



Republic of the Philippines  
Supreme Court  
Manila

SECOND DIVISION

ADOLFO C. PALMA and G.R. No. 231826  
RAFAEL PALMA,

*Petitioners,* Present:

PERLAS-BERNABE, S.A.J.,  
*Chairperson,*  
HERNANDO,  
INTING,  
DELOS SANTOS, and  
BALTAZAR-PADILLA,\* JJ.

- versus -

PETRON CORPORATION,  
*Respondent.*

Promulgated:

16 SEP 2020

X-----X

DECISION

INTING, J.:

This resolves the Petition for Review on *Certiorari*<sup>1</sup> assailing the Decision<sup>2</sup> dated January 16, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 143888 that denied the Petition for Annulment of Judgment with Application for a Temporary Restraining Order and/or Writ of Preliminary Injunction;<sup>3</sup> and the Resolution<sup>4</sup> dated April 20, 2017 denying Adolfo C. Palma, Rafael Palma (collectively, petitioners) along with Rogelio Baltazar, and Jaime Velasco's Motion for Reconsideration.<sup>5</sup>

\* On leave.

<sup>1</sup> *Rollo*, pp. 8-30.

<sup>2</sup> *Id.* at 63-81; penned by Associate Justice Danten Q. Bueser with Associate Justices Apolinario D. Bruselas, Jr. and Renato C. Francisco, concurring.

<sup>3</sup> *Id.* at 149-178.

<sup>4</sup> *Id.* at 37-39.

<sup>5</sup> *Id.* at 45-58.

*The Antecedents*

On November 26, 1993, Petron Corporation (Petron) and the Philippine National Oil Company (PNOC) entered into a 25-year Lease Agreement for Refinery Properties<sup>6</sup> over various landholdings of PNOC in Brgy. Alangan, Limay, Bataan with a total land area of 2,397,929 square meters (leased premises) for the use of Petron Bataan Refinery (PBR). Forming part of the leased premises is Cadastral Lot No. 257 under Transfer Certificate of Title (TCT) No. T-167116 of the Registry of Deeds of Bataan covering an area of 92,392 square meters situated along Roman Superhighway.<sup>7</sup> Since the early 1980s, petitioners had been occupying a portion of Lot No. 257-A by mere tolerance and acquiescence of PNOC and its predecessor.<sup>8</sup> When Petron entered into a lease agreement with PNOC in 1993, it continued to allow and tolerate petitioners' use and possession of the premises for humanitarian consideration since there was still no immediate need and use of the area.<sup>9</sup>

Sometime in 2007, Petron informed petitioners as well as the other families staying in the premises that the area would be used as the construction site of Petron Skills Training Center. Petron advised petitioners that they should start looking for a place to relocate before the construction starts in the last quarter of 2008.<sup>10</sup>

On August 8, 2008, Petron sent petitioners a Final Notice to Vacate.<sup>11</sup> Despite receipt of the notice, petitioners refused to vacate the subject premises.<sup>12</sup> Hence, Petron filed a Complaint<sup>13</sup> for Unlawful Detainer against petitioners before the Municipal Trial Court (MTC) of Limay, Bataan.

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<sup>6</sup> *Id.* at 107-110.

<sup>7</sup> *Id.* at 65.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

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

<sup>11</sup> *Id.* at 113-116.

<sup>12</sup> *Id.* at 100.

<sup>13</sup> *Id.* at 97-103.

On July 1, 2009, the MTC rendered a Decision<sup>14</sup> in Civil Case No. 421 in favor of Petron, and ordered petitioners and/or all persons claiming rights under them to vacate the subject lot and restore possession thereof to Petron. The MTC, likewise, ordered defendants to jointly pay Petron the sum of ₱20,000.00 as attorney's fees and to pay the cost of suit.<sup>15</sup>

Aggrieved, petitioners appealed to the Regional Trial Court (RTC). The case was docketed as Civil Case No. 817-ML.

In an Order<sup>16</sup> dated February 10, 2010, Judge Bartolome V. Flores of the RTC dismissed the petitioners' appeal on the ground of Section 7(b)<sup>17</sup> of Rule 40 of the Rules of Court for failure of petitioners to comply with the Order of the RTC dated August 4, 2009 to file their appellants' memorandum despite the given period of time. Undaunted, petitioners filed a petition for relief with attached petitioners' memorandum of appeal. However, the RTC denied it on April 4, 2011.<sup>18</sup> Petitioners moved for reconsideration, but the RTC denied it.

Dissatisfied, petitioners filed a petition for *certiorari* with the CA which was docketed as CA-G.R. SP No. 121274.

On October 23, 2012, the CA dismissed the petition for lack of merit.<sup>19</sup> It held that petitioners availed themselves of the wrong remedy when it filed a petition for relief from judgment instead of filing a timely motion for reconsideration or appeal considering that the RTC Order

<sup>14</sup> *Id.* at 119-129; penned by Presiding Judge Leticia L. Nicolas.

<sup>15</sup> *Id.* at 129.

<sup>16</sup> *Id.* at 130.

<sup>17</sup> Section 7(b), Rule 40 of the Rules of Court provides:

SEC. 7. Procedure in the Regional Trial Court. —

x x x x

(b) within fifteen (15) days from such notice, it shall be the duty of the appellant to submit a memorandum which shall briefly discuss the errors imputed to the lower court, a copy of which shall be furnished by him to the adverse party. Within fifteen (15) days from receipt of the appellant's memorandum, the appellee may file his memorandum. Failure of the appellant to file a memorandum shall be a ground for dismissal of the appeal. (Underscoring supplied.)

<sup>18</sup> *Rollo*, p. 135.

<sup>19</sup> See Decision dated October 23, 2012 of the Court of Appeals (CA) in CA-G.R. SP No. 121274 as penned by Associate Justice Magdangal M. De Leon with Associate Justices Stephen C. Cruz and Myra V. Garcia-Fernandez, concurring; *id.* at 132-142.

dated February 10, 2010 in Civil Case No. 817-ML dismissing their appeal is a final order issued in the exercise of its appellate jurisdiction.<sup>20</sup> It also found no grave abuse of discretion on the part of the RTC in denying petitioners' petition for relief.<sup>21</sup>

On July 1, 2013, the CA denied petitioners' Motion for Reconsideration.<sup>22</sup> Still not satisfied with the outcome of the case, petitioners elevated the case to the Court.

*The petition for review docketed as G.R. No. 208052 entitled Adolfo C. Palma, et al. v. Petron Corporation before the Court.*

On September 11, 2013, the Court issued a Resolution<sup>23</sup> in G.R. No. 208052 entitled *Adolfo C. Palma, et al. v. Petron Corporation*, denying petitioners' petition for review on *certiorari* for failure of petitioners to sufficiently show that the CA committed any reversible error in the challenged Decision dated October 23, 2012, and Resolution dated July 1, 2013 in CA-G.R. SP No. 121274 as to warrant the exercise of the Court's discretionary appellate jurisdiction.

Petitioners filed a motion for reconsideration, but the Court denied it with finality on February 5, 2014.<sup>24</sup> On May 15, 2014, the Resolution dated September 11, 2013 became final and executory.<sup>25</sup>

*The antecedents in the present petition.*

Notwithstanding the finality of the Court's Resolution in G.R. No. 208052, petitioners filed a Petition for Annulment of Judgment with Application for a Temporary Restraining Order and/or Writ of

<sup>20</sup> *Id.* at 138.

<sup>21</sup> *Id.* at 141.

<sup>22</sup> See CA Resolution dated July 1, 2013 in CA-G.R. SP No. 121274, *id.* at 144-145.

<sup>23</sup> *Id.* at 146.

<sup>24</sup> *Id.* at 147.

<sup>25</sup> *Id.* at 148.

Preliminary Injunction<sup>26</sup> dated January 22, 2016 with the CA praying for the annulment of the RTC Order dated February 10, 2010 in Civil Case No. 817-ML, and seeking to restrain the Writ of Execution dated July 16, 2014 and the Writ of Demolition dated August 13, 2015 issued by the MTC.<sup>27</sup>

Petitioners alleged that the RTC Order was issued without jurisdiction or in excess thereof as there should have been a trial on the merits.<sup>28</sup> Further, petitioners asserted that the MTC had no jurisdiction over the case as both parties admitted that the occupation or possession of the subject property was beyond the jurisdictional requisite of the one year period.<sup>29</sup> Petitioners insisted that the MTC Decision was void for being rendered without jurisdiction. Hence, it could never logically become final and executory.<sup>30</sup>

On January 16, 2017, the CA rendered a Decision<sup>31</sup> denying the petition. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the petition is hereby DENIED. The Order dated 10 February 2010 issued by the Regional Trial Court, Branch 4, Mariveles, Bataan, and the consequent Writ of Execution dated 16 July 2014 and Writ of Demolition dated 13 August 2015 issued by the Municipal Trial Court of Limay, Bataan are hereby AFFIRMED in TOTO.

IT IS SO ORDERED.<sup>32</sup>

Undaunted, petitioners moved for reconsideration.<sup>33</sup> In its assailed Resolution<sup>34</sup> dated April 20, 2017, the CA denied petitioners' Motion for Reconsideration.

<sup>26</sup> *Id.* at 149-178.

<sup>27</sup> *Id.* at 175.

<sup>28</sup> *Id.* at 155.

<sup>29</sup> *Id.* at 164.

<sup>30</sup> *Id.* at 172.

<sup>31</sup> *Id.* at 63-81.

<sup>32</sup> *Id.* at 80.

<sup>33</sup> *Id.* at 45-58.

<sup>34</sup> *Id.* at 37-39.

The CA ruled that in order for one to avail himself of the remedy of a petition for annulment of judgment, one must comply with Section 1 of Rule 47 of the Rules of Court which provides, to wit:

SECTION 1. *Coverage.* — This Rule shall govern the annulment by the Court of Appeals of judgments or final orders and resolutions in civil actions of Regional Trial Courts for which the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available *through no fault of the petitioner.* (Italics supplied.)

It held that petitioners could not put the blame of committing mistakes solely on their counsel, since by their own admission, petitioners were the ones who filed the memorandum in the wrong office. Thus; petitioners availment of a petition for annulment of judgment must fail.<sup>35</sup>

In any case, the CA held that the issues being raised by petitioners had already been passed upon in their previous petition for *certiorari* which the CA had already decided on October 23, 2012. Notably, petitioners committed forum shopping.<sup>36</sup>

Hence, the petition.<sup>37</sup>

#### *The Issue*

The bone of contention is whether or not the CA erred in denying petitioners' petition for annulment of judgment.

#### *The Court's Ruling*

The petition lacks merit.

The MTC Decision in Civil Case No. 421 over the subject property was rendered on July 1, 2009. Herein petitioners appealed the Decision to the RTC docketed as Civil Case No. 817-ML. In an Order dated February 10, 2010, the RTC dismissed the appeal. Subsequently, it denied petitioners' motion for reconsideration on April 4, 2011.

<sup>35</sup> *Id.* at 77-78.

<sup>36</sup> *Id.* at 78-79.

<sup>37</sup> *Id.* at 8-30.

Petitioners then filed a petition for *certiorari* with the CA (CA-G.R. SP No. 121274), but the CA dismissed it for lack of merit. The CA also denied petitioners' motion for reconsideration on July 1, 2013. Thus, petitioners filed a petition for review with the Court (G.R. No. 208052). On September 11, 2013, the Court denied the petition; it also denied petitioners' motion for reconsideration. On May 15, 2014, the Resolution became final and executory.

Nothing is more settled in law than the rule that a judgment, once it has attained finality, can never be altered, amended, or modified, even if the alteration, amendment or modification is to correct an erroneous judgment<sup>38</sup> In fact, jurisprudence elucidates that not even the Supreme Court can correct, alter, or modify a judgment once it becomes final.<sup>39</sup> The rule admits of several exceptions, such as the following: (1) the correction of clerical errors; (2) the so-called *nunc pro tunc* entries which cause no prejudice to any party; (3) void judgments; and (4) whenever circumstances transpire after the finality of the decision rendering its execution unjust and inequitable.<sup>40</sup> Still none of the exceptions is applicable in the present case.

On this score alone, the petition should be denied.

The CA was correct in holding that the remedy of annulment of judgment is not available to petitioners. Well-settled is the rule that before a party can avail itself of the reliefs provided for by Rule 47, it is a condition *sine qua non* that one must have failed to move for a new trial, or appeal from, or file a petition for relief against the questioned issuances or take other appropriate remedies thereon, through no fault attributable to him. If he failed to avail himself of those cited remedies without sufficient justification, he cannot resort to an action for annulment provided in Rule 47; otherwise, he would benefit from his own inaction or negligence.<sup>41</sup> In other words, the party must convince the CA that the ordinary and other appropriate remedies are no longer available for causes not attributable to him.

<sup>38</sup> *Rep. of the Phils. v. Heirs of Cirilo Gotengco*, 824 Phil 568, 578 (2018), citing *FGU Insurance Corp. v. RTC of Makati City, Br. 66, et al.*, 659 Phil. 117, 123 (2011).

<sup>39</sup> *FGU Insurance Corp. v. RTC of Makati City, Br. 66, et al.*, *supra*.

<sup>40</sup> *Rep. of the Phils. v. Heirs of Cirilo Gotengco*, *supra* note 38.

<sup>41</sup> *Lazaro v. Rural Bank of Francisco Balagtas Inc.*, 456 Phil. 414, 422 (2003), citing *Rep. of the Phils. v. Sandiganbayan*, 404 Phil. 868, 886 (2001)

In the instant case, it is clear under the circumstances set forth in the RTC Order<sup>42</sup> dated February 10, 2010 in Civil Case No. 817-ML, and by petitioners' own admission, that petitioners failed to file the corresponding appellant's memorandum before the RTC despite the fact that they were given ample opportunity to bring up whatever issues they have with respect to the decision of the MTC. For sure, petitioners were negligent in pursuing their appeal pending before the RTC.

Despite the fact that the RTC Order dated February 10, 2010 in Civil Case No. 817-ML was already brought *via* a petition for *certiorari* to the CA, and later *via* a petition for review on *certiorari* to the Court, petitioners still filed a petition for annulment of judgment before the CA.

The grounds for annulment of judgment under Rule 47 are as follows:

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

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

Annulment of judgment is an equitable principle not because it allows a party-litigant another opportunity to reopen a judgment that has long lapsed into finality but because it enables him to be discharged from the burden of being bound to a judgment that is an absolute nullity to begin with.<sup>43</sup>

In the case, petitioners insist that the MTC was without jurisdiction since the ejectment complaint failed to comply with the one year filing period for unlawful detainer cases. Thus, the present petition for annulment of judgment.<sup>44</sup>

<sup>42</sup> *Rollo*, p. 130.

<sup>43</sup> *Yuk Ling Ong v. Co.*, 755 Phil. 158, 165 (2015), citing *Barco v. CA*, 465 Phil. 39, 64 (2004).

<sup>44</sup> *Rollo*, pp. 18-19.



The basic rule is that jurisdiction of the court over a case is determined by the allegations in the complaint.<sup>45</sup> A complaint for an action for unlawful detainer is sufficient if the following allegations are present: a) initially, possession of property by the defendant was by contract with or by tolerance of the plaintiff; b) eventually, such possession became illegal upon notice by plaintiff to defendant of the termination of the latter's right of possession; c) thereafter, the defendant remained in possession of the property and deprived the plaintiff of the enjoyment thereof; and d) within one year from the last demand on defendant to vacate the property, the plaintiff instituted the complaint for ejectment.

In the instant case, Petron's allegations in the complaint clearly make a case for an unlawful detainer essential to confer jurisdiction on the MTC over the subject matter. Petron alleges that the possession of petitioners were by mere tolerance of PNOC and its predecessor; that eventually, such possession became illegal when Petron notified the petitioners that they would use the subject portion of the lot; that despite the notice, petitioners refused to vacate and remained in the property depriving Petron of the enjoyment and use of the subject premises; and that Petron instituted the complaint for unlawful detainer on February 17, 2009, or within one year from their last demand as shown in its demand letter dated August 8, 2008.

It is settled that as long as the allegations demonstrate a cause of action for unlawful detainer, the court acquires jurisdiction over the subject matter.<sup>46</sup> Hence, the petition for annulment of judgment on the ground of lack of jurisdiction must fail.

The Court, likewise, cannot accept petitioners' claim that they are not bound by the mistakes of their previous counsel in their appeal to the RTC. As a rule, a client is bound by the mistakes of his counsel, even in the realm of procedural technique.<sup>47</sup> The exception to the rule is "when the reckless or gross negligence of the counsel deprives the client of due process of law."<sup>48</sup>

<sup>45</sup> *French v. CA, et al.*, 813 Phil. 773, 779 (2017), citing *Delos Reyes v. Sps. Odonez, et al.*, 661 Phil. 676, 682 (2011)

<sup>46</sup> *Canlas, et al. v. Tubil*, 616 Phil. 915, 926 (2009).

<sup>47</sup> *Producers Bank of the Phil. v. Court of Appeals*, 436 Phil. 812, 823 (2002).

<sup>48</sup> *Id.*, citing *Legarda v. Court of Appeals et al.*, 272-A Phil. 394, 404 (1991).

As correctly found by the CA, petitioners cannot put all the blame on their counsel as they themselves have actively participated in the proceedings, viz.:<sup>49</sup>

“Petitioners’ claim that they filed the memorandum on time through Flordeliza Palma (Flordeliza), wife of petitioner Rafael Palma, in the wrong office (Office of the Provincial Prosecutor) cannot qualify as a mistake of excusable negligence.”

Consequently, petitioners have only themselves to blame.

In addition, it is settled that a lawyer’s neglect in keeping track of the case does not constitute extrinsic fraud.<sup>50</sup> The case of *Baclaran Marketing Corp. v. Nieva*<sup>51</sup> teaches us that fraud is not extrinsic if the alleged fraudulent act was committed by the party’s own counsel. The fraud must emanate from the act of the adverse party and must be of such nature as to deprive the party of its day in court. Thus, in many cases, the Court has held that a lawyer’s mistake or gross negligence does not amount to extrinsic fraud that would grant a petition for annulment of judgment.<sup>52</sup>

Given the foregoing, petitioners can no longer resort to the remedy of annulment of judgment. Jurisprudence teaches us that a petition for annulment of judgment cannot serve as a substitute for the lost remedy of an appeal.<sup>53</sup> Although access to the court is guaranteed, there must be a limit thereto. For, if endless litigations were to be encouraged, then unscrupulous litigants will multiply in number to the detriment of the administration of justice.<sup>54</sup>

**WHEREFORE**, the petition is **DENIED** for lack of merit. The Decision dated January 16, 2017 and the Resolution dated April 20, 2017 of the Court of Appeals in CA-G.R. SP No. 143888 are hereby **AFFIRMED**.

**SO ORDERED.**

<sup>49</sup> *Rollo*, p. 77.


<sup>50</sup> *Baclaran Mktg. Corp. v. Nieva, et al.*, 809 Phil. 92, 103 (2017), citing *Pinausuka Seafood House, Roxas Blvd., Inc. v. Far East Bank & Trust Co., et al.*, 725 Phil. 19, 40 (2014).

<sup>51</sup> *Id.*

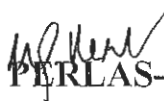
<sup>52</sup> *Id.*, citing *Lasala v. National Food Authority*, 767 Phil. 285, 302 (2015).

<sup>53</sup> *Antonino v. The Register of Deeds of Makati City, et al.*, 688 Phil. 527, 537 (2012).

<sup>54</sup> *Pacquing v. The Court of Appeals, et al.*, 200 Phil. 516, 521 (1982).

  
**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

WE CONCUR:

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


  
~~**RAMON PAUL L. HERNANDO**~~  
*Associate Justice*

  
**EDGARDO L. DELOS SANTOS**  
*Associate Justice*

(On leave)  
**PRISCILLA J. BALTAZAR-PADILLA**  
*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.

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

**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.



**DIOSDADO M. PERALTA**  
*Chief Justice.*