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FIRST DIVISION

[G.R. No. 210540. April 19, 2016]

REPUBLIC OF THE PHILIPPINES, *petitioner, vs.* **HOMER and MA. SUSANA DAGONDON,** *respondents.*

SYLLABUS

1. REMEDIAL LAW; JUDGMENTS; IMMUTABILITY OF FINAL JUDGMENT; EXCEPTION THERETO, APPLIED; DEPARTURE FROM THE RULE ON IMMUTABILITY OF FINAL JUDGMENT IS WARRANTED WHEN ITS STRICT APPLICATION WOULD CIRCUMVENT AND UNDERMINE THE STABILITY OF THE TORRENS SYSTEM OF LAND REGISTRATION.— Under the doctrine of finality and immutability of judgments, a decision that has acquired finality becomes immutable and unalterable and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact or law, and whether it will be made by the court that rendered it or by the highest court of the land. Upon finality of the judgment, the Court loses its jurisdiction to amend, modify or alter the same. The mandatory character, however, of the rule on immutability of final judgments was not designed to be an inflexible tool to excuse and overlook prejudicial circumstances. Hence, the doctrine must yield to practicality, logic, fairness, and substantial justice. x x x [A] departure from the doctrine is warranted since its strict application would, in effect, circumvent and undermine the stability of the Torrens System of land registration adopted in this jurisdiction. Relatedly, it bears stressing that the subject matter of the instant controversy, *i.e.,* Lot 84, is a sizeable parcel of real property. More importantly, petitioner had adequately presented a strong and meritorious case. Thus, in view of the aforesaid circumstances, the Court deems it apt to exercise its prerogative to suspend procedural rules and to resolve the present controversy according to its merits.

2. CIVIL LAW; REPUBLIC ACT NO. 26: RECONSTITUTION OF TITLE; PURPOSE; REQUIREMENTS FOR AN

ORDER OF RECONSTITUTION OF TITLE TO ISSUE.— [C]ase law provides that "[t]he 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. **RA 26 presupposes that the property whose title is sought to be reconstituted has already been brought under the provisions of the Torrens System.**" Hence, under the aforesaid law, the following must be present for an order for reconstitution to issue: *(a)* that the certificate of title had been lost or destroyed; *(b)* that the documents presented by petitioner are sufficient and proper to warrant reconstitution of the lost or destroyed certificate of title; *(c)* that the petitioner is the registered owner of the property or had an interest therein; *(d)* that the certificate of title was in force at the time it was lost and destroyed; and *(e)* that the description, area and boundaries of the property are substantially the same as those contained in the lost or destroyed certificate of title. Thus, petitioner correctly pointed out that the applicability of RA 26 in this case is contingent on the existence of a previously issued OCT which has been lost or destroyed.

3. ID.; ID.; ID.; FAILURE TO PROVE THAT THE LAND SOUGHT TO BE RECONSTITUTED HAD ALREADY BEEN REGISTERED UNDER THE TORRENS SYSTEM RENDERED JUDICIAL RECONSTITUTION UNDER RA 26 IMPROPER.— In the case at bar, respondents miserably failed to adduce **clear and convincing proof that an OCT covering Lot 84 had previously been issued by virtue of Decree No. 466085.** Accordingly, there is no title pertaining to Lot 84 which could be "reconstituted," re-issued, or restored. Guided by the foregoing, judicial reconstitution of title under Section 2 of RA 26 is clearly improper in this case; and hence, the RTC erred in ordering the same.

APPEARANCES OF COUNSEL

The Solicitor General for petitioner.
Vito M. Carillo for respondents.

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D E C I S I O N

PERLAS-BERNABE, *J.*:

Assailed in this petition for review on *certiorari*[1] is the Decision[2] dated November 29, 2013 of the Court of Appeals (CA) in CA-G.R. CV. No. 02428, which affirmed the Decision[3] dated July 23, 2010 of the Regional Trial Court of Mambajao, Camiguin, Branch 28 (RTC) in Misc. Case No. 80, on the sole ground that it had already achieved finality and, hence, immutable.

The Facts

The instant case arose from a Petition[4] filed before the RTC on March 10, 2009 by respondents Homer and Ma. Susana Dagondon (respondents), as attorneys-in-fact of Jover P. Dagondon (Jover),[5] praying for the reconstitution of the Original Certificate of Title (OCT) of a 5,185-square meter parcel of land located at Bonbon, Catarman, Camiguin, denominated as Lot No. 84 of the Catarman Cadastre (Lot 84). In the petition, respondents alleged that: (*a*) Jover is the registered owner of Lot 84, having purchased the same from a certain Lourdes Borromeo Cordero,[6] and consequently, registered it under his name for taxation purposes under Tax Declaration No. 013775;[7] (*b*) on October 23, 2008, they obtained two (2) separate certifications from the Land Registration Authority (LRA), one stating that Decree No. 466085 was issued in relation to Lot 84,[8] and the other stating that it did not have a copy of Decree

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[1] *Rollo*, pp. 10-20.

[2] *Id.* at 23-31. Penned by Associate Justice Romulo V. Borja with Associate Justices Renato C. Francisco and Oscar V. Badelles concurring.

[3] *Id.* at 43-47. Penned by Executive Judge Rustico D. Paderanga.

[4] Records, pp. 1-3.

[5] See Special Power of Attorney dated September 10, 2008; *id.* at 5.

[6] See Deed of Absolute Sale dated April 12, 2005; *id.* at 4.

[7] *Id.* at 1.

[8] See Certification dated October 23, 2008; *id.* at 7.

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No. 466085 on file, and that the same was presumed lost or destroyed as a consequence of the last world war;[9] (*c*) on February 13, 2009, they secured another certification, this time from the Register of Deeds (RD) of Mambajao, Camiguin, declaring that the subject property **had no existing OCT** and that it was probably destroyed or dilapidated during the eruption of Hiboc-Hiboc Volcano[10] or World War II;[11] and (*d*) they were filing the petition for reconstitution on the basis of Decree No. 466085.[12]

In opposition,[13] petitioner Republic of the Philippines, as represented by the Office of the Solicitor General (petitioner), prayed for the dismissal of the petition for insufficiency in form and substance, considering that respondents, among others, failed to establish the existence of the very Torrens Title which they sought to reconstitute.[14]

The RTC Proceedings

After complying with the jurisdictional requirements, respondents presented Sebastiana Dagatan, Land Registration Examiner, from the Office of the Register of Deeds (RD) of Mambajao, Camiguin. After identifying the certification issued by her office, she testified that while the subject property had already been issued a decree, there is, however, no existing title in their files covering Lot 84.[15]

In a Decision[16] dated July 23, 2010 (RTC Decision), the RTC granted the petition for reconstitution and, accordingly, ordered the RD of Mambajao, Camiguin to reconstitute the OCT of Lot 84. In ruling for respondents, the RTC ratiocinated that

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[9] See Certification dated October 23, 2008; *id.* at 8.

[10] Sometimes referred to as "Hibok-Hibok Volcano" in the records.

[11] See Certification dated February 13, 2009; records, p. 9.

[12] *Id.* at 2.

[13] *Id.* at 49-53.

[14] *Id.* at 50.

[15] *Rollo*, p. 46.

[16] *Id.* at 43-47.

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neither the government nor any interested party would be prejudiced if it resolved to grant the petition.[17]

Asserting that it was notified of the adverse ruling on August 6, 2010,[18] petitioner moved for reconsideration **on August 23, 2010**.[19] However, in a Resolution[20] dated January 28, 2011, the RTC denied the said motion for having been filed out of time. Contrary to petitioner's assertion, the RTC found that based on the registry return card, petitioner received the July 23, 2010 Decision on August 5, 2010; and counting fifteen (15) days therefrom, it only had until August 20, 2010 to file the same. Resultantly, the motion for reconsideration should be disregarded for being a mere scrap of paper.[21]

The foregoing dismissal on procedural grounds notwithstanding, the RTC still opted to rule on the merits of the aforesaid motion. It held that despite the non-existence of the OCT for Lot 84, it could still be validly reconstituted on the strength alone of Decree No. 466085. In this regard, the RTC opined that the decree itself was sufficient and proper basis for the reconstitution of the lost or destroyed certificate of title.[22]

Undeterred, petitioner appealed to the CA.[23]

The CA Ruling

In a Decision[24] dated November 29, 2013, the CA dismissed petitioner's appeal. It held that the RTC Decision had already attained finality due to petitioner's failure to move for its reconsideration within the fifteen (15)-day reglementary period provided by law. As such, the RTC Decision could no longer

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[17] *Id.* at 47.

[18] Records, p. 120.

[19] *Id.* at 120-128.

[20] *Rollo*, pp. 48-53.

[21] *Id.* at 53.

[22] *Id.* at 52.

[23] See Notice of Appeal dated February 24, 2011; *id.* at 78-79.

[24] *Id.* at 23-31.

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be assailed pursuant to the doctrine of finality and immutability of judgments. The CA further noted that petitioner failed to proffer compelling reasons to justify the belated filing of its motion, and worse, even concealed the date it received the RTC Decision which was consequently belied by the date indicated in the registry return card.[25]

Notably, the CA no longer delved into the issue of the propriety of the order of reconstitution of the OCT covering Lot 84.

Hence, the instant petition.

The Issues Before the Court

The essential issues for the Court's resolution are: (*a*) whether or not the RTC Decision could no longer be assailed pursuant to the doctrine of finality and immutability of judgments; and (*b*) whether or not the RTC correctly ordered the reconstitution of the OCT of Lot 84.

The Court's Ruling

The petition is meritorious.

I.

At the outset, it bears reiterating that the CA did not assess the substantive merits of the RTC Decision — which ordered the reconstitution of the OCT of Lot 84 — on the pretense that it had already attained finality which rendered it beyond the scope of judicial review.

Under the doctrine of finality and immutability of judgments, a decision that has acquired finality becomes immutable and unalterable and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact or law, and whether it will be made by the court that rendered it or by the highest court of the land. Upon finality of the judgment, the Court loses its jurisdiction to amend, modify or alter the same.[26]

The mandatory character, however, of the rule on immutability of final judgments was not designed to be an inflexible tool to

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[25] *Id.* at 28-29.

[26] See *Sumbilla v. Matrix Finance Corp.*, G.R. No. 197582, June 29, 2015.

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excuse and overlook prejudicial circumstances. Hence, the doctrine must yield to practicality, logic, fairness, and substantial justice.[27] In *Sumbilla v. Matrix Finance Corporation*,[28] the Court had the occasion to name certain circumstances which necessitate a relaxation of the rule on the immutability of final judgments, to wit:

> Consequently[,] **final and executory judgments were reversed when the interest of substantial justice is at stake and where special and compelling reasons called for such actions**. In *Barnes v. Judge Padilla*, we declared as follows:
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> > x x x a final and executory judgment can no longer be attacked by any of the parties or be modified, directly or indirectly, even by the highest court of the land.
> >
> > However, **this Court has relaxed this rule in order to serve substantial justice considering** (*a*) **matters of** life, liberty, honor[,] or **property,** (*b*) **the existence of special or compelling circumstances**, (*c*) **the merits of the case**, (*d*) a cause not entirely attributable to the fault or negligence of the party favored by the suspension of the rules, (*e*) a lack of any showing that the review sought is merely frivolous and dilatory, and (*f*) the other party will not be unjustly prejudiced thereby.
> >
> > Invariably, rules of procedure should be viewed as mere tools designed to facilitate the attainment of justice. **Their strict and rigid application, which would result in technicalities that tend to frustrate rather than promote substantial justice, must always be eschewed**. Even the Rules of Court reflects this principle. The power to suspend or even disregard rules can be so pervasive and compelling as to alter even that which this Court itself had already declared to be final.[29] (Emphases and underscoring supplied)

As will be discussed, a departure from the doctrine is warranted since its strict application would, in effect, circumvent and undermine the stability of the Torrens System of land registration

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[27] *Phil. Woman's Christian Temperance Union, Inc. v. Yangco*, G.R. No. 199595, April 2, 2014, 720 SCRA 522, 533.

[28] See *Supra* note 26.

[29] See *id.*; citations omitted.

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adopted in this jurisdiction. Relatedly, it bears stressing that the subject matter of the instant controversy, *i.e.*, Lot 84, is a sizeable parcel of real property. More importantly, petitioner had adequately presented a strong and meritorious case.

Thus, in view of the aforesaid circumstances, the Court deems it apt to exercise its prerogative to suspend procedural rules and to resolve the present controversy according to its merits.

II.

Republic Act No. (RA) 26[30] governs the process by which a judicial reconstitution of Torrens Certificates of Title may be done. Specifically, Section 2 of the said law enumerates in the following order the competent and exclusive sources from which reconstitution of an OCT may be based, *viz.*:

> Section 2. **Original certificates of title shall be reconstituted from such of the sources hereunder enumerated as may be available, in the following order:**
>
> (a) The owner's duplicate of the certificate of title;
>
> (b) The co-owner's, mortgagee's, or lessee's duplicate of the certificate of title;
>
> (c) A certified copy of the certificate of title, previously issued by the register of deeds or by a legal custodian thereof;
>
> (d) An authenticated copy of the decree of registration or patent, as the case may be, pursuant to which the original certificate of title was issued;
>
> (e) A document, on file in the registry of deeds, by which the property, the description of which is given in said document, is mortgaged, leased or encumbered, or an authenticated copy of said document showing that its original had been registered; and
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> (f) Any other document which, in the judgment of the court, is sufficient and proper basis for reconstituting the lost or

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[30] Entitled "AN ACT PROVIDING A SPECIAL PROCEDURE FOR THE RECONSTITUTION OF TORRENS CERTIFICATES OF TITLE LOST OR DESTROYED," approved on September 25, 1946.

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destroyed certificate of title. (Emphasis and underscoring supplied)

Verily, case law provides that "[t]he 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. **RA 26 presupposes that the property whose title is sought to be reconstituted has already been brought under the provisions of the Torrens System**."[31] Hence, under the aforesaid law, the following must be present for an order for reconstitution to issue: (*a*) that the certificate of title had been lost or destroyed; (*b*) that the documents presented by petitioner are sufficient and proper to warrant reconstitution of the lost or destroyed certificate of title; (*c*) that the petitioner is the registered owner of the property or had an interest therein; (*d*) that the certificate of title was in force at the time it was lost and destroyed; and (*e*) that the description, area and boundaries of the property are substantially the same as those contained in the lost or destroyed certificate of title.[32] Thus, petitioner correctly pointed out that the applicability of RA 26 in this case is contingent on the existence of a previously issued OCT which has been lost or destroyed.

In the case at bar, respondents miserably failed to adduce **clear and convincing proof that an OCT covering Lot 84 had previously been issued by virtue of Decree No. 466085.** Accordingly, there is no title pertaining to Lot 84 which could be "reconstituted," re-issued, or restored. Guided by the foregoing, judicial reconstitution of title under Section 2 of RA 26 is clearly improper in this case; and hence, the RTC erred in ordering the same.

For another, and even assuming that RA 26 applies, respondents could not predicate their petition for reconstitution

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[31] *Republic v. Tuastumban*, 604 Phil. 491, 504-505 (2009); citations omitted, emphasis and underscoring supplied.

[32] See *id.* at 504.

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on the basis of Decree No. 466085 alone because as mentioned by petitioner, a copy of the same was not even presented as evidence before the trial court; hence, its contents remain unknown.[33] Neither could the certification[34] issued by the LRA stating that Decree No. 466085 was issued to Lot 84 be given any probative weight, considering that an ambiguous LRA certification without describing the nature of the decree and the claimant in such case, practically means nothing and could not be considered as a sufficient and proper basis for reconstituting a lost or destroyed certificate of title. The pronouncement in the case of *Republic v. Heirs of Ramos*[35] is highly instructive on the matter, *viz.*:

> Moreover, the Certification issued by the LRA stating that Decree No. 190622 was issued for Lot 54 means nothing. **The Land Registration Act expressly recognizes two classes of decrees in land registration proceedings, namely, (i) decrees dismissing the application and (ii) decrees of confirmation and registration. In the case at bench, we cannot ascertain from said Certification whether the decree alluded to by the respondents granted or denied Julio Ramos' claim. Moreover, the LRA's Certification did not state to whom Lot 54 was decreed.** Thus, assuming that Decree No. 190622 is a decree of confirmation, it would be too presumptuous to further assume that the same was issued in the name and in favor of Julio Ramos. **Furthermore, said Certification did not indicate the number of the original certificate of title and the date said title was issued.** In *Tahanan Development Corporation v. Court of Appeals* [(203 Phil. 652 [1982])], we held that the absence of any document, private or official, mentioning the number of the certificate of title and date when the certificate of title was issued, does not warrant the granting of such petition.[36] (Emphases and underscoring supplied)

In sum, the failure of respondents to satisfactorily prove that Lot 84 had been registered under the Torrens System rendered judicial reconstitution under RA 26 inapplicable.

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[33] See *rollo*, pp. 15-16.

[34] Records, p. 104.

[35] 627 Phil. 123 (2010).

[36] *Id.* at 138-139; citations omitted.

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At any rate, it must be stressed that this decision does not operate to completely divest respondents of their interest, if any, in Lot 84. Rather, it simply underscored the wrong procedural remedy availed of. If they remain insistent to have the title of the subject property issued under their names, they can institute the appropriate proceedings in accordance with law and jurisprudence.[37]

WHEREFORE, the petition is **GRANTED**. The Decision dated November 29, 2013 of the Court of Appeals in CA-G.R. CV. No. 02428 is hereby **REVERSED** and **SET ASIDE.** Accordingly, the Petition for Reconstitution filed by respondents Homer and Ma. Susana Dagondon before the Regional Trial Court of Mambajao, Camiguin, Branch 28, and docketed as Misc. Case No. 80, is **DISMISSED** for lack of merit.

SO ORDERED.

Sereno, C.J. (Chairperson), Leonardo-de Castro, Bersamin, and *Caguioa, JJ.,* concur.

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[37] "If the respondents still insist on the reconstitution of OCT No. 45361, the proper procedure is to file a petition for the cancellation and re-issuance of Decree No. 418121 following the opinion of then LRA Administrator Benedicto B. Ulep. x x x

1. Under the premises, the correct proceeding is a petition for cancellation of the old decree, reissuance of decree and for issuance of OCT pursuant to that reissued decree.

x x x x x x x x x

2. [RA] 26 for reconstitution of lost OCT will not lie.

x x x x x x x x x

3. For as long as a decree has not yet been transcribed (entered in [the] registration book of the RD), the court which adjudicated and ordered for the issuance of such decree continues to be clothed with jurisdiction.

x x x x x x x x x

4. The heirs of the original adjudicate may file the petition in representation of the decedent and the reissued decree shall still be under the name of the original adjudicate.

x x x x x x x x x"

(See *Republic v. Heirs of Sanchez*, G.R. No. 212388, December 10, 2014, 744 SCRA 700, 707-711.)