case. It is well-settled that factual findings of the RTC, when affirmed by the CA, are entitled to great weight and respect by the Court and are deemed final and conclusive when supported by the evidence on record,[34] as in this case.

Having established that respondents are not the real parties in interest to the instant suit, the proper course of action was for the CA to merely affirm the RTC's dismissal of their complaint. It therefore erred in proceeding to resolve the other substantive issues of the case and granting one of the principal reliefs sought by respondents, which is the declaration of the nullity of the Questioned Deed of Absolute Sale.[35] In the same vein, the CA erred in awarding portions of the subject land to various non-parties to the case, such as the Heirs of Gaccion and Udiaan's children. Basic is the rule that no relief can be extended in a judgment to a stranger or one who is not a party to a case.[36]

In sum, the CA transgressed prevailing law and jurisprudence in resolving the substantive issues of the instant case despite the fact that respondents are not real parties in interest to the same. Necessarily, a reinstatement of the RTC ruling is in order.

WHEREFORE, the petition is GRANTED. Accordingly, the Decision dated September 28, 2012 and the Resolution dated August 13, 2013 of the Court of Appeals in CA-G.R. CV No. 00992-MIN are hereby REVERSED and SET ASIDE. Accordingly, the Summary Judgment dated September 12, 2006 of the Regional Trial Court of Cagayan de Oro City, Branch 38 in Civil Case No. 2003-115 is REINSTATED.

SO ORDERED.

Sereno, C.J., (Chairperson), Leonardo-De Castro, Bersamin, and Perez, JJ., concur.

[1] Rollo, pp. 10-31.

[2] Id. at 34-51. Penned by Associate Justice Ma. Luisa C. Quijano-Padilla with Associate Justices Romulo V. Borja and Pedro B. Corales concurring.

[3] Id. at 52-54. Penned by Associate Justice Romulo V. Borja with Associate Justices Renato C. Francisco and Oscar V. Badelles concurring.

[4] Id. at 55-66. Penned by Judge Maximo G.W. Paderanga.

[5] With Prayer for Preliminary Mandatory Injunction; records, pp. 3-8.

[6] Id. at 9-10.

[7] See Certificate of Death; id. at 13, including dorsal portion.

[8] Id. at 11.

[9] Id. at 12, including dorsal portion.

[10] See id. at 3-5.

[11] See id. at 5.

[12] Id. at 19-24.

[13] See id. at 21-22.

[14] Rollo, p. 40.

[15] Id. at 55-66.

[16] Id. at 66.

[17] See id. at 63-64.

[18] See Brief for the Appellants dated February 12, 2007; CA rollo, pp. 7-23.

[19] Rollo, pp. 34-51.

[20] See id. at 50-51.

[21] Udiaan had [six (6)] children from her first marriage, namely: Ricardo, Rosita, Francisco, Norma, Marcelo, and Encarnacion. Encarnacion is the mother of respondents. See id. at 35.

[22] See id. at 41-43.

[23] See id. at 43-46.

[24] See id. at 46-51.

[25] See motion for reconsideration dated October 25, 2012; CA rollo, pp. 81-85.

[26] Rollo, pp. 52-54.

[27] *Goco v. CA*, 631 Phil. 394, 403 (2010).

[28] 516 Phil. 691 (2006).

[29] *Id.* at 699.

[30] Article 970 of the Civil Code provides:

Art. 970. Representation is a right created by fiction of law, by virtue of which the representative is raised to the place and the degree of the person represented, and acquires the rights which the latter would have if he were living or if he could have inherited.

[31] Article 982 of the Civil Code reads:

Art. 982. The grandchildren and other descendants shall inherit by right of representation, and if any one of them should have died, leaving several heirs, the portion pertaining to him shall be divided among the latter in equal portions.

[32] See Article 971 of the Civil Code.

[33] See Paras, Edgardo L., *Civil Code of the Philippines Annotated*, Vol. III, Sixteenth Edition (2008), p. 468.

[34] *Co v. Yeung*, G.R. No. 212705, September 10, 2014, 735 SCRA 66, 735 SCRA 66, 71, citing *Guevarra v. People*, G.R. No. 170462, February 5, 2014, 715 SCRA 384, 394-95.

[35] See records, pp. 6-7.

[36] *Liga v. Allegro Resources Corp.*, 595 Phil. 903, 911 (2008).

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