

BRAULIO CONDE, RUFINA CONDE, GERARDO CONDE, CONCHITA C. LUNDANG, AND ALFREDO VENTURA, PETITIONERS, VS. INTERMEDIATE APPELLATE COURT, HON. CESAR C. PERALEJO, IN HIS CAPACITY AS P...

G.R. No. 70443. September 15, 1986

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

On January 16, 1984, the petitioners filed an action to annul the judgment of the Court of Appeals dated September 23, 1981, which reversed the decision of the Regional Trial Court and ordered the petitioners and/or their successors-in-interest to deliver immediately the ownership and possession of the property in question to the then plaintiff-appellant Marcelo Gutierrez. In their complaint filed before the Regional Trial Court of Capas, Tarlac, the petitioners alleged that through fraud, Gutierrez was able to make it appear that he was the son of Esteban Gutierrez and Fermina Ramos and as a necessary consequence of such filiation, was the absolute owner by succession of the property in question.

On February 27, 1984, the trial court dismissed the petitioners' complaint on the ground that it had no jurisdiction to annul the judgment of the Court of Appeals. Upon the denial of their motion for reconsideration, the petitioners filed a petition for certiorari, mandamus and a writ of injunction before the appellate court. The said court in turn, dismissed the petition and a subsequent motion for reconsideration on the grounds that a Regional Trial Court is without jurisdiction to annul the judgment of the Court of Appeals and that only the Supreme Court is empowered to review the judgment of said appellate court. Hence, the petitioners elevated the case before this Court.

On August 31, 1984, we issued a resolution dated August 22, 1984, remanding the case to the appellate court for decision on the merits.

The resolution reads as follows:

"The respondent Intermediate Appellate Court erred when it declared that the complaint for annulment of judgment in this case should be filed with the Supreme Court. This Court has no original jurisdiction to look into allegations of fraud upon which the complaint for annulment is based. In January, 1984, the petitioners filed a complaint with the Regional Trial Court of Tarlac seeking among other things the annulment of a decision which had already passed, on appeal, the Court of Appeals in CA-G.R. No. 60139-R. On February 17, 1984, the lower court dismissed the petitioners' complaint for annulment of judgment. The petitioners appealed the dismissal to the respondent Intermediate Appellate Court which denied due course to the petition stating that what is sought to be annulled is a decision of the Court of Appeals over which the regional trial court is obviously without jurisdiction. The decision sought to be annulled calls for the turning over of possession to the original respondent of the disputed properties. While the judgment being enforced may have been that of the Court of Appeals, it was actually an appellate judgment rendered on a review of the trial court's decision. Considering that Section 9 of the Judiciary Reorganization Act of 1980 - B.P. No. 129 gives the Intermediate Appellate Court exclusive jurisdiction over actions for annulment of judgments of regional trial courts, the

COURT RESOLVED to REMAND this case to the Intermediate Appellate Court for it to hear and decide the action."

On January 29, 1985, the appellate court rendered a decision dismissing the petition for lack of jurisdiction and for lack of merit. In its decision, on the issue of jurisdiction, the respondent court ruled that since the decision of the Metropolitan Trial Court can be annulled by the Regional Trial Court and a decision of the latter is annulable by the Court of Appeals, then logically the decision of the appellate court should be annulable only by the Supreme Court. Moreover, the appellate court ruled that it is but logical to conclude that it cannot annul its own decision unless there is an express grant under the Judiciary Reorganization Act of 1980. Finding none, it stated that it must perforce dismiss the case for lack of jurisdiction.

On the merits of the petition, the appellate court ruled that the fraud relied upon by the petitioners is only intrinsic and thus, even on the assumption that it has jurisdiction to decide the case, still the same has no merit. It dismissed the petition. The petitioners elevated this decision to us.

On June 5, 1985, we resolved to require the respondents to comment on the petition. Notwithstanding proof that a copy of the petition was served on the respondents' counsel on June 24, 1985, no comment has been filed.

We decide the petition.

We need not emphasize the rule that this Court decides appeals which only involve questions of law and that "it is not the function of the Supreme Court to analyze or weigh such evidence all over again, its jurisdiction being limited to receiving errors of law that might have been committed by the lower court." (*Baniqued v. Court of Appeals*, 127 SCRA 596, 601; citing *Tiongco v. de la Merced*, 58 SCRA 89). It was, thus, totally pointless for the Intermediate Appellate Court to delve into the question of whether or not it has jurisdiction to pass upon the merits of the petition which then alleged the perpetration of fraud by one of the parties in the original case, and which thereby called for a review of the factual findings of the court. Furthermore, the fact that this Court already remanded the case to the appellate court for decision on the merits should have prompted the latter to limit its decision only to the merits of the case.

There are instances when this Court desires a further review of facts or a detailed analysis and systematic presentation of issues which the appellate court is in a more favored position to accomplish. Standing between the trial courts and the Supreme Court, the appellate court was precisely created to take over much of the work that used to be previously done by this Court. It has been of great help to the Supreme Court in synthesizing facts, issues, and rulings in an orderly and intelligible manner and in identifying errors which ordinarily might have escaped detection. Statistics will show that the great majority of petitions to review the decisions of the appellate court have been denied due course for lack of merit in minute resolutions. The appellate court has, therefore, freed this Court to better discharge its constitutional duties and perform its most important work which, in the words of Dean Vicente G. Sinco, "is less concerned with the decision of cases that begin and end with the transient rights and obligations of particular individuals but is more intertwined with the direction of national policies, momentous economic and social problems, the delimitation of governmental authority and its impact upon fundamental rights." (*Philippine Political Law*, 10th Edition, p. 323). It is, therefore, difficult to understand why a Division of the Intermediate Appellate Court should hesitate to help the Supreme Court and to act on an action which it was specifically ordered to hear and decide.

If its initial hesitation was due to doubts about the correctness of our action, then it should recall the admonition in *Tugade v. Court of Appeals* (85 SCRA 226, 230-231) that:

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"Respondent Court of Appeals really was devoid of any choice at all. It could not have ruled in any other way on the legal question raised. This Tribunal having spoken, its duty was to obey. It is as simple as that. There is relevance to this excerpt from *Barrera v. Barrera* (34 SCRA 98): 'The delicate task of ascertaining the significance that attaches to a constitutional or statutory provision, an executive order, a procedural norm or a municipal ordinance is committed to the judiciary. It thus discharges a role no less crucial than that appertaining to the other two departments in the maintenance of the rule of law. To assure stability in legal relations and avoid confusion, it has to speak with one voice. It does so with finality, logically and rightly, through the highest judicial organ, this Court. What it says then should be definitive and authoritative, binding on those occupying the lower ranks in the judicial hierarchy. They have to defer and to submit.' (Ibid. 107. The opinion of Justice Laurel in *People v. Vera*, 65 Phil. 56 [1937] was cited.) The ensuing paragraphs of the opinion in *Barrera* further emphasizes the point: 'Such a thought was reiterated in an opinion of Justice J.B.L. Reyes and further emphasized in these words: 'Judge Gaudencio Cloribel need not be reminded that the Supreme Court, by tradition and in our system of judicial administration, has the last word on what the law is; it is the final arbiter of any justifiable controversy. There is only one Supreme Court from whose decisions all other courts should take their bearings.' (Justice J.B.L. Reyes spoke thus in *Albert v. Court of First Instance of Manila* [Br. VI], 23 SCRA 948, 961)."

The fault of the Intermediate Appellate Court is mitigated by the fact that it still decided the remanded case on the merits. It stated:

"On February of 1950 an original complaint for recovery of possession of a parcel of land was filed before the Court of First Instance of Tarlac, which was subsequently amended on March 19, 1951.

"On May 20, 1976, after a full blown trial, the Regional Trial Court Branch 64 (formerly Court of First Instance) of Tarlac, rendered a decision dismissing the complaint and ordering plaintiff Marcelo Gutierrez to pay the defendants the costs of the suit. The dispositive portion of which reads as follows:

" 'WHEREFORE, judgment is hereby rendered dismissing the complaint and ordering plaintiff Marcelo Gutierrez to pay the defendants the costs of this suit. He (sic) pronouncement as to damages for want of proof.'

"From the above judgment an appeal was filed with the Court of Appeals.

"On September 23, 1981, the then Court of Appeals reversed the decision of the Regional Trial Court, Branch 64, this time ordering the ten appellees (now petitioners) to deliver the ownership and possession of the litigated property to then appellant (now respondent Marcelo Gutierrez), which decision became final and executory on December 20, 1982, the dispositive portion of which reads, as follows:

" 'WHEREFORE, in the light of the foregoing, the decision appealed from, not being in accordance with the applicable law and evidence and finding validity in the errors assigned, is hereby reversed and set aside. In lieu thereof, another one is entered ordering defendants-appellees and/or their successors-in-interest to deliver immediately the ownership and possession of the property described under par. 3 of the complaint to herein plaintiff-appellant Marcelo Gutierrez. With costs.'

"On January 16, 1984, an action to annul the judgment of the former Court of Appeals was filed before the Regional Trial Court, Branch 56, Third Judicial Region in Capas, Tarlac.

"On February 27, 1984, the respondent Court (Regional Trial Court), dismissed the case for annulment of judgment on the ground that it has no jurisdiction to annul the judgment of the Court of Appeals.

"On March 19, 1984, the motion for reconsideration filed by herein petitioner was denied by the respondent court. Accordingly, a petition for certiorari, mandamus and a writ of injunction was filed before the Intermediate Appellate Court and raffled to the Third Special Cases Division. The court dismissed the petition for lack of merit on the ground that a Regional Trial Court is without jurisdiction to annul a judgment of the Intermediate Appellate

Court, the dispositive portion of which reads:

" 'WHEREFORE, this case should be, as it is hereby DISMISSED OUTRIGHT. With costs against the petitioners.'

"On June 14, 1984, the motion for reconsideration filed by herein petitioner was denied by this Court."

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"Finally, a judgment based on alleged false testimony is not an extrinsic fraud by which an action for annulment of judgment could be grounded. The Supreme Court in *Ilacad v. Court of Appeals* (supra, p. 302), declared that:

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" 'x x x and speaking of extrinsic fraud, it is that fraudulent scheme of the prevailing litigant which prevents a party from having his day in court from presenting his case. Fraud has been regarded as extrinsic or collateral, within the meaning of the rule, 'where it is one of the effect of which prevents a party from having a trial, or real contests, or from presenting all of his case to the court, or where it operates upon matters pertaining not to the judgment itself, but to the manner by 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, where the defeated party has been prevented from presenting fully his side of the case, by fraud or deception practiced on him by his opponent.'

"The resort to fraud in introducing fabricated evidence is definitely an intrinsic fraud, hence false testimony being a matter of evidence is definitely intrinsic and not extrinsic. Fraud consisting in acting fictitious cause of false testimony is intrinsic (sic) (*Francisco v. David*, 38 CG 714). Intrinsic fraud takes the form of acts of a party in a litigation during the trial, such as the use of forged instruments or perjured testimony, which did not affect the presentation of the case, but did prevent a fair and just determination of the case (*Libudan v. Palma* [S1, 45 SCRA 17]). Intrinsic fraud is not sufficient to attack a judgment (*Yatco v. Sumagui*, 44623-R, July 31, 1971).

"Petitioners stand that extrinsic fraud was employed by the respondents, is bereft of any factual basis, hence, even on the assumption that this court has jurisdiction to decide this issue, still the petitioners cause of action must fail."

A careful review of the present petition and of the records of the appellate court on this case shows that even on the assumption that all the facts alleged in the petition are true, the petition should be dismissed for lack of merit because the fraud allegedly perpetrated by the private respondent in AC-G.R. SP No. 03301 is only intrinsic in nature and not extrinsic. Fraud is regarded as extrinsic or collateral where it has prevented a party from having a trial or from presenting all of his case to the court. (*Asian Surety and Insurance Co. v. Island Steel, Inc.*, 118 SCRA 233, 239; citing *Amuran v. Aquino*, 38 Phil. 29). In the case at bar, the fraud was in the nature of documents allegedly manufactured by Marcelo Gutierrez to make it appear that he was the rightful heir of the disputed property. Hence, the Intermediate Appellate Court is correct in finding the fraud to be intrinsic in nature.

WHEREFORE, the petition is hereby DISMISSED for lack of merit. The respondents' counsel, Atty. Adelaido G. Rivera is fined Five Hundred Pesos (P500.00) for his failure to act on the order to file comment.

SO ORDERED.

Feria, (Chairman), Fernan, Alampay, and Paras, JJ., concur.

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