SECOND DIVISION

[G.R. No. 215925; March 7, 2022]

ESPERANZA P. GAOIRAN, *Petitioner*, *v.* **THE HONORABLE COURT OF APPEALS, BRANCH 12 OF THE REGIONAL TRIAL COURT OF ILOCOS NORTE, SPS. TIMOTEO S. PABLO and PERLITA PABLO, MARY NYRE DAWN S. ALCANTARA, and REGISTER OF DEEDS OF LAOAG CITY,** *Respondents*.

D E C I S I O N

HERNANDO,[*] ***J.*:**

Before this Court is a petition for *certiorari*[1] under Rule 65 of the Rules of Court filed by petitioner Esperanza P. Gaoiran, seeking the reversal of the August 15, 2014 Decision[2] and November 14, 2014 Resolution[3] of the Court of Appeals (CA) in CA-G.R. SP No. 129945.

The property subject of the instant petition is a 275-square meter parcel of land situated in Barangay Poblacion San Miguel & San Pedro, City of Laoag, covered by Transfer Certificate of Title No. (TCT) T-34540 issued under the name of respondent Perlita S. Pablo (Perlita), married to Timoteo Pablo (Timoteo).[4]

Petitioner alleged that on September 22, 2009, her friends introduced to her a certain Timoteo H. Pablo, Jr. who was allegedly looking for a buyer of a land registered under the name of his wife, Perlita S. Pablo. Timoteo offered for sale the subject property

---

[*] Acting Chairperson, per Special Order No. 2872 dated March 4, 2022.

[1] *Rollo*, pp. 3-21.

[2] Id. at 67-75. Penned by Associate Justice Eduardo P. Peralta, Jr. with Associate Justices Ramon R. Garcia and Stephen C. Cruz.

[3] Id. at 77-78.

[4] Id. at 24-28.

Supreme Court E-Library

to petitioner and her husband. Timoteo was able to convince petitioner to purchase the said property upon the representation that he was authorized by his wife, Perlita to sell the same. On the same day, petitioner delivered the purchase price to Timoteo in the amount of ₱500,000.00 and in exchange, Timoteo surrendered the first owner's duplicate copy of TCT T-34540 to petitioner and undertook to deliver a deed of absolute sale signed by his wife on or before October 22, 2009. Timoteo, however, did not make good his promise.[5]

Demands were made by petitioner upon Timoteo to return the amount of ₱500,000.00 or to deliver the appropriate deed of conveyance, but to no vail. This prompted petitioner to institute before the Office of the City Prosecutor of Laoag City a complaint for Estafa against Timoteo.[6] Finding probable cause, an Information for Estafa was filed before the RTC of Laoag City, Branch 14 docketed as Criminal Case No. 14608.[7]

On June 8, 2012, petitioner executed an affidavit of possession with notice of lis pendens[8] and brought the same to the Register of Deeds of Laoag City (RD-Laoag) for annotation of an adverse claim in TCT T-34540. However, the RD-Laoag advised her that the said complaint, being criminal and not civil in nature, cannot be annotated in the original certificate of title.[9]

Meanwhile, on the claim that the owner's duplicate copy of the subject property's title was missing, respondent Mary Nyre Dawn Alcantara (Mary), representing herself as the niece of respondent Perlita, and the latter's trustee of TCT T-34540, filed before the RTC of Laoag City on June 25, 2012 a petition[10] praying that the owner's duplicate copy of TCT T-34540 that had been lost be declared as null and void. She likewise prayed for the issuance

---

[5] Id. at 37-38.

[6] Id.

[7] Id. at 35-36.

[8] Id. at 6.

[9] Id.

[10] Id. at 29-31.

Supreme Court E-Library

of a second owner's duplicate copy of TCT T-34540.[11] In support of the said petition, Mary submitted an affidavit of loss on June 14, 2012 duly notifying the Register of Deeds of the lost title. The same had been annotated at the back of TCT T-34540.[12] Perlita also executed an affidavit stating that she had entrusted the owner's duplicate copy of TCT T-34540 to Mary being her administrator and overseer but the same was lost in the latter's possession. Hence, she encouraged Mary to file a petition for the issuance of a new owner's duplicate title in lieu of the lost one.[13]

Finding sufficient, competent and credible evidence in support of the petition for issuance of a new owner's duplicate certificate of title, the RTC of Laoag City, Branch 12, in a Decision[14] dated August 28, 2012, ordering the issuance of a second owner's duplicate copy of TCT T-34540. Pursuant to which, the RTC of Laoag City declared the lost owner's duplicate copy as null and void.[15]

On May 17, 2013, petitioner instituted before the CA a petition for annulment of judgment[16] seeking to annul the August 28, 2012 Decision of the RTC of Laoag City, which granted Mary's petition for the issuance of a second owner's duplicate copy of TCT T-34540. Petitioner averred that it was only on April 10, 2013, upon her inquiry with the RD-Laoag about the status of the aforesaid title, that she discovered that a second owner's duplicate copy of TCT T-34540 was issued in favor of Perlita pursuant to an affidavit of loss executed by Mary on June 14, 2012, attesting to the loss of the first owner's duplicate copy of TCT T-34540, which she registered with the RD-Laoag. In view of the foregoing incidents, petitioner filed the aforesaid petition for annulment of judgment before the CA on the grounds of extrinsic fraud and lack of jurisdiction. Essentially, she contended that the reconstituted

---

[11] Id. at 31.

[12] Id. at 30.

[13] Id.

[14] Id. at 22-23.

[15] Id. at 23.

[16] Id. at 56-65.

Supreme Court E-Library

title was obtained by the respondents by means of fraud and deceit. She further argued that the RTC had no jurisdiction to issue a new title as the first owner's duplicate copy of TCT T-34540 was never lost, and in fact, is in her possession all along.[17]

Ruling of the Court of Appeals:

On August 15, 2014, the CA dismissed the petition for annulment of judgment declaring that a petition under Rule 47 of the Rules of Court cannot be used to impugn the second owner's duplicate certificate of title which was issued in the reconstitution proceeding before the trial court for to do so would constitute a collateral attack upon the issued certificate of title which is sanctioned by Section 48 of Presidential Decree No. (PD) 1529.[18]

The dispositive portion of the CA's Decision reads:

> Accordingly, in view of the foregoing premises, and consistent with the *caveat* in the first paragraph of Section 5, Rule 47 of the 1997 Rules of Civil Procedure, the Petition for Annulment of Judgment is hereby **DISMISSED**.
>
> **SO ORDERED.**[19]

Petitioner filed a motion for reconsideration but the same was denied by the CA in a Resolution[20] dated November 14, 2014.

Hence, this petition for *certiorari* imputing grave abuse of discretion on the part of the CA.

Issue

The issue before the Court is whether or not the CA committed grave abuse of discretion in dismissing the petition for annulment of judgment.

---

[17] Id. at 58-63.

[18] Id. at 73. Presidential Decree No. 1529 is entitled "AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES." Approved: June 11, 1978.

[19] Id. at 74.

[20] Id. at 77-78.

Supreme Court E-Library

Petitioner insists that the existence of the owner's duplicate copy of TCT T-34540 in her possession renders the RTC of Laoag City devoid of any jurisdiction to entertain Mary's petition for issuance of a second owner's duplicate copy. Moreover, the petition for annulment of judgment she filed before the CA is not an attack upon TCT T-34540, the main purpose of which is the annulment of the August 28, 2012 Decision of the RTC of Laoag City granting the reconstitution of TCT T-34540, despite the fact that the first owner's duplicate copy thereof was never lost. Thus, the cancellation of the reconstituted title is only a necessary consequence of the annulment of the assailed August 28, 2012 Decision. Since the first owner's duplicate copy of TCT T-34540 is not in fact lost, the CA committed grave abuse of discretion amounting to lack or in excess of jurisdiction in not annulling the August 28, 2012 RTC Decision on the ground of lack of jurisdiction.[21]

For their part, respondents counter that the instant petition for *certiorari* should be dismissed for being an improper remedy because the proper recourse to assail the dismissal of the Rule 47 petition filed with the CA is through a petition for review on *certiorari* under Rule 45 of the Rules of Court, it being a continuation of the original action filed before the CA. Even if the Court treats the petition as one under Rule 45, it must still be dismissed for late filing and by reason of which, the assailed CA Decision and Resolution already attained finality. The instant case is devoid of highly exceptional circumstances as to warrant the invocation of liberal application of the rules. Finally, they aver that even assuming that a Rule 65 petition may be availed of, it must still fail since the CA committed no grave abuse of discretion in dismissing the petition for annulment of judgment filed therewith.

Our Ruling

The petition is meritorious.

---

[21] Id. at 10-17.

Supreme Court E-Library

Prefatorily, petitioner availed of the wrong mode of appeal when she filed before the Court a petition for *certiorari* under Rule 65 to assail the August 15, 2014 Decision and November 14, 2014 Resolution of the CA. A petition for *certiorari* under Rule 65 of the Rules of Court is a special civil action that may be resorted to only in the absence of appeal or any plain, speedy and adequate remedy in the ordinary course of law.[22]

In *Mandy Commodities, Inc. v. The International Commercial Bank of China*,[23] the Court held:

> In *Alba v. Court of Appeals* and *Linzag v. Court of Appeals*, it was held that a party aggrieved by the decision of the Court of Appeals in a petition filed with it for annulment of judgment, final order or resolution is not a petition for *certiorari* under Rule 65, but rather an ordinary appeal under Rule 45 where only questions of law may be raised. A petition for *certiorari* is, like a petition for annulment, a remedy of last resort and must be availed of only when an appeal or any other adequate, plain or speedy remedy may no longer be pursued in the ordinary course of law. A remedy is said to be plain, speedy and adequate when it will promptly relieve the petitioner from the injurious effects of the judgment and the acts of the lower court or agency.[24]

In this case, the CA acted within its jurisdiction when it rendered the assailed August 15, 2014 Decision. The decision was a final judgment that disposed of the case in a manner leaving the court with nothing more to do. Accordingly, petitioner should have filed a petition for review on *certiorari* under Rule 45, not a petition for *certiorari* under Rule 65, in this Court.

Nevertheless, We bear in mind that the acceptance of a petition for *certiorari*, as well as the grant of due course thereto is, in general, addressed to the sound discretion of the Court.[25] We recognize that although procedural rules ought to be strictly

---

[22] Rules of Court, Rule 65, Section 1.

[23] 609 Phil. 355 (2009).

[24] Id. at 367, citing *Alba v. Court of Appeals*, 503 Phil. 451, 464 (2005), and *Linzag v. Court of Appeals*, 353 Phil. 506, 524 (1998).

[25] *Sps. Leynes v. Court of Appeals*, 655 Phil. 25, 45 (2011).

Supreme Court E-Library

enforced by courts in order to impart stability in the legal system, We have, nonetheless, relaxed the rigid application of the rules of procedure in several cases to afford the parties the opportunity to fully ventilate their cases on the merits. This is because the ends of justice would be better served if the parties were given the chance to argue their causes and defenses. We are likewise constantly reminded that the general objective of procedure is to facilitate the application of justice to the opposing claims of the competing parties and always be guided by the principle that procedure must not hinder but, rather, promote the administration of justice.[26]

Thus, notwithstanding the foregoing procedural lapse committed by petitioner, in the interest of justice and to prevent further prolonging the proceedings in this case, the Court resolves to give due course to her petition and rule on the merits thereof.[27] This is so especially considering that petitioner has presented a good cause for the proper and just determination of her case.

Under Section 2, Rule 47 of the Rules of Court, the only grounds for annulment of judgment are extrinsic fraud and lack of jurisdiction. In this case, petitioner alleges that the CA erred in failing to annul the Decision of the RTC on the ground of lack of jurisdiction.

Lack of jurisdiction as a ground for annulment of judgment refers to either lack of jurisdiction over the person of the defending party or over the subject matter of the claim. In case of absence, or lack, of jurisdiction, a court should not take cognizance of the case. Thus, the prevailing rule is that where there is want of jurisdiction over a subject matter, the judgment is rendered null and void. A void judgment is in legal effect no judgment, by which no rights are divested, from which no right can be obtained, which neither binds nor bars any one, and under which all acts performed and all claims flowing out are void. It is not a decision in contemplation of law and, hence, it can never become executory. It also follows

---

[26] *Thenamaris Philippines, Inc. v. Court of Appeals*, 725 Phil. 590, 602-603 (2014).

[27] *Chua v. People*, 821 Phil. 271, 280 (2017).

Supreme Court E-Library

that such a void judgment cannot constitute a bar to another case by reason of *res judicata*.[28]

In this case, the Court finds that the CA erred in denying petitioner's petition for annulment of judgment holding that the same was a subtle experiment to collaterally dispute the owner's duplicate certificate of title which was issued in favor of Perlita in the reconstitution proceeding before the RTC.

In *Spouses Ibias v. Macabeo*,[29] citing *Alonso v. Cebu Country Club, Inc.*[30] the Court described reconstitution, thus:

> The reconstitution of a title is simply the re-issuance of a lost duplicate certificate of title in its original form and condition. It does not determine or resolve the ownership of the land covered by the lost or destroyed title. A reconstituted title, like the original certificate of title, by itself does not vest ownership of the land or estate covered thereby.[31]

Verily, the reconstitution of a certificate of title denotes restoration in the original form and condition of a lost or destroyed instrument attesting the title of a person to a piece of land. The purpose of the reconstitution of title is to have, after observing the procedures prescribed by law, the title reproduced in exactly the same way it has been when the loss or destruction occurred.[32]

Section 109 of PD 1529[33] provides for the procedure in case of loss of an owner's duplicate certificate of title:

> Section 109. *Notice and replacement of lost duplicate certificate*. — In case of loss or theft of an owner's duplicate certificate of title, due notice under oath shall be sent by the owner or by someone in his behalf

---

[28] *Sebastian v. Spouses Cruz*, 807 Phil. 738, 743 (2017).

[29] 793 Phil. 389 (2016).

[30] 426 Phil. 61, 83-84 (2002), citing *Strait Times, Inc. v. Court of Appeals*, 356 Phil. 217, 230 (1998).

[31] Supra note 29 at 396.

[32] *Sebastian v. Spouses Cruz*, supra note 28.

[33] Entitled "AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES." Approved: June 11, 1978.

Supreme Court E-Library

to the Register of Deeds of the province or city where the land lies as soon as the loss or theft is discovered. If a duplicate certificate is lost or destroyed, or cannot be produced by a person applying for the entry of a new certificate to him or for the registration of any instrument, a sworn statement of the fact of such loss or destruction may be filed by the registered owner or other person in interest and registered.

Upon the petition of the registered owner or other person in interest, the court may, after notice and due hearing, direct the issuance of a new duplicate certificate, which shall contain a memorandum of the fact that it is issued in place of the lost duplicate certificate, but shall in all respects be entitled to like faith and credit as the original duplicate, and shall thereafter be regarded as such for all purposes of this decree.

From the foregoing, it appears that for an order of reconstitution to be issued, it must be clearly shown that the certificate of title had been lost or destroyed. If a certificate of title has not been lost, but is in fact in the possession of another person, then the reconstituted title is void and the court that rendered the decision had no jurisdiction.[34]

Indubitably, the fact of loss or destruction of the owner's duplicate certificate of title is crucial in clothing the RTC with jurisdiction over the judicial reconstitution proceedings.[35]

As early as the case of *Strait Times, Inc. v. Court of Appeals*,[36] citing *Serra Serra v. Court of Appeals*,[37] the Court has held:

[T]hat if a certificate of title has not been lost, but is in fact in the possession of another person, then the reconstituted title is void and the court that rendered the decision had no jurisdiction. This was reiterated in *Demetriou v. Court of Appeals* and *New Durawood Co., Inc. v. Court of Appeals*. In the present case, it is undisputed that the allegedly lost owner's duplicate certificate of title was all the while in the possession of Atty. Iriarte, who even submitted it as evidence. Indeed, private respondent has not controverted the genuineness and authenticity of the

---

[34] *Spouses Ibias v. Macabeo*, supra note 29 at 397.

[35] *Sebastian v. Spouses Cruz*, supra note 28 at 744.

[36] Supra note 30.

[37] 272-A Phil. 467, 482 (1991).

Supreme Court E-Library

said certificate of title. These unmistakably show that the trial court did not have jurisdiction to order the issuance of a new duplicate, and the certificate issued is itself void.[38] (Citations omitted)

Similarly, in *Spouses Paulino v. Court of Appeals*,[39] the Court reiterated the rule that when the owner's duplicate certificate of title was not actually lost or destroyed, but is in fact in the possession of another person, the reconstituted title is void because the court that rendered the order of reconstitution had no jurisdiction over the subject matter of the case.

The same ruling holds true in the case of *Billote v. Solis*,[40] where the Court pronounced that "since the owner's duplicate certificate of title has not been lost, but was in the possession of William, the trial court did not acquire jurisdiction over the petition for the issuance of a new owner's duplicate certificate of title. Hence, the CA was correct in declaring the decision of the RTC as well as the second owner's duplicate certificate of title issued pursuant thereto a nullity. It is, therefore, the fact of the loss or existence of the owner's duplicate certificate, and not whether the process prescribed by applicable law was successfully complied with, that determines the presence or lack of jurisdiction of the trial court."

Otherwise stated, reconstitution presupposes the existence of an original certificate of title which was lost or destroyed. If there was no loss or destruction as in the case at bar, there is actually nothing to reconstitute. Here, petitioner clearly alleged in her petition before the CA that, contrary to the claim of Mary in the reconstitution proceeding, the owner's duplicate copy of TCT T-34540 was not really lost, as the same was surrendered to her by Timoteo and was in her possession all along. The alleged lost TCT was in fact offered in evidence by petitioner before the CA and private respondents did not contest the genuineness and authenticity of the same. Thus, with evidence that the first owner's duplicate copy of TCT No. T-34540 was not lost but was actually

---

[38] Supra note 36 at 227-228.

[39] 735 Phil. 448, 460 (2014).

[40] 760 Phil. 712, 724 (2015).

Supreme Court E-Library

in the possession of another, the RTC decision was null and void for lack of jurisdiction.

That there was no valid contract of sale executed between Perlita and petitioner is of no moment. The indelible fact remains that the allegedly lost genuine certificate of title was all the while in the custody of petitioner. Ergo, the RTC did not validly acquire jurisdiction over the subject matter of the reconstitution proceeding.

In its ruling, the CA cited the case of *The Heirs of the Late Sps. Luciano P. Lim v. The Presiding Judge of the Regional Trial Court of Quezon City*,[41] *(Sps. Lim)* in declaring that a petition for annulment of judgment under Rule 47 of the Rules of Court cannot be used to attack the validity of the second owner's duplicate certificate of title issued in the reconstitution proceeding before the RTC, and that the proper remedy of petitioner is to file a direct action before the RTC for the cancellation of the reconstituted title. In short, the CA held that petitioner's resort to a Rule 47 petition before the CA to impugn the reconstituted title in favor of Perlita was incorrect.

We do not agree.

The CA's reliance in the *Sps. Lim* is utterly misplaced. In that case, the Court affirmed the CA's dismissal of the petition for annulment of judgment not because the said petition was a wrong recourse but because the petitioners therein were not real parties-in-interest to dispute the reconstitution of the original and duplicate copy of the TCT in dispute. The CA found that the property claimed by petitioners in *Sps. Lim* was entirely different and not even a part of the property covered by the reconstituted title. Thus, the Court held:

> We reviewed the titles presented by both parties in the proceedings below and arrived at the same conclusion as that of the Court of Appeals. Indeed, per their TCT, petitioners' lot was derived from Lot-22-D-3, whereas respondent Cañosa's covers the entire Lot 22-A. Simple logic

[41] 586 Phil. 310, 319 (2008).

Supreme Court E-Library

dictates that Lot 22-A is different from Lot-22-D-3, and that Lot-22-D-3 could not have been in Lot 22-A.

Petitioners are not real parties-in-interest because the reconstitution of the original and duplicate copy of TCT No. 169395 will have no effect on their property, the latter being different from, and not even a part of the property covered by the reconstituted title. One having no right or interest of his own to protect cannot invoke the jurisdiction of the court as a party plaintiff in an action, thus petitioners' petition for annulment of judgment was rightfully dismissed.[42] (Emphasis supplied)

Since the property claimed by the petitioners in *Sps. Lim* was entirely different, and was not even a part of the land covered by the certificate of title they sought to be annulled, the Court held that the petitioners therein did not have the standing to question the reconstituted title.

On the contrary, it is undisputed that the property covered by the reconstituted title in the instant case is the same property covered by the first owner's duplicate copy of TCT T-34540 which petitioner presented in evidence before the CA and claimed to be in her possession since September 2009. Considering that the subject of the controversy herein involves the same property, the ruling of this Court in *Sps. Lim* is clearly not applicable in the instant case.

Moreover, in *Sps. Lim*, the Court noted that both parties raised issues of ownership and spuriousness of their respective titles. Thus, the Court stressed the well-entrenched rule that a certificate of title cannot be subject to collateral attack and can be altered, modified or cancelled only in a direct proceeding in accordance with law. Simply put, the Court ruled that a certificate of title cannot be collaterally attacked in a petition for annulment of judgment under Rule 47 of the Rules of Court, thus:

However, the Court of Appeals noted that both parties raised issues of ownership and spuriousness of their respective titles - with petitioners claiming that no records exist in the Quezon City Assessor's Office nor in the Taxation (Real Estate Division) of the ownership of respondent

[42] Id. at 317-318.

Supreme Court E-Library

Cañosa's predecessor-in-interest over a 33,914 sq. m. land in Quezon City, and with respondent Cañosa asserting that the title issued to petitioners' predecessors-in-interest is a spurious, having emanated from a spurious private subdivision survey (Psd) plan. Obviously, the validity of the parties' respective titles is being attacked, in a proceeding which was brought merely to seek the nullification of an order of reconstitution. This cannot be allowed. It is a well-settled doctrine that a certificate of title cannot be subject to collateral attack and can be altered, modified or cancelled only in a direct proceeding in accordance with law. This is the very same reason why the Court of Appeals could not, and did not deign to, resolve the matter of ownership. The Court of Appeals' declaration that it is not a trier of facts must be taken within this context.[43]

In contrast, it bears stressing that the parties in the instant case did not impugn their respective titles to the property in question. An examination of the petition for annulment of judgment before the CA reveals that petitioner never questioned Perlita's ownership of the subject property. In fact, petitioner acknowledged Perlita's ownership thereof. Neither did respondents Perlita and Mary in any way challenge the genuineness and authenticity of the first owner's duplicate copy of TCT T-34540 submitted by petitioner. To stress, what petitioner sought in her Rule 47 petition with the CA was the annulment of the RTC Decision reconstituting TCT T-34540, on the ground that the first owner's duplicate copy thereof was never lost but was in fact in her possession all along. Petitioner only needed to show the fact that the owner's duplicate copy was not, in truth, missing in order to determine the lack of jurisdiction of the trial court resulting in the annulment of judgment thereof. The CA's application of the ruling of the Court in *Sps. Lim* is, therefore, plainly misplaced in view of its factual variance with the case at bar.

WHEREFORE, the petition is hereby **GRANTED**. The August 15, 2014 Decision and November 14, 2014 Resolution of the Court of Appeals in CA-G.R. SP No. 129945 are **REVERSED** and **SET ASIDE**. The August 28, 2012 Decision of the Regional Trial Court of Laoag City, Branch 12, in CAD Case No. 47-12 is **ANNULLED** and the new owner's duplicate certificate of title

[43] Id. at 319.

Supreme Court E-Library

issued by authority of the said proceedings in lieu of Transfer Certificate of Title No. T-34540 is declared **VOID**. No costs.

SO ORDERED.

Zalameda, Rosario, and *Marquez, JJ.*, concur.

Perlas-Bernabe, S.A.J., on official business.

APPEARANCES OF COUNSEL

Castro, Ulep, Ramos & Agcaoili Law Offices for petitioner.

Reynaldo A. Corpuz for respondents Mary Nyre Dawn S. Alcantara and Perlita Pablo.