



Republic of the Philippines
Supreme Court
Manila

SUPREME COURT OF THE PHILIPPINES
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FIRST DIVISION

MERCEDITA C. COOMBS,
 Petitioner,

G.R. No. 192353

Present:

- versus -

SERENO, *CJ.*,
 Chairperson,
 LEONARDO-DE CASTRO,
 DEL CASTILLO,
 PERLAS-BERNABE, and
 CAGUIOA, *JJ.*

VICTORIA C. CASTAÑEDA,
VIRGILIO VELOSO SANTOS,
SPS. PANCHO & EDITH
LEVISTE, BPI FAMILY
SAVINGS BANK and the
REGISTER OF DEEDS OF
MUNTINLUPA CITY,
 Respondents.

Promulgated:

MAR 15 2017

X-----*[Signature]*-----X

DECISION

LEONARDO-DE CASTRO, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court, as amended, seeking to reverse and set aside the Resolutions dated April 30, 2009¹ and May 25, 2010² of the Court of Appeals in CA-G.R. SP No. 107949.

This case stemmed from a petition for annulment of judgment to declare the Decision³ dated August 26, 2004 of the Regional Trial Court (RTC), Branch 206, Muntinlupa City in LRC Case No. 04-035 as null and void, filed by herein petitioner Mercedita C. Coombs (Coombs) before the Court of Appeals. The dispositive portion of the RTC Decision reads:

WHEREFORE, judgment is hereby rendered declaring the lost owner's duplicate copy of Transfer Certificate of Title [No.] 6715 of the Registry of Deeds of Muntinlupa City as null and void. Accordingly, the Register of Deeds of Muntinlupa City is ordered to issue a new owner's duplicate copy of the said TCT No. 6715 under the same terms and conditions as the original thereof and to include thereon all annotations

¹ *Rollo*, pp. 34-36; penned by Associate Justice Jose C. Reyes, Jr. with Associate Justices Martin S. Villarama, Jr. and Normandie B. Pizarro concurring.
² *Id.* at 38-40.
³ *Id.* at 72-75; penned by Judge Patria A. Manalastas-De Leon.

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which have not been lawfully ordered cancelled by the Court upon payment of all fees prescribed by law.⁴

Petitioner Coombs narrated in the said petition that she is the owner of the real property covered by Transfer Certificate of Title (TCT) No. 6715 situated on Apitong Street, Ayala Alabang, Muntinlupa City; that sometime in March 2005, when she tried to pay the real property tax due relative to the real property covered by TCT No. 6715, she was told that said real property was no longer listed under her name; that upon further verification, she came to know that TCT No. 6715 had already been cancelled and had been replaced by TCT No. 14115 issued in the name of herein respondent Virgilio Veloso Santos (Santos); that TCT No. 6715 was ordered cancelled by the RTC in a Decision dated August 26, 2004 in LRC Case No. 04-035, entitled "*In Re: Petition for the Issuance of Second Owner's Duplicate Copy of Transfer Certificate of Title No. 6715, [by] Mercedita C. Coombs, represented by her Atty.-in-Fact Victoria C. Castañeda*"; that she neither authorized Victoria C. Castañeda (Castañeda) to file petition for issuance of a second owner's duplicate copy of TCT No. 6715 sometime in 2004, nor asked her to sell the subject property to herein respondent Santos; that Santos, in turn, sold the same to herein respondents Pancho and Edith Leviste (spouses Leviste); that the spouses Leviste executed a real estate mortgage over the subject property in favor of herein respondent Bank of the Philippine Islands Family Savings Bank (BPI Family).⁵

Petitioner Coombs anchored her prayer for the annulment of the RTC Decision on the ground that, since the owner's duplicate copy of TCT No. 6715 had never been lost as it had always been in her custody,⁶ the RTC did not acquire jurisdiction over the subject matter of LRC Case No. 04-035.

The Assailed Court of Appeals Resolutions

In its Resolution dated April 30, 2009, relying on Section 1, Rule 47 of the Revised Rules of Court, the Court of Appeals dismissed the petition for annulment of judgment. According to the appellate court –

A careful reading of the petition reveals that there is no allegation in the petition that the petitioner has failed to avail of any of the aforementioned remedies in Section 1 through no fault of his before instituting the herein petition. This is an important condition for the availment of this remedy. The petition is also not sufficient in substance. Under Section 2[,] Rule 47 of the Rules of Civil Procedure, the grounds for Annulment of Judgment are: (a) lack of jurisdiction of the lower court; and (b) extrinsic fraud. Obviously, the ground relied upon in the present action is extrinsic fraud. However, the petitioner failed to state the facts constituting extrinsic fraud as a ground. Since the petitioner failed to avail [of] any of aforementioned remedies in Section 1 without justification and

⁴ Id. at 75.

⁵ Id. at 42-47.

⁶ Id. at 43.

that the ground relied upon was not substantiated, this petition has no prima facie merit.⁷

Petitioner Coombs moved for the reconsideration of the above-quoted Resolution. She insisted that her petition was grounded on lack of jurisdiction, not extrinsic fraud. In fact, she explicitly spelled out in her petition that the RTC did not have jurisdiction over the subject matter in LRC Case No. 04-035 because the owner's duplicate copy of TCT No. 6715 was never lost.

In its assailed Resolution dated May 25, 2010, the Court of Appeals denied the said motion and explained that the RTC has jurisdiction over all proceedings involving title to real property and land registration cases. Thus, it had jurisdiction over the subject matter of LRC Case No. 04-035. It further held that petitioner Coombs failed to append affidavits of witnesses or documents supporting her cause of action as required by Section 4, Rule 47 of the Rules of Court. It cited *Veneracion v. Mancilla*,⁸ where it was held that failure to append the necessary documents may prompt the appellate court to dismiss the petition outright or deny the same due course. The dispositive portion of the Resolution reads:

WHEREFORE, premises considered, the instant motion is DENIED. Accordingly, the instant petition is DISMISSED WITH FINALITY.⁹

Hence, the present petition raising the following arguments:

First, petitioner Coombs asserts that she was never notified about the proceedings in LRC Case No. 04-035. Being a stranger to the case, she could not have availed of any of the remedies mentioned in Section 1, Rule 47 of the Rules of Court to question the RTC Decision. She claims that she only found out about the RTC's decision sometime in March 2005 in the course of paying for real estate taxes due on the subject property. By that time, the RTC decision had already become final and executory. Thus, the failure to allege these circumstances is not fatal to her petition.¹⁰

Second, citing the Court's rulings in *Strait Times, Inc. v. Court of Appeals*,¹¹ *Serra Serra v. Court of Appeals*,¹² *Alabang Development Corporation v. Valenzuela*,¹³ and *Demetriou v. Court of Appeals*,¹⁴ petitioner Coombs maintains that the RTC did not have jurisdiction over the subject matter in LRC Case No. 04-035 because the owner's duplicate copy

⁷ Id. at 35.

⁸ 528 Phil. 309, 323 (2006).

⁹ *Rollo*, p. 40.

¹⁰ Id. at 20-21.

¹¹ 356 Phil. 217 (1998).

¹² 272-A Phi. 467 (1991).

¹³ 201 Phil. 727 (1982).

¹⁴ G.R. No. 115595, November 14, 1994, 238 SCRA 158.

of the TCT sought to be annulled was never lost and had always been in her possession.¹⁵

Third, petitioner Coombs insists that she appended all the relevant documents to support her Petition for Annulment of Judgment. But she did not append any witnesses' affidavits because she does not have any witness other than herself. Besides, all the facts that may be set out in a separate affidavit are already averred in the present petition. Thus, lack thereof should not result in the petition's outright dismissal.¹⁶

Ultimately, Coombs prays for the following reliefs:

1. [T]hat this petition be given due course and that the assailed Resolutions of the Court of Appeals be reversed and set aside;
2. [T]hat the Honorable Court of Appeals be directed to give due course to the petitioner's petition for annulment of judgment, declaration of nullity of sales and titles, and damages, and to conduct further proceedings thereon.¹⁷

On the other hand, the spouses Leviste maintains (a) that petitioner Coombs' petition was grounded on extrinsic fraud and she failed to properly allege the facts constituting this ground; (b) that the petition is infirm because petitioner Coombs did not comply with the requirements of alleging her failure to resort to ordinary remedies, as enumerated in Section 1, Rule 47 of the Rules of Court and appending the appropriate documents in support of her cause of action; and (c) that petitioner Coombs admitted that a new owner's duplicate copy of TCT No. 6715 was issued by virtue of the RTC Decision. And, for their last point, they argue that the Petition for Annulment of Judgment is actually a collateral attack on their title that is not permitted pursuant to Section 48 of Presidential Decree No. 1529, which states that a certificate of title cannot be altered, modified, or cancelled, except in a direct proceeding in accordance with the law.¹⁸

For their part, respondent BPI Family contends that it should not have been impleaded in the present petition. It maintains that it is simply a mortgagee in good faith and for value in relation to the subject lot covered by TCT No. 6715. And the present petition seeks to nullify the RTC Decision to which the respondent bank was never a party of. Thus, BPI Family claims that the Court has no jurisdiction over it.¹⁹

¹⁵ *Rollo*, pp. 23-25.

¹⁶ *Id.* at 27-28.

¹⁷ *Id.* at 29.

¹⁸ *Id.* at 122-126.

¹⁹ *Id.* at 151-152.

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The Issue

We are now left to resolve the lone issue of whether or not the Court of Appeals erred when it dismissed outright petitioner Coombs' petition for annulment of judgment.

The Ruling of the Court

The petition is meritorious.

The Court of Appeals erred when it dismissed outright the petition for annulment of judgment.

The grounds for annulment of judgment are set forth in Section 2, Rule 47 of the Rules of Court, *viz.*:

Section 2. Grounds for annulment. — The annulment may be based only on the grounds of extrinsic fraud and lack of jurisdiction.

Extrinsic fraud shall not be a valid ground if it was availed of, or could have been availed of, in a motion for new trial or petition for relief.

Contrary to the findings of the Court of Appeals, the Petition for Annulment of Judgment filed by petitioner Coombs was clearly grounded on lack of jurisdiction of the RTC over the subject matter of the case, and not extrinsic fraud.

In her petition, petitioner Coombs averred as follows:

13. Since the owner's duplicate copy of TCT No. 6715 is not lost or destroyed, but is in fact in the possession of the petitioner, there is no necessity for the petition filed in the trial court. The Regional Trial Court Branch 206 in Muntinlupa City never acquired jurisdiction to entertain the petition and order the issuance of a new owner's duplicate certificate. Hence, the newly issued duplicate of TCT No. 6715 is null and void.²⁰

Simply stated, petitioner Coombs sought to annul the RTC Decision for being rendered without jurisdiction. According to her, the RTC did not acquire jurisdiction over the subject matter of LRC Case No. 04-035—one for the reconstitution of a lost certificate of title—because the owner's duplicate copy of TCT No. 6715 was never lost in the first place, which argument has been upheld by the Court in a catena of cases that she cited to support her assertion.

To Our mind, the above-stated allegations made out a *prima facie* case of annulment of judgment to warrant the Court of Appeals' favorable consideration.

²⁰ *Rollo*, p. 49.

In *Manila v. Manzo*,²¹ the Court held that in a petition for annulment of judgment grounded on lack of jurisdiction, it is not enough that there is an abuse of jurisdictional discretion. It must be shown that the court should not have taken cognizance of the case because the law does not confer it with jurisdiction over the subject matter.

It is doctrinal that jurisdiction over the nature of the action or subject matter is conferred by law. Section 10 of Republic Act No. 26²² vests the RTC with jurisdiction over the judicial reconstitution of a lost or destroyed owner's duplicate of the certificate of title. However, the Court of Appeals erred when it ruled that the subject matter of LRC Case No. 04-035 was within the RTC's jurisdiction, being a court of general jurisdiction.

In a long line of cases,²³ the Court has held that the RTC has no jurisdiction when the certificate sought to be reconstituted was never lost or destroyed but is in fact in the possession of another person. In other words, the fact of loss of the duplicate certificate is jurisdictional.

Thus, petitioner Coombs' mere allegation that the owner's duplicate copy of TCT No. 7615 was never lost and has in fact always been with her gave rise to a *prima facie* case of the RTC's lack of jurisdiction over the proceedings in LRC Case No. 04-035. This is exactly the situation a petition for annulment of judgment aims to remedy.

Moreover, the Court of Appeals' dismissal based on technical grounds (*i.e.*, failure to allege that she did not avail of a motion for new trial, appeal, petition for relief, or other appropriate remedies and failure to append the affidavits of witnesses or documents supporting the cause of action of her petition) was also erroneous.

First, when a petition for annulment of judgment is grounded on lack of jurisdiction, the petitioner need not allege that the ordinary remedy of new trial or reconsideration of the judgment sought to be annulled are no longer available through no fault of her own. This is because a judgment rendered

²¹ 672 Phil. 461, 473 (2011).

²² Section 10. Nothing hereinbefore provided shall prevent any registered owner or person in interest from filing the petition mentioned in section five of this Act directly with the proper Court of First Instance, based on sources enumerated in sections 2(a), 2(b), 3(a), 3(b), and/or 4(a) of this Act: Provided, however, That the court shall cause a notice of the petition, before hearing and granting the same, to be published in the manner stated in section nine hereof: And provided, further, That certificates of title reconstituted pursuant to this section shall not be subject to the encumbrance referred to in section seven of this Act.

²³ See *Alabang Development Corporation v. Valenzuela*, supra note 13; *Serra Serra v. Court of Appeals*, supra note 12 at 482; *Demetriou v. Court of Appeals*, supra note 14 at 162; *Strait Times, Inc. v. Court of Appeals*, supra note 11 at 227-228, as cited by the petitioner. Also see *New Durawood Co., Inc. v. Court of Appeals*, 324 Phil. 109, 119-120 (1996); *Reyes, Jr. v. Court of Appeals*, 385 Phil. 623, 630 (2000); *Rexlon Realty Group, Inc. v. Court of Appeals*, 429 Phil. 31, 44 (2002); *Heirs of Panganiban v. Dayrit*, 502 Phil. 612, 621 (2005); *Macabalo-Bravo v. Macabalo*, 508 Phil. 61, 74 (2005); *Feliciano v. Zaldivar*, 534 Phil. 280, 293-294 (2006); *Camitan v. Fidelity Investment, Corp.*, 574 Phil. 672, 685 (2008); *Alcazar v. Arante*, 700 Phil. 614, 628 (2012); *Billote v. Solis*, G.R. No. 181057. June 17, 2015, 759 SCRA 47, 55.

without jurisdiction is fundamentally void. Thus, it may be questioned any time unless laches has already set in.²⁴

Second, petitioner Coombs in fact was able to attach to her petition documents supporting her cause of action.

Verily, our ruling in *Veneracion*²⁵ required the petitioners to: (a) allege with particularity in their petition the facts and the law relied upon for annulment as well as those supporting their cause of action, and (b) attach to the original copy of their petition the affidavits of their witnesses and documents supporting their cause of action.

In the present case, petitioner Coombs' Petition for Annulment of Judgment was grounded on lack of jurisdiction. Based on our review of the records, she annexed to her petition the owner's duplicate copy of TCT No. 6715 and the RTC Decision – which sufficiently support the petition's cause of action. A copy of the TCT alleged (in LRC Case No. 04-035) to have been missing supports the claim that the same was never lost. In the same vein, a copy of the RTC Decision, in conjunction with supporting jurisprudence, supports petitioner Coombs' averment that said decision was rendered without jurisdiction. Her allegations coupled with the appropriate supporting documents give rise to a *prima facie* case that the RTC did not have jurisdiction over the subject matter in LRC Case No. 04-035.

As we ruled in *Tan Po Chu v. Court of Appeals*,²⁶ **if allegations of this nature turned out to be true, the RTC Decision would be void and the Court of Appeals would have been duty-bound to strike it down.** Thus, the appellate court erred when it brushed aside this duty and dismissed the case outright based on a strict interpretation of technical rules.

WHEREFORE, the petition is hereby **GRANTED**. The Resolutions dated April 30, 2009 and May 25, 2010 of the Court of Appeals in CA-G.R. SP No. 107949 are **SET ASIDE**. The Court of Appeals is directed to **REINSTATE** the Petition for Annulment of Judgment in CA-G.R. SP No. 107949 and to proceed hearing the same with dispatch.

SO ORDERED.


TERESITA J. LEONARDO-DE CASTRO
Associate Justice

²⁴ See *Ancheta v. Ancheta*, 468 Phil. 900 (2004).

²⁵ *Veneracion v. Mancilla*, supra note 8.

²⁶ G.R. No. 184348, April 4, 2016.

WE CONCUR:



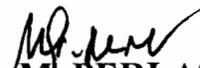
MARIA LOURDES P. A. SERENO

Chief Justice
Chairperson



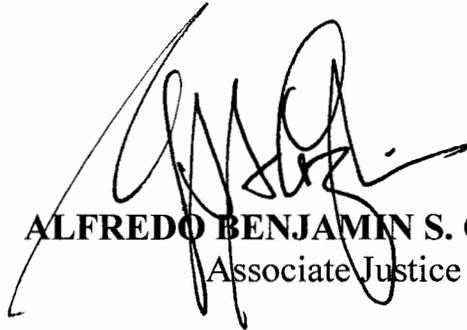
MARIANO C. DEL CASTILLO

Associate Justice



ESTELA M. PERLAS-BERNABE

Associate Justice



ALFREDO BENJAMIN S. CAGUIOA

Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARIA LOURDES P. A. SERENO

Chief Justice