



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

SUPREME COURT OF THE PHILIPPINES  
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HEIRS OF JUAN M. DINGLASAN,  
represented by SONIA M.  
DINGLASAN,

Petitioners,

- versus -

AYALA CORPORATION,  
OMNIPOINT ECONOMIC CENTER,  
INC., and REGISTER OF DEEDS  
OF BATANGAS CITY,

Respondents.

G.R. No. 204378

Present:

PERALTA, J., Chairperson,  
PERLAS-BERNABE,\*  
LEONEN,  
REYES, A., JR., and  
HERNANDO, JJ.

Promulgated:

August 5, 2019

MISDCB/H

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DECISION

PERALTA, J.:

Before the Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking the reversal and setting aside of the Decision<sup>1</sup> and Resolution<sup>2</sup> of the Court of Appeals (CA), promulgated on August 31, 2011 and October 18, 2012, respectively, in CA-G.R. CV No. 94671. The assailed CA Decision dismissed herein petitioners' appeal from the Decision<sup>3</sup> dated June 8, 2009 of the Regional Trial Court (RTC) of Batangas City, Branch 8, in Civil Case Nos. 6046 and 5413, which, in turn, dismissed petitioners' complaint for quieting of title, cancellation of Transfer Certificate of Title, and damages against herein respondents and Pilipinas Shell Petroleum Corporation. The questioned CA Resolution denied petitioners' Motion for Reconsideration.

The factual and procedural antecedents are as follows:

\* Designated additional member in lieu of Associate Justice Henri Jean Paul B. Inting, brother of Associate Justice Socorro B. Inting, who concurred in the assailed Court of Appeals decision.

<sup>1</sup> Penned by Associate Justice Magdangal M. De Leon, with Associate Justices Noel G. Tijam (a retired member of this Court) and Socorro B. Inting, concurring; *rollo*, pp. 78-113.

<sup>2</sup> *Id.* at 115-116.

<sup>3</sup> Penned by Presiding Judge Ernesto L. Marajas; *id.* at 262-275.

On February 16, 1996, herein petitioners, through their representative, Platon Dinglasan, filed an Application for Registration of Title with the RTC of Batangas City, which was docketed as Land Registration Case No. N-1515, seeking for the judicial confirmation and registration of their title over a parcel of land located at *Barangay* Tabangao, Batangas City. The subject land, designated as Lot 11808, Cad-264 of Batangas Cadastre, contains an area of Ninety-Three Thousand One Hundred and Twenty (93,120) square meters which was subdivided into three (3) lots, namely, Lots 11808-A, 11808-B and 11808-C with an area of 16,062, 37,571, and 39,489 square meters, respectively. Subsequently, several persons filed their respective oppositions, including herein private respondents Ayala Corporation (*Ayala*) and Omniport Economic Center (*Omniport*) as well as Pilipinas Shell Corporation (*Shell*). Both Ayala and Omniport alleged that they are the registered owners of several lots inside Cadastral Lot 11808, as evidenced by separate Transfer Certificates of Title (*TCT*) in their name, issued by the Register of Deeds of Batangas City. Shell, on the other hand, had an existing contract of lease over the properties under the name of Ayala. Petitioners' application for registration was later amended and was, subsequently, raffled to Branch 8 of the RTC of Batangas City (*Branch 8*).

In its Partial Decision<sup>4</sup> dated March 3, 1998, Branch 8, found, among others, that the lands claimed by Omniport are "situated within the boundaries of the property being applied for registration" by herein petitioners, and that "these lands have already been the subject of previous registration proceedings and are covered by existing certificates of title." Thus, Branch 8 rendered partial judgment by declaring that the lots claimed by Omniport are excluded from the properties being sought to be registered by herein petitioners.

In a separate Order<sup>5</sup> dated November 6, 2000, Branch 8 noted that the lots claimed by the other oppositors were already excluded from herein petitioners' application for land registration. Thus, Branch 8 held that the only remaining issues to be resolved are those involving the lots being claimed by Ayala and Shell. In the same Order, however, Branch 8 found that the lots being claimed by Ayala have already been "brought under the Torrens System and for which corresponding [Original Certificates of Title] OCTs or TCTs have been issued." On the basis of the foregoing findings, Branch 8 dismissed herein petitioners' application for registration.

The March 3, 1998 Partial Decision and the November 6, 2000 Order of Branch 8 spawned two separate Complaints filed by herein petitioners, through their representative, Sonia Dinglasan (*Sonia*). The first Complaint, filed on September 9, 1999 and docketed as Civil Case No. 5413, was for cancellation of TCTs and damages against Omniport. On the other hand, the

<sup>4</sup> Records (Civil Case No. 5413), Vol. I, pp. 18-20.

<sup>5</sup> Records (Civil Case No. 6046), Vol. I, pp. 164-169.

second Complaint, filed on September 7, 2001, later amended on November 26, 2001, and docketed as Civil Case No. 6046, was for reconveyance, quieting of title and cancellation of TCTs against Ayala, Shell and the Register of Deeds of Batangas City.

In both Complaints, petitioners alleged that they are the heirs of one Juan M. Dinglasan (*Juan*), who was the sole registered cadastral claimant and consequent owner of a parcel of land located at *Barangay* Tabangao, Batangas City, designated as Lot 11808, Cad-264 of Batangas Cadastre, and which contains an area of Ninety-Three Thousand One Hundred and Twenty (93,120) square meters; Juan acquired the subject property from his forebears since time immemorial and that petitioners subsequently inherited it from Juan who died intestate in 1981; petitioners are in public, peaceful, uninterrupted possession of the said parcel of land in the concept of an owner since time immemorial and are regularly paying all taxes due thereon. Petitioners' basic contention in both Complaints is that the TCTs in the names of Omniport and Ayala are null and void because the subject lots were never brought under registration and that OCT 18989, issued in the name of one Severina Luna Orosa (*Orosa*), from which Omniport's and Ayala's TCTs were ultimately derived, is fake or spurious. In their Complaint against Omniport, petitioners prayed that the TCTs covering the subject properties and registered in the name of Omniport be nullified and cancelled, and that Omniport pay petitioners actual damages in the amount of ₱300,000.00, moral damages of ₱200,000.00, and ₱100,000.00 as litigation expenses and attorney's fees. With respect to their Complaint against Ayala and Shell, petitioners prayed that: OCT 18989, as well as Ayala's TCTs covering the disputed properties, be declared void *ab initio*; Ayala be ordered to surrender its TCTs to the Register of Deeds of Batangas City for cancellation; the lease contract between Ayala and Shell over the subject lots be cancelled; and petitioners be declared as the absolute owners of the lots in question.

Omniport filed its Answer with Compulsory Counterclaim<sup>6</sup> denying the material allegations in the Complaint and setting up the following defenses: (1) it is a purchaser in good faith and for value having bought the subject properties from Benguet Management Corporation; (2) petitioners' Complaint states no cause of action because petitioners are not real parties-in-interest as they do not assert any present and subsisting title over the property in question; (3) petitioners' cause of action has prescribed; (4) petitioners have not shown that they have been in actual, open and continuous possession of the subject properties; (5) petitioners are estopped from questioning the ownership of the disputed lands because they have entered into a previous stipulation of facts wherein they admitted that the said properties have been registered in the name of Omniport; (6) petitioners are also estopped from questioning the validity of OCT 18989 because they have also previously admitted the validity of TCTs which were derived from

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<sup>6</sup> *Id.* at 44-60.

the same OCT; (7) petitioners have no legal capacity to sue; and (8) petitioners are barred by laches.

On the other hand, in their Answer with Compulsory Counterclaim,<sup>7</sup> Ayala and Shell admitted that TCT No. RT-5597 (26077) is owned by and registered in the name of Ayala and leased by Shell; that a portion of the lot (covered by TCT No. RT-4984 [23177]) being claimed by petitioners is registered in the name of Orosa who was not impleaded as party-respondent; they deny the other material allegations in the Complaint and set up their Special and Affirmative Defenses. In their defense, Ayala and Shell contended that: the Complaint states no cause of action; the Complaint is dismissible on grounds of prescription and laches; the Complaint is defective for failure to implead Orosa who is a necessary party; Ayala is an innocent purchaser for having relied on the validity of Orosa's certificate of title during the purchase of the disputed lots; Ayala and Shell are the ones who have been in continuous, open and adverse possession of the subject properties in the concept of owner; and, petitioners have no personality to question the validity of and ask for the nullification of the contract of lease between Ayala and Shell because they are not privy thereto. As compulsory counterclaim, Ayala and Shell sought recovery of moral damages in the amount of ₱3,000,000.00 as well as ₱300,000.00 as attorney's fees, plus appearance fee of ₱3,000.00.

The Register of Deeds of Batangas City did not file an Answer.

Subsequently, both cases were consolidated and, after the issues were joined, trial on the merits ensued.

On June 8, 2009, the RTC of Batangas City, Branch 8 rendered its Decision, the dispositive portion of which reads as follows:

Wherefore, judgment is hereby rendered against the Plaintiffs and in favor of the Defendants Ayala and Shell in Civil Case No. 6046, as well as in favor of Defendant Omniport in Civil Case No. 5413.

- That Plaintiffs failed to present sufficient evidence for this Court to declare that Original Certificate of Title No. 18989 and all the derivative Titles to be fraudulently issued;
- No Damages will be awarded to the Defendants Ayala/Shell as well as Defendant Omniport;
- Cost of suit chargeable against the Plaintiffs.

SO ORDERED.<sup>8</sup>

<sup>7</sup> Records (Civil Case No. 5413), Vol. I, pp. 105-114.

<sup>8</sup> *Id.*, Vol. II, at 774.

The trial court found that Orosa and all other persons who expressed opposition to petitioners' Application for Registration of Title are indispensable parties to the case but, nonetheless, were not impleaded as defendants. The RTC ruled that "[a] valid judgment cannot be rendered where there is want of indispensable parties."<sup>9</sup> The RTC, however, proceeded to dispose of the case on the merits by ruling that "[p]laintiffs failed to present sufficient evidence for this Court to declare that Original Certificate of Title No. 18989, and all the derivative titles to be fraudulently issued."<sup>10</sup> The RTC, likewise, held that petitioners are guilty of laches for failure of their predecessor-in-interest to assert his right over the disputed properties during his lifetime.

Aggrieved, petitioners filed an appeal with the CA.

Pending resolution of their appeal, petitioners filed a Notice of Withdrawal of Appeal Against Shell Petroleum<sup>11</sup> on the ground that petitioners' cause of action against Shell has been extinguished because the lease agreement between Ayala and Shell expired on December 4, 2009 and no evidence was submitted to show that such lease agreement has been extended.

On August 31, 2011, the CA promulgated its assailed Decision which dismissed petitioners' appeal and affirmed the RTC Decision. The CA ruled that the joinder of Orosa as indispensable party is mandated by the Rules of Court and petitioners' failure to do so violated her right to due process of law. Despite such ruling, however, the CA, like the RTC, continued to rule on the merits of the case and concluded that petitioners "have not established any right over the subject properties."<sup>12</sup>

Petitioners filed a Motion for Reconsideration,<sup>13</sup> but the CA denied it in its Resolution dated October 18, 2012.

Hence, the present petition for review on *certiorari* based on the following grounds:

I.

THE COURT OF APPEALS GRAVELY ERRED WHEN IT RULED THAT A DECREE OF REGISTRATION WAS ISSUED FOR CADASTRAL LOT NO. 11808 OF THE BATANGAS CADASTRE.

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<sup>9</sup> See Records (Civil Case No. 6046), Vol. II, p. 770.

<sup>10</sup> *Id.* at 774.

<sup>11</sup> CA rollo, p. 162.

<sup>12</sup> See CA rollo, p. 433.

<sup>13</sup> *Id.* at 479.

## II.

THE COURT OF APPEALS GRAVELY ERRED IN DECLARING THAT LOT NO. 2 OF PS-15445 WAS ISSUED DECREE OF REGISTRATION NO. 607116.

## III.

THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT DECREE OF REGISTRATION NOS. 607116 AND 63706 ORDERED REGISTRATION OF CADASTRAL LOT NO. 11808 BECAUSE THE LOTS DESCRIBED IN THE NOTICE OF INITIAL HEARING OF THE CASE WERE LOT NOS. 1, 2, 3, 4, 5, AND 6 OF SURVEY PLAN PS-15445.

## IV.

THE COURT OF APPEALS ACTED WITH GRAVE ABUSE OF DISCRETION IN NOT RULING THAT OCT NO. 11808 IS NULL AND VOID FOR BEING FAKE AND SPURIOUS BECAUSE NO SUCH TITLE WAS ISSUED AT ALL.

## V.

IN CONNECTION WITH CADASTRAL LOT 11808 OF THE BATANGAS CADASTRE, THE COURT OF APPEALS GRAVELY ERRED IN GIVING MORE WEIGHT TO THE RECORDS OF THE BATANGAS CITY ASSESSOR'S OFFICE AND THE BATANGAS CITY TREASURER'S OFFICE OVER THE RECORDS OF THE SURVEYS DIVISION OF DENR, REGION IV.

## VI.

THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT PETITIONERS' PLAN AP 04-8100 ISSUED BY REGION IV OF THE DENR FOR LOT NO. 11808 WAS DEFECTIVE.

## VII.

THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE CANCELLATION OF PETITIONERS' PLAN CSD-04-014222-D CANCELLED THE VALIDITY OF THE DATA COVERED BY THE PLAN.

## VIII.


THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT PETITIONERS ARE NOT POSSESSORS IN GOOD FAITH OF LOT NO. 11808 OF THE BATANGAS CADASTRE.

## IX.

THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT AYALA CORPORATION WAS A BUYER IN GOOD FAITH BECAUSE THE QUESTION OF GOOD FAITH OF THE BUYER IS CONSIDERED ONLY WHEN THE PROPERTY IN LITIGATION IS COVERED BY THE TORRENS SYSTEM.

## X.

THE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE SPOUSES OROSA ARE INDISPENSABLE PARTIES TO THE CASE.



## XI.

THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN DECLARING PETITIONERS HAD SLEPT ON THEIR RIGHTS AND ARE GUILTY OF LACHES.<sup>14</sup>

At the outset, the Court deems it proper to dispose of the procedural issues raised by respondents in their respective Comments.

*First*, respondents contend that the assailed Decision of the CA had already become final and executory because petitioners' Motion for Reconsideration of the said Decision was filed out of time.

It is true that petitioners' Motion for Reconsideration of the disputed CA Decision was filed beyond the 15-day reglementary period and, as a consequence, the Decision of the CA should have already attained finality which bars any review of the said Decision. This rule, however, is subject to recognized exceptions. In a number of cases,<sup>15</sup> this Court has enumerated the factors that justify the relaxation of the rule on immutability of final judgments to serve the ends of justice, to wit:

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.<sup>16</sup>

Indeed, the mandatory character of the rule on immutability of final judgments was not designed to be an inflexible tool to excuse and overlook prejudicial circumstances.<sup>17</sup> As such, the doctrine must yield to practicality, logic, fairness, and substantial justice.<sup>18</sup>

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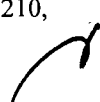
<sup>14</sup> *Rollo*, pp. 13-15.

<sup>15</sup> *Barnes v. Judge Padilla*, 482 Phil. 903, 915 (2004); *Meneses v. Secretary of Agrarian Reform*, 535 Phil. 819, 828 (2006); *PCI Leasing and Finance, Inc. v. Milan*, 631 Phil. 257, 278 (2010); *Abrigo, et al. v. Flores, et al.*, 711 Phil. 251, 261 (2013); *Malixi, et al. v. Baltazar*, G.R. No. 208224, November 22, 2017, 846 SCRA 244, 272.

<sup>16</sup> *Id.*

<sup>17</sup> *Malixi, et al. v. Baltazar*, *supra* note 15, at 273, citing *Republic v. Dagondon, et al.*, 785 Phil. 210, 215-216 (2016).

<sup>18</sup> *Id.*



In the instant case, the Court finds, after a thorough review of the records, that compelling circumstances are extant in this case, to wit: the case involves a substantial amount of property; the petition appears to stand on meritorious grounds; and there is lack of any showing that the review sought is merely frivolous and dilatory, which makes the present petition fall under the exceptions and, thus, clearly warrant the exercise of this Court's equity jurisdiction.

In setting aside technical infirmities and thereby giving due course to tardy appeals, this Court has not been oblivious to or unmindful of the extraordinary situations that merit liberal application of the Rules. In those situations where technicalities were dispensed with, this Court's decisions were not meant to undermine the force and effectivity of the periods set by law. But this Court hastens to add that in those rare cases where procedural rules were not stringently applied, there always existed a clear need to prevent the commission of a grave injustice. Our judicial system and the courts have always tried to maintain a healthy balance between the strict enforcement of procedural laws and the guarantee that every litigant be given the full opportunity for the just and proper disposition of his cause.<sup>19</sup>

*Second*, respondents insist that the factual findings of both the RTC and the CA are binding on this Court, and that questions of fact are not proper subjects of a petition for review on *certiorari* under Rule 45 of the Rules of Court.

Again, the contentions of respondents refer to the general rule which, nonetheless, is subject to exceptions. With respect to the findings of fact of the RTC, which are affirmed by the CA, the rule is that these findings of fact are conclusive upon this Court unless they are not supported by the evidence on record.<sup>20</sup> As to the rule that the Court is generally limited to reviewing only errors of law in a petition for review on *certiorari* under Rule 45 of the Rules of Court, the exceptions are: (1) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) where there is a grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals, in making its findings, went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of fact are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondents; and (10) the finding of fact of the Court of Appeals is

<sup>19</sup> *Neypes v. Court of Appeals*, 506 Phil. 613, 626 (2005).

<sup>20</sup> *Gatan, et al. v. Vinarao, et al.*, G.R. No. 205912, October 18, 2017, 842 SCRA 602, 618.



premised on the supposed absence of evidence and is contradicted by the evidence on record.<sup>21</sup>

In the present case, the Court finds that the present case falls under the second, eighth and tenth exceptions.

*Third*, respondent Ayala argues that the instant petition is fatally defective for failure of the other petitioners to sign and execute the Verification and Certification Against Forum Shopping. In *Altres, et al. v. Empleo, et al.*,<sup>22</sup> this Court summarized the rules on verification and certification against forum shopping, to wit:

For the guidance of the bench and bar, the Court restates in capsule form the jurisprudential pronouncements . . . respecting non-compliance with the requirement on, or submission of defective, verification and certification against forum shopping:

- 1) A distinction must be made between non-compliance with the requirement on or submission of defective verification, and non-compliance with the requirement on or submission of defective certification against forum shopping.
- 2) As to verification, non-compliance therewith or a defect therein does not necessarily render the pleading fatally defective. The court may order its submission or correction or act on the pleading if the attending circumstances are such that strict compliance with the Rule may be dispensed with in order that the ends of justice may be served thereby.
- 3) Verification is deemed substantially complied with when one who has ample knowledge to swear to the truth of the allegations in the complaint or petition signs the verification, and when matters alleged in the petition have been made in good faith or are true and correct.
- 4) As to certification against forum shopping, non-compliance therewith or a defect therein, unlike in verification, is generally not curable by its subsequent submission or correction thereof, unless there is a need to relax the Rule on the ground of "substantial compliance" or presence of "special circumstances or compelling reasons."
- 5) **The certification against forum shopping must be signed by all the plaintiffs or petitioners in a case; otherwise, those who did not sign will be dropped as parties to the case. Under reasonable or justifiable**

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<sup>21</sup> *Pascual v. Burgos, et al.*, 776 Phil. 167, 182-183 (2016).

<sup>22</sup> 594 Phil. 246 (2008).



**circumstances, however, as when all the plaintiffs or petitioners share a common interest and invoke a common cause of action or defense, the signature of only one of them in the certification against forum shopping substantially complies with the Rule.**

- 6) Finally, the certification against forum shopping must be executed by the party-pleader, not by his counsel. If, however, for reasonable or justifiable reasons, the party-pleader is unable to sign, he must execute a Special Power of Attorney designating his counsel of record to sign on his behalf.<sup>23</sup>

In the instant case, all the petitioners are immediate relatives and heirs of Juan who share a common interest in the land sought to be reconveyed, as well as common claims and defenses, and a common cause of action raising the same arguments in support thereof. There was sufficient basis, therefore, for Sonia to speak for and in behalf of his co-petitioners when she certified that they had not filed any action or claim in another court or tribunal involving the same issues. Thus, the Verification and Certification that Sonia executed constitutes substantial compliance under the Rules of Court.

Indeed, in the subsequent case of *Medado v. Heirs of the Late Antonio Consing*,<sup>24</sup> where the Court held that where the petitioners are immediate relatives, who share a common interest in the property subject of the action, the fact that only one of the petitioners executed the verification or certification of non-forum shopping will not deter the court from proceeding with the action.

In any case, petitioners have executed a Special Power of Attorney<sup>25</sup> on March 15, 2002, authorizing Sonia as their attorney-in-fact to “file, commence and follow-up Land Registration Proceedings as well as all cases that may be necessary for the quieting of title and/or recovery of possession and ownership of Lot No. 11808, Cad-264 of the Municipality (now City) of Batangas.”

At this stage, it behooves this Court to hold that its hands are tied from proceeding to rule on the merits of the instant case in view of here petitioners’ failure to implead indispensable parties in their Complaints. While this Court has found, after a careful review of the records of this case, that there are pieces of evidence to show that herein petitioners have equitable title over the questioned properties and that there are unexplained indications of irregularities in the issuance of OCT 18989, this Court cannot rule with definitive conclusion as to the liability or non-liability of any of the parties without considering the evidence which may be presented by the

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<sup>23</sup> *Id.* at 261-262. (Emphasis ours)

<sup>24</sup> 681 Phil. 536, 546 (2012).

<sup>25</sup> Exhibit “AA,” Folder of Exhibits for the Plaintiffs, pp. 102-103.

parties yet to be impleaded or, at least, after they are given the opportunity to present proof to support their cause.

An indispensable party is one who stands to be injured or benefited by the outcome of the petition.<sup>26</sup> He has an interest in the controversy that a final decree would necessarily affect his rights, such that the courts cannot proceed without his presence.<sup>27</sup> It is settled that the joinder of all indispensable parties is required under any and all conditions, their presence being a *sine qua non* of the exercise of judicial power.<sup>28</sup> **Stated differently, the joinder of indispensable parties is mandatory and courts cannot proceed without their presence.**<sup>29</sup> The presence of indispensable parties is necessary to vest the court with jurisdiction, which is the authority to hear and determine a cause, the right to act in a case.<sup>30</sup> Thus, without the presence of indispensable parties to a suit or proceeding, the judgment of a court cannot attain real finality.<sup>31</sup> **The absence of an indispensable party renders all subsequent actions of the court null and void for want of authority to act, not only as to the absent parties, but even as to those present.**<sup>32</sup>

In the present case, the Court agrees with both the RTC and the CA that Severina Luna Orosa is an indispensable party because the main issue in the instant case is whether or not the issuance of OCT 18989, which was alleged to be registered under Orosa's name, was fraudulently obtained. Moreover, petitioners seek the annulment of OCT 18989 and all its derivative titles. Thus, as held by the CA:

Appellees Omniport and Ayala's titles originated from OCT No. 18989 registered in the name of Severina Luna Orosa. The remaining portion of Lot 11808-C described in TCT No. T-23177 is registered in the name of Severina Luna Orosa. Appellants [herein petitioners] are claiming that there are badges of fraud which accompanied the issuance of OCT No. 18989. The parties in a better position to defend this accusation are the Spouses Orosa. Any decision rendered would affect them. They are entitled to be heard, to defend the validity of the issuance of OCT No. 18989. In the event that OCT No. 18989 is nullified, the spouses would be the ones held liable for damages. Neither the court nor appellants bothered to implead spouses Orosa as parties to the case. This is violative of their right to due process of law.<sup>33</sup>

It is clear that Orosa's rights are directly affected by the present controversy and that she stands to be injured by the outcome of the Complaints filed by petitioners. In fine, the absence of Orosa in the

<sup>26</sup> *Pascual v. Robles*, 653 Phil. 396, 405 (2010).

<sup>27</sup> *Id.*

<sup>28</sup> *Metropolitan Bank and Trust Co., Inc. v. Alejo, et al.*, 417 Phil. 303, 316 (2001).

<sup>29</sup> *De Castro v. Court of Appeals*, 434 Phil. 53, 62 (2002). (Emphasis supplied)

<sup>30</sup> *Pascual v. Robles*, *supra* note 26, at 404.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* (Emphasis supplied)

<sup>33</sup> CA rollo, pp. 431-432.

Complaints filed by petitioners renders all subsequent actions of both the RTC and the CA null and void for want of authority to act, not only as to the absent parties, but even as to those present.

As to whether or not the subject Complaints should be dismissed, the settled rule is that the non-joinder of indispensable parties is not a ground for the dismissal of an action.<sup>34</sup> The remedy is to implead the non-party claimed to be indispensable.<sup>35</sup> Parties may be added by order of the court on motion of the party or on its own initiative at any stage of the action and/or at such times as are just.<sup>36</sup>

While this Court wishes to abide by the mandate on speedy disposition of cases, We cannot render a definitive judgment on the merits. To do so will result in a violation of due process. The inclusion of Orosa and all other persons whose titles are derived from OCT 18989, as party-defendants, is necessary for the effective, complete and final resolution of all the parties' rights in the present case, and in order to accord all parties the benefit of due process and fair play.

In *Heirs of Faustino and Genoveva Mesina v. Heirs of Domingo Fian, Sr.*,<sup>37</sup> the Spouses Mesina bought two parcels of land from Domingo Fian, Sr. (Fian, Sr.). When Fian, Sr. died, his heirs refused to acknowledge the sale made by their predecessor in favor of the Spouses Mesina. Following the death of the Spouses Mesina, their heirs filed, before the RTC, an action to quiet title against the heirs of Fian, Sr. The complaint, however, failed to name all the heirs of Fian, Sr. On respondents' motion, the RTC dismissed the complaint on the ground of lack of cause of action. The RTC ruling was affirmed by the CA. On appeal, this Court reversed and set aside the rulings of the CA and the RTC by holding that the non-joinder of indispensable parties is not a ground for the dismissal of an action and that at any stage of a judicial proceeding and/or at such times as are just, parties may be added on the motion of a party or on the initiative of the tribunal concerned. Thus, this Court remanded the case to the RTC, ordered the representative of the heirs of the Spouses Mesina to implead all the heirs of Fian, Sr., as defendants, and directed the trial court to undertake appropriate steps and proceedings to expedite adjudication of the case.

In *Divinagracia v. Parilla, et al.*,<sup>38</sup> the respondents' predecessor-in-interest, Conrado Nobleza, Sr., (Conrado, Sr.), had several legitimate and illegitimate heirs. Upon his death, some of the heirs sold to petitioner's predecessor-in-interest, Santiago Divinagracia (Santiago) their undivided

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<sup>34</sup> *Id.* at 405; *Plasabas v. Court of Appeals*, 601 Phil. 669, 675 (2009); *Heirs of Mesina v. Heirs of Fian, Sr.*, 708 Phil. 327, 334 (2013).

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> 708 Phil. 327 (2013).

<sup>38</sup> 755 Phil. 783 (2015).

share in a parcel of land which was owned by and registered in the name of Conrado, Sr. Santiago, however, was not able to have the title of the property transferred in his name because the other heirs of Conrado, Sr., who did not sell their respective shares in the said property, refused to surrender the title to him. This prompted Santiago to file before the RTC a complaint for judicial partition and receivership against the said heirs. The trial court ruled in favor of petitioner and ordered the partition of the subject property. The CA reversed the decision of the RTC and dismissed Santiago's complaint for judicial partition on the ground that Santiago failed to implead all the heirs of Conrado, Sr. who are indispensable parties to the complaint for judicial partition. The Court agreed with the CA that all the heirs of Conrado, Sr., having vested rights over the subject land, should be impleaded as indispensable parties in an action for partition thereof. The Court ruled that failure to do so renders all subsequent actions of the court null and void, for want of authority to act, not only as to the absent parties but even as to those present. However, this Court held that the CA erred in dismissing Santiago's complaint because of his failure to implead all the indispensable parties, in view of the settled rule that in instances of non-joinder of indispensable parties, the proper remedy is to implead them and not to dismiss the case. Thus, the Court affirmed, with modification, the decision of the CA by ordering the remand of the case to the trial court, directing the same court to implead all indispensable parties and to proceed with the resolution of the case with dispatch.

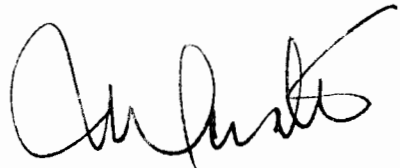
In view of the foregoing, the correct course of action in the instant case is to order its remand to the RTC for the inclusion of those indispensable parties who were not impleaded and for the disposition of the case on the merits after these parties are given opportunity to present their own evidence.

**WHEREFORE**, the instant petition is **PARTLY GRANTED**. The August 31, 2011 Decision and October 18, 2012 Resolution of the Court of Appeals in CA-G.R. CV No. 94671, as well as the June 8, 2009 Decision of the Regional Trial Court of Batangas City, Branch 8, in Civil Case Nos. 6046 and 5413, are hereby **REVERSED AND SET ASIDE**.

Let the case be **REMANDED** to Branch 8 of the Regional Trial Court of Batangas City, for further proceedings, and for the said court **TO ISSUE AN ORDER TO IMPLEAD**, as party-defendants, Severina Luna Orosa and all other persons whose titles are derived from Original Certificate of Title No. 18989, being indispensable parties and, thereafter, allow these parties to present their evidence and **PROCEED** with the resolution of the case on the merits **WITH DISPATCH**.

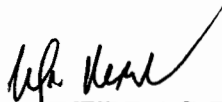


**SO ORDERED.**



**DIOSDADO M. PERALTA**  
Associate Justice

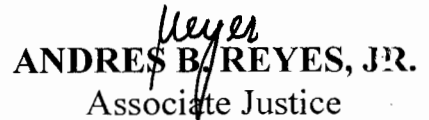
**WE CONCUR:**



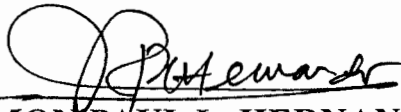
**ESTELA M. PERLAS-BERNABE**  
Associate Justice



**MARIO VICTOR F. LEONEN**  
Associate Justice



**ANDRES B. REYES, JR.**  
Associate Justice



**RAMON PAUL L. HERNANDO**  
Associate Justice

**ATTESTATION**

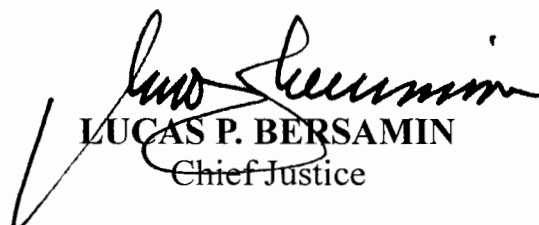
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**DIOSDADO M. PERALTA**  
Associate Justice  
Chairperson, Third Division

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.



**LUCAS P. BERSAMIN**  
Chief Justice