SECOND DIVISION

[G.R. No. 268122. November 18, 2025]

HAYDEE MAMBALO MELGASO, PETITIONER, VS. FRANCISCA[1] MONTALBO ABAJON AND HEIRS OF STANLEY ABAJON, ET AL.,[2] RESPONDENTS.

D E C I S I O N

KHO, JR., J.:

This Petition for Review on *Certiorari*[3] assails the Resolutions dated June 7, 2022[4] and May 11, 2023[5] of the Court of Appeals (CA) in CA-G.R. SP No 14928, which dismissed the Petition for Annulment of Judgment Based on Compromise Agreement (Petition for Annulment of Judgment)[6] filed by petitioner Haydee Mambalo Melgaso (Haydee) against respondents Fransisca Montalbo Abajon, the heirs of Stanley Abajon, the heirs of Beatriz J. Padilla, the Provincial Assessor of Cebu, the Municipal Assessor of Alcoy, Cebu, and the Presiding Judge of Branch 26, Regional Trial Court, Argao, Cebu (RTC).

The Facts

The case before the RTC involved two parcels of land owned by Beatriz J. Padilla (Beatriz). In their Complaint[7] dated on September 30, 2004, spouses Fransisca and Stanley (deceased) Abajon (collectively, spouses Abajon) sought to declare null and void the sale of the subject properties by Beatriz to spouses Joel and Haydee Melgaso. Spouses Abajon claimed that Beatriz validly sold the properties to them instead. However, Joel allegedly forged the Deeds of Sale[8] to make it appear that Beatriz sold the properties to him and Haydee at an earlier date. On November 30, 2004, Joel filed his answer. Subsequently, the parties settled the case. Thus, on October 19, 2006, the RTC rendered the assailed Judgment Based on Compromise Agreement, where spouses Abajon agreed to pay Joel the amount of PHP 60,000.00,[9] and in consideration therefor, Joel agreed to waive all his claims over the properties.[10]

On April 21, 2022, Joel's spouse, Haydee, filed the Petition for Annulment of Judgment to annul the RTC's judgment before the CA on the ground that it was issued without jurisdiction. She pointed out that she was not impleaded as a party by spouses Abajon even though she signed the assailed deeds of sale and is thus one of the disputed owners

of the properties.[11]

The CA Ruling

In a Resolution[12] dated June 7, 2022, the CA dismissed the Petition for Annulment of Judgment for lack of merit and for failure to comply with Rule 47, Section 4 of the Rules of Court.[13]

In so ruling, the CA noted that Haydee was not represented by counsel. Rather, she was represented by Joel, who is not a lawyer. This, the CA held, is proscribed by Rule 138 of the Rules of Court, which allows non-lawyers to appear before appellate courts only when they themselves are parties to the case and they are making a personal appearance. In other cases, parties must be represented by a member of the Bar.[14] Thus, Joel, being neither a member of the Bar nor a party to the Petition for Annulment, is not authorized to file the Petition in Haydee's behalf. Furthermore, as someone who was not impleaded in the original case, Haydee is not bound by the RTC Decision. Thus, citing the Court's ruling in *Dare Adventure Farm Corporation v. CA*,[15] the CA held that an action for annulment is not available to Haydee.[16] Finally, the CA ruled that the Petition for Annulment of Judgment lacked affidavits from Haydee's witnesses as required by Section 4 of Rule 47 of the Rules of Court.[17]

Aggrieved, Haydee moved to reconsider, which the CA denied in a Resolution[18] dated May 11, 2023. Hence this Petition.[19] Upon the Court's directive, respondents filed their Comment[20] to the Petition.

The Issue Before the Court

The sole issue for the Court's resolution is whether the CA erred in dismissing the Petition for Annulment of Judgment Based on Compromise Agreement.

The Court's Ruling

The Petition is meritorious. For reasons to be explained here, however, the Court sees the need to remand the Petition for Annulment of Judgment to the CA for further proceedings.

A petition for annulment of judgment is a remedy in equity so exceptional in nature that it may be availed of only when other remedies are wanting, and only if the judgment, final order, or final resolution sought to be annulled was rendered by a court lacking jurisdiction, or through extrinsic fraud. Under Rule 47, Section 2 of the Rules of Court, a judgment may be annulled on grounds of extrinsic fraud and lack of jurisdiction. Jurisprudence also recognizes that denial of due process of law is a ground to annul a judgment.[21] Due process requires that those with interest to the subject matter in litigation be notified and be afforded an opportunity to defend their interests. As

guardians of constitutional rights, courts cannot be expected to deprive persons of their rights to due process while at the same time be considered as acting within their jurisdiction. Where the denial of the fundamental right of due process is apparent, a decision rendered in disregard of that right is void for lack of jurisdiction.[22]

Haydee anchors her Petition for Annulment of Judgment on the fact that she was not impleaded in the case before the RTC. This, according to her, rendered the RTC without jurisdiction to issue the judgment based on compromise.

The Court agrees.

First, judgments based oil compromise, like judgments on the merits, may be subject to annulment, so long as the grounds earlier stated are present.[23] Second, Haydee is an indispensable party to the Complaint before the RTC. She is a signatory and a named vendee in the deeds of sale allegedly executed by Beatriz, which the spouses Abajon sought to annul. No final determination of whether the deeds of sale should be nullified can be had unless Haydee is impleaded. Indeed, the RTC proceeds without jurisdiction if it does so without impleading all indispensable parties. In *Florete vs. Florete*,[24] the Court held:

> There are *two consequences* of a finding on appeal that *indispensable parties have not been joined*. First, *all subsequent actions of the lower courts are null and void for lack of jurisdiction*. Second, the case should be remanded to the trial court for the inclusion of indispensable parties. It is only upon the plaintiff's refusal to comply with an order to join indispensable parties that the case may be dismissed.
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> *All subsequent actions of lower courts are void as to both the absent and present parties. To reiterate, the inclusion of an indispensable party is a jurisdictional requirement*[.][25] (Emphases supplied)

Admittedly, the RTC Decision was not appealed. That did not, however, change the fact that the RTC proceeded with the case despite Haydee's non-joinder. As such, following *Florete*, all of the RTC's subsequent actions are null and void for lack of jurisdiction *not only as to Haydee, the absent party, but as to the rest of the parties*. Lack of jurisdiction, Rule 47 ordains, is a ground to annul a judgment. Additionally, Rule 47 states that a final judgment may be annulled for lack of jurisdiction before the action is barred by laches or estoppel.[26] Here, there is no evidence thus far that Haydee is estopped from assailing the RTC's jurisdiction over her. Despite the fact that she was named in the deeds of sale as one of the vendees, neither spouses Abajon nor the RTC impleaded her. Also, it appears at this point that Haydee did not participate in the RTC proceedings in any way.

At this juncture, the Court discerns that the CA's reliance on *Dare Adventure* is misplaced. In that case, the party seeking the annulment of the RTC's decision was *not* an indispensable party to the case. The petitioner there was the vendee of a parcel of

land that the vendor previously mortgaged to a third party. When the vendor failed to pay the debt secured by the mortgage, the third party filed a complaint for sum of money or, in the alternative, foreclosure of mortgage. Petitioner was not impleaded. Subsequently, the RTC ruled in favor of the third party and awarded them the title to the property. Petitioner discovered the mortgage only after the RTC decision had become final. The Court held that the RTC decision was binding only on the parties to the case and that petitioner cannot be considered adversely affected by the RTC decision. Accordingly, it cannot bring an action to annul the judgment. The Court also held that other remedies were available to petitioner such as quieting of title.

Instead, the more apt case is *Bulawan v. Aquende*.[27] There, the Court found that the party seeking the annulment was an *indispensable party* who was not impleaded in the RTC proceedings. The Court faulted the RTC for not taking the initiative to inquire whether other indispensable parties should be impleaded based on the pleadings filed. The Court held that the indispensable party who was not impleaded is entitled to bring the action for annulment. Here, the fact that the deeds of sale sought to be annulled bear Haydee's name and signature as vendee should have prompted the RTC to implead her or to order the spouses Abajon to implead her, in accordance with Rule 3, Section 11 of the Rules of Court. But it did not do so. Consequently, all of the RTC subsequent actions are null and void for lack of jurisdiction.

Regarding the lack of affidavits from witnesses, the Petition for Annulment of Judgment contained several annexes including the deeds of sale, the RTC Decision, and proof of Haydee's marriage to Joel,[28] all of which sufficiently prove that the RTC did not have jurisdiction by virtue of Haydee's non-joinder.

Ordinarily, these reasons should be sufficient to grant the Petition for Review on *Certiorari* as well as the Petition for Annulment of Judgment. As stated earlier, however, the Court sees the need to remand the case to the CA for further proceedings. Specifically, there are circumstances peculiar to this case that raise questions regarding the full extent of Haydee's knowledge of the RTC proceedings and the resulting judgment by compromise agreement.

To be clear, the burden of procuring the presence of indispensable parties is on the plaintiff,[29] in this case, spouses Abajon. However, it is also undisputed that Joel is Haydee's spouse and that he was a party both in the RTC proceedings and to the compromise agreement. In the Petition for Annulment before the CA, Joel even acted, albeit improperly, since he is not a lawyer, as Haydee's counsel. Throughout the 18 years from the filing of the Complaint with the RTC until the filing of the Petition for Annulment of Judgment, Joel offered neither explanation nor information about Haydee's awareness of the proceedings regarding the subject property, despite himself being married to Haydee. That he did not inform Haydee of the circumstances surrounding the complaint in this long period stretches credulity. In *Bulawan*, the Court ascribed fraud on the part of the complainant for proceeding with the Complaint despite knowing that an indispensable party was not impleaded. While Joel was the defendant in the RTC proceedings, it cannot be denied that as Haydee's spouse, he certainly had the opportunity to: (1) inform the RTC of the non-joinder of his spouse to have a

complete resolution of the case; and (2) inform Haydee of the proceedings. Thus, the CA must hear evidence from both parties regarding this issue, specifically, on whether Haydee knew of the RTC proceedings and did not seek to be impleaded despite such knowledge, and rule accordingly.

ACCORDINGLY, the Petition for Review on *Certiorari* is **GRANTED**. The Resolutions dated June 7, 2022 and May 11, 2023 of the Court of Appeals in CA-G.R. SP No. 14928 are hereby **REVERSED** and **SET ASIDE**. The Court of Appeals is hereby **DIRECTED** to give **DUE COURSE** to the Petition for Annulment of Judgment Based on Compromise Agreement, and after which **CONDUCT** further proceedings thereon.

SO ORDERED.

Leonen, SAJ. (Chairperson), Lazaro-Javier, J. Lopez, and *Villanueva, JJ.,* concur.

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[1] *Rollo*, pp. 60-74. Also spelled as Fransisca in some part of the *rollo*

[2] *Id*. at 3. The body of the Petition also impleads the "heirs of Beatriz J. Padilla" as respondents though they were excluded from the caption of the petition.

[3] *Id*. at 3-19.

[4] *Id*. at 23-28. The Resolution dated June 7, 2022 was penned by Associate Justice Ronald Suva Tolentino and concurred in by Associate Justices Pamela Ann Abella Maxino and Nancy C. Rivas-Palmones of the Eighteenth Division, Court of Appeals, Cebu City.

[5] *Id*. at 30-32. The Resolution dated May 11, 2023 was penned by Associate Justice Ronald Suva Tolentino and concurred in by Associate Justices Pamela Ann Abella Maxino and Nancy C. Rivas-Palmones of the Eighteenth Division, Court of Appeals, Cebu City.

[6] *Id*. at 60-74.

[7] *Id*. at 36-40.

[8] *Id*. at 46.

[9] *Id*. at 88-90. The amount is PHP 60,984.00 in the Judgment Based on Compromise Agreement.

[10] *Id*. at 24-25.

[11] *Id*. at 25.

[12] *Id*. at 23-28.

[13] RULES OF COURT, Rule 47, sec. 4 reads:

> Section 4. *Filing and contents of petition*.—The action shall be commenced by filing a verified petition alleging therein with particularity the facts and the law relied upon for annulment, as well as those supporting the petitioner's good and substantial cause of action or defense, as the case may be.
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> The petition shall be filed in seven (7) clearly legible copies, together with sufficient copies corresponding to the number of respondents. A certified true copy of the judgment or final order or resolution shall be attached to the original copy of the petition intended for the court and indicated as such by the petitioner.
>
> The petitioner shall also submit together with the petition affidavits of witnesses or documents supporting the cause of action or defense and a sworn certification that he has not theretofore commenced any other action involving the same issues in the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency; if there is such other action or proceeding, he must state the status of the same, and if he should thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, he undertakes to promptly inform the aforesaid courts and other tribunal or agency thereof within five (5) days therefrom.

[14] RULES OF COURT, Rule 138, sec. 34 reads:

> Section 34. *By whom litigation conducted*. — In the court of a justice of the peace a party may conduct his litigation in person, with the aid of an agent or friend appointed by him for the purpose, or with the aid an attorney. In any other court, a party may conduct his litigation personally or by aid of an attorney, and his appearance must be either personal or by a duly authorized member of the bar.

[15] 695 Phil. 681 (2012) [Per J. Bersamin, First Division].

[16] *Rollo*, p. 28.

[17] *Id*. at 27-28.

[18] *Id*. at 30-32.

[19] *Id*. at 3-19.

[20] *Id*. at 104-111.

[21] **Spouses Flores v. Spouses Estrallado**, 918-A Phil. 806, 818-819 (2021) [Per J. Lazaro-Javier, First Division], *citing* **Arcelona v. CA**, 345 Phil. 250, 282 (1997) [Per J. Panganiban, Third Division].

[22] **Thomas v. Trono**, 898 Phil. 338, 343 (2021) [Per J. M. Lopez, Second Division]. (Citations omitted)

[23] **Tung Hui Chung, et al. v. Shih Chiu Huang**, 783 Phil. 29, 43-44 (2016) [Per J. Bersamin, First Division].

[24] 778 Phil. 614 (2016) [Per J. Leonen, Second Division].

[25] *Id*. at 652, *citing* **Mutilan v. Mutilan**, 870 Phil. 259, 281 (2020) [Per J. Leonen, Third Division].

[26] RULES OF COURT, Rule 47, sec. 3.

[27] 667 Phil. 714 (2011) [Per J. Carpio, Second Division].

[28] *Rollo*, pp. 60-74.

[29] **Go v. Distinction Properties Development & Construction**, 686 Phil. 1160, 1177 (2012) [Per J. Mendoza, Third Division].

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