



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

RMFPU HOLDINGS, INC.,  
RAYMOND M. MORENO, and  
RMFPU PROPERTIES, INC.,  
Petitioners,

G.R. Nos. 220340-41

- versus -

FORBES PARK ASSOCIATION,  
INC.,  
Respondent.

X-----X

QUICK SILVER DEVELOPMENT  
CORPORATION,  
Petitioner,

G.R. Nos. 220682-84

Present:

- versus -

GESMUNDO, C.J., Chairperson,  
CAGUIOA,  
CARANDANG,  
ZALAMEDA, and  
ROSARIO,\* JJ.

FORBES PARK ASSOCIATION,  
INC.,  
Respondent.

Promulgated:

JUN 14 2021 *with file*

X-----X

DECISION

CAGUIOA, J.:

Before the Court are consolidated Petitions for Review under Rule 45 of the Rules of Court (Rules) filed by petitioners RMFPU Holdings, Inc., Raymond Moreno and RMFPU Properties, Inc. (collectively, RMFPU), which was docketed as G.R. Nos. 220340-41 (RMFPU Petition<sup>1</sup>), and by petitioner Quick Silver Development Corporation (Quick Silver), which was

\* Designated additional Member per Raffle dated December 14, 2020 vice Associate Justice Samuel H. Gaerlan.

<sup>1</sup> Rollo (G.R. Nos. 220340-41), Vol. I, pp. 3-35, excluding Annexes.

docketed as G.R. Nos. 220682-84 (Quick Silver Petition<sup>2</sup>). Both Petitions assail the Decision<sup>3</sup> dated March 6, 2015 (CA Decision) and Resolution<sup>4</sup> dated September 2, 2015 (CA Resolution) of the Court of Appeals<sup>5</sup> (CA) in CA-G.R. SP Nos. 123877, 123878 and 123879. The CA Decision granted the petitions for annulment of judgment filed by respondent Forbes Park Association, Inc. (FPA) and annulled and set aside the Order<sup>6</sup> dated July 29, 2004 of the Regional Trial Court of Makati City (RTC), Branch 59 in LRC Case No. M-4570; Order<sup>7</sup> dated March 26, 2010 of the RTC, Branch 59 in LRC Case No. M-5359; and Order<sup>8</sup> dated February 23, 2001 of the RTC, Branch 58 in LRC Case No. M-4133. The CA Resolution denied the motions for reconsideration filed by RMFPU and Quick Silver.

### *The Facts*

The CA Decision narrates the antecedents as follows:

Before [the CA] are three (3) consolidated cases for Annulment of Judgment under Rule 47 of the Rules of Court filed by [FPA]. The first case is docketed as CA-G.R. SP No. 123877 which seeks to annul the Order dated July 29, 2004 of the [RTC], Branch 59 x x x in LRC Case No. M-4570 ordering the cancellation of the Deed of Restrictions annotated in Transfer Certificate of Title (TCT) Nos. S-93867 and S-93868 registered [in] the name of x x x Raymond M. Moreno [(Moreno)] and subsequently in TCT Nos. 006-2011000937 and 006-2011000938 registered under the name of x x x RMFPU Holdings, Inc. [(RHI)]. The second case is docketed as CA-G.R. SP No. 123878 which seeks to annul the Order dated March 26, 2010 of the RTC, Branch 59 x x x in LRC Case No. M-5359 ordering the cancellation of the Deed of Restrictions annotated in TCT No. 226850 registered under the name of x x x RMFPU Properties, Inc. [(RPI)]. The third case is docketed as CA-G.R. SP No.[.] 123879 which seeks to annul the Order dated February 23, 2001 of the RTC, Branch 58 x x x in LRC Case No. M-4133 ordering the cancellation of the Deed of Restrictions annotated in TCT No. 156723 registered under the name of x x x [Quick Silver].

x x x x

#### **[First Case]**

x x x [Moreno] is the registered owner of a property located at No. 31 McKinley Road, Forbes Park Village, Makati City covered by TCT Nos. S-93867 and S-93868 issued by the Registry of Deeds of Makati City [(RD)]. Annotated on the said TCTs is a Deed of Restrictions with Entry No. 46370 File T-28534 for TCT No. S-93867 and Entry No. 32499 File T-22445 for TCT No. S-93868, which states:

<sup>2</sup> *Rollo* (G.R. Nos. 220682-84), pp. 11-67, excluding Annexes.

<sup>3</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 38-59; *rollo* (G.R. Nos. 220682-84), pp. 68-89. Penned by Associate Justice Ramon R. Garcia, with Associate Justices Priscilla J. Baltazar-Padilla (a retired Member of the Court) and Samuel H. Gaerlan (now a Member of the Court) concurring.

<sup>4</sup> *Id.* at 61-65; *id.* at 91-95.

<sup>5</sup> Former Special Fifth Division.

<sup>6</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 92-93. Penned by Presiding Judge Winlove M. Dumayas.

<sup>7</sup> See *id.* at 40. Penned by Presiding Judge Winlove M. Dumayas.

<sup>8</sup> *Rollo* (G.R. Nos. 220682-84), p. 113. Penned by Presiding Judge Escolastico U. Cruz, Jr.



1. The property is subject to an easement of two meters within the lot and adjacent to the rear and two sides the afore [*sic*] for the purpose of drainage, sewage, water and other facilities as may be necessary and desirable.

2. Subject to such amendments and additional restrictions, reservations, servitudes[,] etc., as the Forbes Park Association may from time to time adopt and prescribe the land described in this cert. of title is for a period of 50 years from January 1, 1949, subject to the restrictions enumerated in "Annex A" of the deed of sale executed by Ayala Securities Corporation in favor of the registered owner, among which are the following:

x x x x

All plans for buildings and landscaping must be approved by the Forbes Park Association.

3. Other restrictions are set forth in Doc. No. 394, page no. 80, Bk. XVI, s. of 1952 of Notary Public for Manila, Sofronio S. Pasola. x x x

On July 21, 2004, [Moreno] filed an *ex-parte* petition for the cancellation of the Deed of Restrictions on TCT Nos. S-93867 and S-93868. The case was docketed as LRC Case No. M-4570 and was assigned to x x x RTC, Branch 59 x x x. It was alleged therein that the Deed of Restrictions annotated on the titles had expired as of midnight of December 31, 1998 and must then be removed and canceled from the titles.

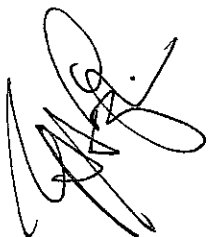
In the assailed Order dated July 29, 2004, x x x RTC, Branch 59 x x x ordered the cancellation of the Deed of Restrictions on TCT Nos. S-93867 and S-93868. The dispositive portion of the Order reads:

WHEREFORE, finding the petition sufficient in form and substance, the Court hereby GRANTS the same. Accordingly, the Register of Deeds of Makati City is hereby ordered to CANCEL, REMOVE or DELETE **Primary Entry No. 46870 File T-28534 covering the Deed of Restriction annotated on Transfer Certificate of Title No. S-93867 and Primary Entry No. 32499 File [T-22445] covering the Deed of Restriction[s] annotated on Transfer Certificate of Title No. S-93868**, both registered in the names of herein petitioners RAYMOND M. MORENO AND MARY ROSE L. MORENO, upon payment of the corresponding fees required therefor.

SO ORDERED.

On October 26, 2006, x x x RTC[, Branch 59] issued a Certification stating that a copy of the assailed Order dated July 29, 2004 was received by the [RD] on July 29, 2004.

On March 22, 2012, [FPA] filed before [the CA a] Petition for Annulment of the Order dated July 29, 2004 docketed as CA-G.R. SP No. 123877. x x x FPA contended that the assailed Order should be annulled on the ground of lack of jurisdiction for failure of x x x Moreno to implead x x x FPA in LRC Case No. M-4570 for cancellation of the Deed of



Restrictions. x x x FPA is an indispensable party or a party-in-interest in the proceedings and its interest can be legally determined by merely looking at the titles and the Deed of Restrictions annotated therein.

In a Resolution dated June 1, 2012, [the CA], finding *prima facie* merit, gave due course to the x x x petition. Summons was then issued requiring x x x Moreno to file an answer within fifteen (15) days from receipt thereof.

In his Answer with Compulsory Counterclaim Ex Abu[n]dant[i] Ad Cautelam filed on August 22, 2012, x x x Moreno contended that while the name of x x x FPA is mentioned in the Deed of Restrictions inscribed at the back of the TCTs, the said restrictions[,which were] for fifty (50) years[,] had expired on December 31, 1998. There being no resolution of extension of the said restrictions, there is no legal basis to implead x x x FPA as party to the petition for cancellation of the Deed of Restrictions. x x x FPA cannot then be considered as an indispensable party or a party-in-interest. x x x Moreno further contended that the x x x petition should be dismissed outright due to lack of authority on the part of x x x FPA's counsel to institute the same. Based on the authority given by x x x FPA's Board of Directors, its counsel is only authorized to file an action for the purpose of re-annotating the Deed of Restrictions and not to file the x x x petition for annulment of judgment.

Meanwhile, in an Amended Petition for Annulment of the Order dated July 29, 2004, x x x FPA contended that the subject lots covered by TCT Nos. S-93867 and S-93868 were already transferred to [RHI] under TCT Nos. 006-2011000937 and 006-2011000938.

In a Resolution dated April 29, 2013, [the CA] ordered the issuance of summons upon [RHI]. Summons was subsequently issued requiring [RHI] to file an answer within fifteen (15) days from receipt thereof.

In an Amended Answer with Compulsory Counterclaim Ex Abu[n]dant[i] Ad Cautelam filed on August 14, 2014, [RHI] contended that x x x FPA has no interest in the subject lot considering that the Deed of Restrictions on its certificates of title had already expired. Even assuming that the Deed of Restrictions is extended, there is no allegation in the x x x petition for annulment of judgment that [RHI] has knowledge, either directly or indirectly, of the said extension of the restrictions. It further contended that the filing of the x x x petition is not within the authority given to x x x FPA's counsel based on the Board Resolution attached to the petition.

#### [Second Case]

[RPI] is the registered owner of a lot located at No. 7 Palm Avenue, Forbes Park Village, Makati City covered by TCT No. 226850 issued by the [RD]. Annotated on the said TCT is a Deed of Restrictions with Entry No. 31140/49041, which states:

1. The property is subject to an easement of two meters within the lot and adjacent to the rear and two sides the afore [*sic*] for the purpose of drainage, sewage, water and other facilities as may be necessary and desirable.



2. Subject to such amendments and additional restrictions, reservations, servitudes[,] etc., as the Forbes Park Association may from time to time adopt and prescribe the land described in this cert. of title is for a period of 50 years from Jan[uary] 1, 1949 subject to the restrictions enumerated in Annex A of the deed of sale executed by Ayala Securities Corp. in favor of the registered owner, among which are the following:

The owner of this lot or his successor in interest is required to be and is automatically a member of the FORBES PARK ASSOCIATION.

x x x x

x x x All plans for building and landscaping must be approved by the Forbes Park Association.

3. Other restrictions are set forth in Doc. 184, page 38, BK. XXJX, s. of 1957 of Not. Pub. of Manila, Sofronio S. Pasola. x x x

On March 18, 2010, [RPI] filed an *ex-parte* Petition for the Cancellation of Primary Entry No. 31140/49041 annotated on TCT No. 226850. The case was docketed as LRC Case No. M-5359 and was assigned to x x x RTC, Branch 59 x x x. It was alleged in the petition that the Deed of Restrictions annotated on the title was for a period of fifty (50) years beginning on January 1, 1949. Upon its expiration on December 31, 1998, no resolution of extension of the Deed of Restrictions has been registered by x x x FPA, hence, the annotations must be removed and canceled from the [title].

In the assailed Order dated March 26, 2010, x x x RTC, Branch 59 x x x ordered the cancellation of the Deed of Restrictions on TCT No. 226850. The dispositive portion of the Order reads:

WHEREFORE, finding the petition sufficient in form and substance, the Court hereby GRANTS the same. Accordingly, the Register of Deeds of Makati City is hereby ordered to CANCEL, REMOVE or DELETE Primary Entry No. 31140[/]49041 covering the Deed of Restriction[s] annotated on Transfer Certificate of Title No. 226850 registered in the name of herein petitioner [RPI] upon payment of the corresponding fees required therefor.

SO ORDERED.

A Certificate of Finality of the above Order was thereafter issued by [RTC, Branch 59] on April 26, 2010.

On March 22, 2012, x x x FPA filed before [the CA a] Petition for Annulment of the Order dated March 26, 2010 docketed as CA-G.R. SP No. 123878. [FPA] contended that the assailed Order should be annulled on the ground of lack of jurisdiction for failure of [RPI] to implead x x x FPA, an indispensable party in the petition for cancellation of the Deed of



Restrictions. There is also extrinsic fraud committed by [RPI] when it deprived x x x FPA of the opportunity to prove the extension of the Deed of Restrictions.

In a Resolution dated June 15, 2012, [the CA], finding *prima facie* merit, gave due course to the x x x petition. Summons was then issued requiring [RPI] to file an answer within fifteen (15) days from receipt thereof.

In its Answer with Compulsory Counterclaim, [RPI] contended that x x x FPA has no interest in the subject property after the Deed of Restrictions expired on December 31, 1998. Since [FPA] is not an indispensable party, there is no legal obligation on the part of [RPI] to implead [FPA] in the petition for cancellation of the Deed of Restrictions. It further contended that x x x FPA's counsel lacked authority to file the x x x petition.

### [Third Case]

[Quick Silver] is the registered owner of a lot located at No. 50 Mc[K]inley Road, Forbes Park Village, Makati City covered by TCT No. 156723 issued by the [RD]. Annotated on the said TCT is a Deed of Restrictions with Entry No. 3577/T-No. 37873, which states:

1. The property is subject to an easement of two meters within the lot and adjacent to the rear and two sides thereof for the purpose of drainage, sewage, water and other public facilities as maybe necessary and desirable.
2. Subject to such amendments and additional restrictions, reservations, servitudes[,] etc., as the Forbes Park Association may from time to time adopt and prescribe for the land described in this certificate of title or for a period of 50 years from Jan[uary] I, 1949 subject to the restrictions enumerated in Annex A of the deed of sale executed by San Lorenzo Company, in favor of the registered owner, among which are the following:

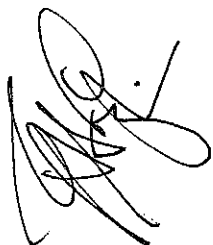
The owner of this lot or his successor in interest is required to be and is automatically a member of the Forbes Park Association.

x x x x

x x x All plans for building and landscaping must be approved by the Forbes Park Association.

3. Other restrictions are set forth in Doc. No. 445, page 90, Bk. 22, s. of 1955 of Not. Pub. of Manila, Sofronio S. Pasola. x x x

On February 15, 2001, x x x Quick Silver x x x filed an *ex-parte* Petition for the Cancellation of Primary Entry No. 3577/[T-No. 37873] annotated on TCT No. 156723. The case was docketed as LRC Case No. M-4133 and was assigned to x x x RTC, Branch 58 x x x. It was alleged in the petition that the Deed of Restrictions annotated on the title was for a



period of fifty (50) years beginning January 1, 1949. Upon its expiration on December 31, 1998, no resolution of extension of the Deed of Restrictions has been registered by x x x FPA, hence, the annotations must be removed and canceled from the [title].

In the assailed Order dated February 23, 2001, x x x RTC, Branch 58 x x x ordered the cancellation of the Deed of Restrictions on TCT No. 156723. The pertinent portions of the Order read:

Acting on the report of the Branch Clerk of Court commissioned to receive the ex-parte evidence of petitioner [Quick Silver], and finding the facts stated therein in accord with the allegations in the Petition, the same is hereby GRANTED.

AS PRAYED FOR, primary entry No. 3577/T-No. 37873 covering the restrictions on the lot located at No. 50 McKinley Road, Forbes Park Village, Makati City, is hereby ordered cancelled and/or deleted from Transfer Certificate of Title No. 156723 registered in the name of petitioner [Quick Silver].

Consequently, the Register of Deeds for and in Makati City is henceforth directed to effect the cancellation and/or deletion upon petitioner's payment of the required fees therefor.

SO ORDERED.

A Certificate of Finality of the above Order was thereafter issued by [RTC, Branch 58] on March 12, 2001.

On March 22, 2012, x x x FPA filed before [the CA a] Petition for Annulment of the Order dated February 23, 2001 docketed as CA-G.R. SP No. 123879. x x x FPA contended that the assailed Order should be annulled on the ground of lack of jurisdiction for failure of x x x Quick Silver to implead x x x FPA, an indispensable party in the petition for cancellation of the Deed of Restrictions. There is also extrinsic or collateral fraud committed by x x x Quick Silver when it deprived x x x FPA of the opportunity to prove the extension of the Deed of Restrictions.

In a Resolution dated April 3, 2012, [the CA], finding *prima facie* merit, gave due course to the x x x petition. Summons was then issued requiring x x x Quick Silver to file an answer within fifteen (15) days from receipt thereof.

In its Answer filed on May 24, 2012, x x x Quick Silver x x x alleged that the assailed Order of the RTC was not tainted with lack of jurisdiction and extrinsic fraud because x x x FPA is not an indispensable party. The effectivity of the power and interest of x x x FPA had already lapsed in view of the expiration of the Deed of Restrictions annotated on the title. At the time of the filing of the petition for cancellation of the Deed of Restrictions, x x x Quick Silver was in possession of documents, such as a certification from [FPA's] secretary and a circular issued by [FPA's] Board of Governors, to prove that there was no valid resolution for the extension of the Deed of Restrictions beyond December 31, 1998.



x x x Quick Silver further contended that the x x x petition for annulment of judgment is barred by prescription and *estoppel* by laches.

x x x x

Thereafter, in a Resolution dated February 6, 2015, [the CA] declared the consolidated cases submitted for decision on the merits.<sup>9</sup>

### *Ruling of the CA*

The CA in its Decision<sup>10</sup> dated March 6, 2015 granted FPA's petitions for annulment of judgment. The dispositive portion thereof states:

**WHEREFORE**, the instant petitions docketed as CA-G.R. SP Nos. 123877, 123878, and 123879 are hereby **GRANTED**. The assailed Order dated July 29, 2004 of the Regional Trial Court, Branch 59, Makati City[,] in LRC Case No. M-4570; Order dated March 26, 2010 of the Regional Trial Court, Branch 59, Makati City[,] in LRC Case No. M-5359; and, Order dated February 23, 2001 of the Regional Trial Court, Branch 58, Makati City[,] in LRC Case No. M-4133 are **ANNULLED** and **SET ASIDE**. Accordingly, the Register of Deeds of Makati City is **ORDERED** to restore the Deed of Restrictions annotated on private respondents RMFPU Holdings, Inc. and/or Raymond M. Moreno, RMFPU Properties, Inc., and Quick Silver Development Corporation's certificates of title which had been canceled by virtue of the assailed Orders of the courts *a quo*.

**SO ORDERED.**<sup>11</sup>

RMFPU and Quick Silver filed their motions for reconsideration, which the CA denied in its Resolution<sup>12</sup> dated September 2, 2015.

Hence the present RMFPU<sup>13</sup> Petition and Quick Silver Petition. FPA filed a Consolidated Comment on the Petitions for Review<sup>14</sup> dated December 2, 2016. RMFPU filed a Reply<sup>15</sup> dated May 24, 2017 while Quick Silver filed a Reply<sup>16</sup> dated March 24, 2017.

### *The Issues*

The RMFPU Petition raises the issue: whether the CA erred in annulling and setting aside the assailed Order of the RTC pertinent to RMFPU and ordering the RD to restore the Deed of Restrictions annotated on their titles. Specifically, it questions the correctness of the CA's ruling that FPA is an indispensable party to the proceedings before the RTC, the

<sup>9</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 39-52; *rollo* (G.R. Nos. 220682-84), pp. 69-82.

<sup>10</sup> *Supra* note 3.

<sup>11</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 58-59; *rollo* (G.R. Nos. 220682-84), pp. 88-89.

<sup>12</sup> *Supra* note 4.

<sup>13</sup> Collectively, RHI, Moreno and RPI are referred to as RMFPU.

<sup>14</sup> *Rollo* (G.R. Nos. 220682-84), pp. 465-504.

<sup>15</sup> *Id.* at 581-596.

<sup>16</sup> *Id.* at 511-538.





CA's application of *PAGREL, Inc. v. Forbes Park Association, Inc.*<sup>17</sup> (*PAGREL*) in the RMFPU's cases (first and second cases), the CA's non-observance of the applicable provisions of the Rules, like pre-trial and submission of memorandum, and the CA's order to restore the annotation of the Deed of Restrictions on RMFPU's certificates of title. Additionally, it raises the question as to whether RMFPU's rights to due process and equal protection of the law were violated.

On the other hand, the Quick Silver Petition raises these specific issues: (i) whether the CA erred in ruling that FPA is an indispensable party in the action for cancellation of the Deed of Restrictions and its application of *PAGREL* in Quick Silver's case; (ii) whether the CA erred in rendering a judgment on the merits based on the pleadings and without giving the parties the opportunity to present evidence; (iii) whether the CA erred when it rendered judgment in favor of FPA despite the latter's failure to justify the 11 years delay in the filing of the action for annulment of judgment; and (iv) whether the CA erred in denying its request to remove the name of Jaime Gonzalez in the title of the case.

### *The Court's Ruling*

The Petitions fail to persuade. Petitioners raise essentially the same issues that they raised before the CA, which were correctly rejected by the CA.

The common issues raised in the RMFPU and Quick Silver Petitions are discussed jointly.

#### *FPA being an indispensable party and applicability of PAGREL*

The applicable provision of Presidential Decree No. (PD) 1529,<sup>18</sup> or the Property Registration Decree, relative to cancellation, removal or deletion of any annotation on a certificate of title is:

**SEC. 108. Amendment and alteration of certificates.** – No erasure, alteration, or amendment shall be made upon the registration book after the entry of a certificate of title or of a memorandum thereon and the attestation of the same by Register of Deeds, except by order of the proper Court of First Instance. A registered owner or other person having an interest in registered property, or, in proper cases, the Register of Deeds with the approval of the Commissioner of Land Registration, may apply by **petition to the court upon the ground that the registered interests of any description, whether vested, contingent, expectant or inchoate appearing on the certificate, have terminated and ceased;** or that new

<sup>17</sup> G.R. No. 194523, December 10, 2012 (Unsigned Resolution), see *rollo* (G.R. No. 194532), pp. 308-311.

<sup>18</sup> AMENDING AND CODIFYING THE LAWS RELATIVE TO REGISTRATION OF PROPERTY AND FOR OTHER PURPOSES, June 11, 1978.

interest not appearing upon the certificate have arisen or been created; or that an omission or error was made in entering a certificate or any memorandum thereon, or, on any duplicate certificate; or that the same or any person on the certificate has been changed; or that the registered owner has married, or, if registered as married, that the marriage has been terminated and no right or interests of heirs or creditors will thereby be affected; or that a corporation which owned registered land and has been dissolved has not convened the same within three years after its dissolution; or upon any other reasonable ground; **and the court may hear and determine the petition after notice to all parties in interest**, and may order the entry or cancellation of a new certificate, the entry or cancellation of a memorandum upon a certificate, or grant any other relief upon such terms and conditions, requiring security or bond if necessary, as it may consider proper; Provided, however, That this section shall not be construed to give the court authority to reopen the judgment or decree of registration, and that nothing shall be done or ordered by the court which shall impair the title or other interest of a purchaser holding a certificate for value and in good faith, or his heirs and assigns, without his or their written consent. Where the owner's duplicate certificate is not presented, a similar petition may be filed as provided in the preceding section.

All petitions or motions filed under this Section as well as under any other provision of this Decree after original registration shall be filed and entitled in the original case in which the decree or registration was entered. (Emphasis and underscoring supplied)

Section 2, Rule 3 of the Rules provides the definition of a real party in interest, to wit:

*SEC. 2. Parties in interest.* – A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest. (2a)

Petitioners insist that FPA is not an indispensable party or a party in interest who must be notified in the petitions for cancellation of the Deed of Restrictions annotated on their certificates of title because the effectivity of the Deed of Restrictions had lapsed on the midnight of December 31, 1998, or 50 years from January 1, 1947, without the Deed of Restrictions having been validly extended. If there was any extension, petitioners should have been notified and such extension should have been annotated on their certificates of title to bind them.

The CA correctly ruled that FPA is an indispensable party or a party in interest who must be duly notified in the petitions for cancellation of the Deed of Restrictions annotated on petitioners' certificates of title. The Court totally agrees with the following disquisition of the CA:

At the outset, x x x FPA, an indispensable party, was not duly notified of the petitions for cancellation of the Deed of Restrictions annotated on [petitioners' certificates of title]. A plain reading of the Deed of Restrictions clearly show[s] that the same are imposed by x x x [the



sellers San Lorenzo Corporation and Ayala Securities Corporation] as part of the conditions in the purchase of the subject lots which amounts to an agreement between the latter and [petitioners]. The said Deed of Restrictions also show[s] that [petitioners] as registered owners of properties in Forbes Park Village are automatic members of the Forbes Park Association and that they agree to abide by the terms and conditions set forth therein. Even x x x FPA's Articles of Incorporation and By[-]Laws state that it is the function of the association to enforce the said restrictions [appearing] on the [certificates of title].

Clearly, x x x FPA's interest on the subject lots is undisputed as it stands to be affected by the cancellation of the Deed of Restrictions annotated on the subject [certificates of title]. Hence, the lack of notice to it placed in serious question the validity of the assailed Orders of the [RTCs].

Moreover, *Section 108 of Presidential Decree No. 1529* expressly requires that all interested parties must be duly notified of the proceedings with regard to an application for amendment or alteration of the certificates of title x x x[.]

x x x x

Gleaned from the foregoing provision, an amendment or alteration of the certificates of title effected without notice to the affected parties-in-interest would not be in compliance with law or the requirements of due process. Unless all possible indispensable parties were duly notified of the proceedings, the same shall be considered insufficient compliance with the requirements of the law, thereby rendering the assailed [RTC] Orders null and void.

Then too, despite x x x FPA's unmistakable interest in the cancellation of the Deed of Restrictions, [petitioners] deliberately failed to notify the former about the case[s] thereby depriving it of an opportunity to present its side of the controversy. In other words, x x x FPA never had knowledge of the suits filed below and was prevented from exhibiting fully its case by [petitioners'] act of keeping it away from the court. This clearly constitutes extrinsic fraud which affects the very jurisdiction of the [RTCs] to hear and decide the [cases filed before them].<sup>19</sup>

The petitions for cancellation of the Deed of Restrictions annotated on petitioners' certificates of title were, using the words of PD 1529, **"upon the ground that the registered interests of any description, whether vested, contingent, expectant or inchoate appearing on the certificate, have terminated and ceased."** Whose vested and registered interests appearing on the certificates of title, which have purportedly terminated and ceased according to petitioners, did they seek to cancel in their said petitions? Clearly, it was FPA's and no other. Being the only one whose registered interests are affected by said petitions, FPA is the party in interest, an indispensable party, that should have been notified. Without the required notice to all parties in interest, as required in Section 108 of PD 1529, the

<sup>19</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 54-56; *rollo* (G.R. Nos. 220682-84), pp. 84-86.

jurisdiction of the RTCs to entertain said petitions is questionable, notice in land registration cases being a basic requirement and jurisdictional.

Also, as registered owners of properties within the Forbes Park Village, petitioners know that FPA is the entity which ensures the implementation of the Deed of Restrictions annotated on their certificates of title. If such annotation is cancelled, removed or deleted, FPA would have no more authority to impose any restriction on said properties and the affected certificate of title would appear as being free of such charge or burden and any person subsequently dealing with it may claim to be innocent of the Deed of Restrictions and FPA's authority to impose the restrictions. Clearly, FPA stands to be injured by a judgment ordering the cancellation of the subject Deed of Restrictions.

The Court noted in the consolidated cases of *Chua, et al. v. B.E. San Diego, Inc.*<sup>20</sup> and *Lorenzana Food Corp. v. B.E. San Diego, Inc.*<sup>21</sup> that:

Jimmy and Albert manifested that they filed a petition for the correction of entries in their respective titles before the then CFI of Cavite and that the said court granted their petition. The records, however, failed to show sufficient proof that Jimmy and Albert faithfully complied with the basic notice requirement under Section 108 of P.D. No. 1529 x x x[.]

x x x x

The above provision requires that all interested parties must be duly notified of the petitioner's application for amendment or alteration of the certificate of title. Relief under the said legal provision can only be granted if there is unanimity among the parties, or that there is no adverse claim or serious objection on the part of any party in interest.

Without doubt, San Diego, a party-in-interest with an adverse claim, was not duly notified of the said petition. The records reveal that despite their knowledge about its adverse claim over the subject properties, Jimmy and Albert never notified San Diego about their application or petition for amendment or alteration of title. This Court agrees with the CA that the lack of notice to San Diego placed in serious question the validity of the CFI judgment or its enforceability against it. An amendment/alteration effected without notice to the affected owners would not be in compliance with law or the requirements of due process.<sup>22</sup>

In *Orbeta v. Sendiong*,<sup>23</sup> the Court noted:

Respondent's petition for annulment is grounded on lack of jurisdiction, owing to the failure to implead the indispensable parties. The cited ground is ample basis for annulment of judgment. We have long held that the joinder of all indispensable parties is a condition *sine qua non* of the exercise of judicial power. The absence of an indispensable party

<sup>20</sup> G.R. No. 165863, April 10, 2013, 695 SCRA 408.

<sup>21</sup> G.R. No. 165875, April 10, 2013, *id.*

<sup>22</sup> *Id.* at 441-442. Citations omitted.

<sup>23</sup> G.R. No. 155236, July 8, 2005, 463 SCRA 180.



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>24</sup>

On the other hand, there is extrinsic fraud:

x x x where it is one the effect of which prevents a party from hearing a trial, or real contest, or from presenting all of his case to the court, or where it operates upon matters, not pertaining to the judgment itself, but to the manner in which it was procured so that there is not a fair submission of the controversy. In other words, extrinsic fraud refers to any fraudulent act of the prevailing party in the litigation which is committed outside of the trial of the case, whereby the defeated party has been prevented from exhibiting fully his side of the case by fraud or deception practiced on him by his opponent. Fraud is extrinsic where the unsuccessful party has been prevented from exhibiting fully his case, by fraud or deception practiced on him by his opponent, as by keeping him away from court, a false promise of a compromise; or where the defendant never had knowledge of the suit, being kept in ignorance by the acts of the plaintiff; or where an attorney fraudulently or without authority connives at his defeat; these and similar cases which show that there has never been a real contest in the trial or hearing of the case are reasons for which a new suit may be sustained to set aside and annul the former judgment and open the case for a new and fair hearing.<sup>25</sup>

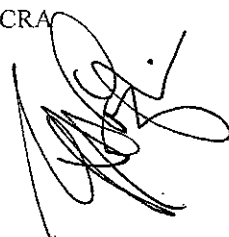
Given these considerations and those observed by the CA, FPA's interest in the cancellation of the Deed of Restrictions annotated on petitioners' certificates of title is unmistakable. Without due notice to FPA, a party in interest, the RTC Orders for cancellation, removal or deletion of the Deed of Restrictions annotated on petitioners' certificates of title are void for lack of jurisdiction. That petitioners deliberately excluded FPA from the RTC proceedings is evident from the *ex-parte* nature of their petitions for cancellation and their presumed knowledge that FPA's authority to impose and implement the Deed of Restrictions would be cut off once the annotation thereof on their certificates of title is canceled, removed or deleted — an effect evidently injurious to FPA. In preventing FPA to participate in the RTC proceedings, petitioners can be said to have committed extrinsic fraud, which likewise affected the very jurisdiction of the RTCs to hear and decide the cases before them.

Undoubtedly, the CA did not err in granting FPA's petitions for annulment of judgment based on lack of jurisdiction and extrinsic fraud pursuant to Section 2, Rule 47 of the Rules, which provides:

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

<sup>24</sup> Id. at 192. Citations omitted.

<sup>25</sup> *Cosmic Lumber Corporation v. Court of Appeals*, G.R. No. 114311, November 29, 1996, 265 SCRA 168, 179-180. Citations omitted.



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.  
(n)

Regarding *PAGREL*, the issue which the Court resolved therein is whether FPA is an indispensable party in petitions for cancellation of the same Deed of Restrictions as in these cases, which is annotated on the certificates of title of the registered owners whose properties are located within the Forbes Park Village. As the CA Decision noted:

Equally telling is the fact that the issue on whether or not x x x FPA is an indispensable party in a petition for cancellation of the Deed of Restrictions annotated on the certificates of title of the registered owners had been laid to rest in the recent case docketed as G.R. No. 194532 entitled [*PAGREL, Inc.] v. Forbes Park Association* and promulgated on December 10, 2012. In this case, the Supreme Court affirmed the Court of Appeals when it ruled that x x x FPA is an indispensable party in the consolidated petitions for cancellation of the Deed of Restrictions filed before the RTC by *PAGREL, Inc., et al.*, who were registered owners of properties located in Forbes Park Village. Such failure by petitioners therein to implead FPA as an indispensable party amounts to lack of jurisdiction and extrinsic fraud rendering the proceedings below null and void. x x x

x x x x

The above ruling confirming the status of x x x FPA as an indispensable party in a petition for cancellation of the Deed of Restrictions has become final and executory when the Supreme Court, in a Resolution dated February 20, 2013, denied with finality the motion for reconsideration filed therein by *PAGREL, Inc., et al.*<sup>26</sup>

*PAGREL* was resolved by the Court through an unsigned Resolution. Being an unsigned Resolution, similar to a minute Resolution, the disposition therein is binding only as between the parties.<sup>27</sup> The doctrine of

<sup>26</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 56-57; *rollo* (G.R. Nos. 220682-84), pp. 86-87.  
<sup>27</sup> See *Deutsche Bank AG Manila Branch v. Commissioner of Internal Revenue*, G.R. No. 188550, August 28, 2013, 704 SCRA 216, where the Court stated:

*A minute resolution is not a binding precedent*

x x x x

It is true that, although contained in a minute resolution, our dismissal of the petition was a disposition of the merits of the case. When we dismissed the petition, we effectively affirmed the CA ruling being questioned. As a result, our ruling in that case has already become final. When a minute resolution denies or dismisses a petition for failure to comply with formal and substantive requirements, the challenged decision, together with its findings of fact and legal conclusions, are deemed sustained. But what is its effect on other cases?

With respect to the same subject matter and the same issues concerning the same parties, it constitutes *res judicata*. However, if other parties or another subject matter (even with the same parties and issues) is involved, the minute resolution is not binding precedent. x x x (Id. at 225-226. Emphasis omitted)

*stare decisis* cannot be invoked in a subsequent case to bind non-parties thereto, who may be similarly situated as the original parties to the case. Thus, the CA erred when it justified its invocation of *PAGREL* in the present cases by applying the doctrine of *stare decisis*.

The similarities of the parties and the cause of action in *PAGREL* and in these cases are undeniable. In the instant three cases, the same question (whether FPAI is an indispensable party or party in interest) relating to the same event (cancellation of the Deed of Restrictions annotation proceedings) is brought by parties similarly situated as in *PAGREL* (registered owners of properties within the Forbes Park Village). The factual parallelism of these cases with *PAGREL* is unmistakable, *viz.*:

The titles of all lot owners in Forbes Park Village are subjected to a Deed of Restrictions which sets forth the conditions and regulations which the lot owners must observe in the construction and maintenance of their respective properties. The said deed of restrictions is annotated in each title and valid for a period of fifty (50) years from January 1, 1949 or until December 31, 1998. Among the stipulations contained therein is the automatic membership of each lot owner inside the Forbes Park Village in the FPAI.

On March 29, 2001, petitioners filed separate *ex-parte* petitions before the Regional Trial Court of Makati seeking the cancellation of the said deed of restrictions on their respective [TCTs]. In their petitions, they alleged that the said deed of restrictions may be extended by means of a resolution approved by 2/3 vote of the members of the FPAI which should be registered with the [RD]. They averred, however, that no such resolution for extension had been registered. Thus, they argued that the deed of restrictions expired as of midnight of December 31, 1998, thereby entitling them to the cancellation, removal or deletion of the same from their respective TCTs.

Their *ex-parte* petitions were consolidated before Branch 145 of the [RTC]. In an Order, dated April 10, 2001, the RTC granted the said *ex-parte* petitions and ordered the cancellation of the Deed of Restrictions annotated on their TCTs. The said order attained finality and was duly executed.

This prompted FPAI to file a petition for annulment of the said order under Rule 47 of the Rules of Court on the ground of extrinsic fraud with the [CA]. In its Decision, dated May 13, 2010, the CA granted the petition and declared null and void the Order, dated April 10, 2001, on the ground of extrinsic fraud. The CA ruled that FPAI is an indispensable party having an interest in the petitions for cancellation of the deed of restrictions annotated on the titles of petitioners. x x x

Petitioners argue that FPAI is not an indispensable party in the *Pagrel* case before the RTC as it has already lost its interest over them and their lots when the deed of restrictions expired. They claim that failure to implead FPAI did not amount to extrinsic fraud because they believed in

good faith that the deed of restrictions in favor of FPAI had already expired. x x x<sup>28</sup>

Given these similar circumstances, the Court finds no cogent reason to depart from its ruling in *PAGREL*, viz.:

The petition has no merit.

The CA was correct in holding that FPAI is an indispensable party in the case and that the RTC could not have ruled against the latter in its absence.

In point is the case of *Metropolitan Bank and Trust Company v. Alejo*, where the Court held thus:

An indispensable party is a party who has an interest in the controversy or subject matter that a final adjudication cannot be made, in his absence, without injuring or affecting that interest, a party who has not only an interest in the subject matter of the controversy, but also has an interest of such nature that a final decree cannot be made without affecting his interest or leaving the controversy in such a condition that its final determination may be wholly inconsistent with equity and good conscience. x x x Further, an indispensable party is one who must be included in an action before it may properly [move] forward.

The joinder of indispensable parties to an action is mandated by Section 7, Rule 3 of the Revised Rules of Civil [Procedure], which we quote:

“SEC[.] 7. *Compulsory joinder of indispensable parties.* – Parties in interest without whom no final determination can be had of an action shall be joined either as plaintiffs or defendants.”

Aside from the above provision, jurisprudence requires such joinder, as the following excerpts indicate:

x x x x

Thus, petitioners' failure to implead FPAI, as an indispensable party, constituted extrinsic fraud. As correctly concluded by the CA:

In the case before Us, it is evident that [FPAI] was not informed of the proceedings below despite respondents' knowledge that [FPAI] would be affected by the cancellation of the deed of restrictions. Thus, [FPAI] was clearly kept away from [the] court – an act which constitutes extrinsic fraud based on the aforesaid

<sup>28</sup> *PAGREL, Inc. v. Forbes Park Association, Inc.*, supra note 17, at 308-309. FPAI and FPA are the same entity.



jurisprudence. In view of this, the assailed order must be annulled pursuant to Rule 47 of the Rules of Court x x x.<sup>29</sup>

The Court reiterates that FPA is an indispensable party and a party in interest in a petition for cancellation of the Deed of Restrictions annotated on the certificates of title covering properties within the Forbes Park Village. Being a party in interest, FPA must be notified of such petition pursuant to Section 108 of PD 1529. Absent the required notice, the judgment of the trial court granting the petition for cancellation of annotation is a nullity for want of jurisdiction and for lack of due process.

Not only was the issue of whether FPA is an indispensable party, which must be notified, in a petition for cancellation of the Deed of Restrictions annotated on certificates of title embracing properties within the Forbes Park Village previously passed upon by the Court, the issue on the validity of the extension of said Deed of Restrictions and of the extension of the corporate life of FPA had also reached the Court. This is clear from the following pronouncements of the Court in *Forbes Park Association, Inc. v. PAGREL, Inc., et al.*<sup>30</sup> (*Forbes Park*), viz.:

Forbes Park is an exclusive, plush subdivision in Makati City. The members of petitioner Forbes Park Association, Inc. (FPA) agreed to have a deed of restrictions annotated on their Transfer Certificates of Title (TCTs), the pertinent portions of which read:

#### DEED OF RESTRICTIONS

Annotated on all Transfer [Certificates of Title]

I. The owner of this lot or his successor in interest is required to be and is automatically a member of the Forbes Park Association and must abide by the rules and restrictions laid down by the Association covering the use and occupancy of the lot.

II. Subject to such amendments and additional restrictions, reservations, servitudes, *etc.*, as the Forbes Park Association may from time to time adopt and prescribe, this lot is subject to the following *restrictions*:

x x x x

III. The term of the foregoing restrictions is for fifty (50) years from January 1, 1949 and may be extended, amended or cancelled by means of a resolution approved by 2/3 vote of the Forbes Park Association and registered with the Register of Deeds of Rizal.

For a better understanding of the petition before us, we find it necessary to recall the events that transpired prior to December 31, 1998, the expiration date of the restrictions.

<sup>29</sup> Id. at 309-310.

<sup>30</sup> G.R. No. 153821, February 13, 2008, 545 SCRA 39.

On March 25, 1996, FPA, during its annual general meeting, deliberated on the extension of the corporate life of the Association, the extension of the Deed of Restrictions, and the date of the meeting when these matters would be voted on. Consequently, then incumbent FPA President Enrique Lagdameo, herein respondent, called a Special General Meeting on November 26, 1996 and the two items – the extension of the corporate life of FPA and the Deed of Restrictions – were put to a vote. Since the quorum was questioned, another meeting was set for December 8, 1996. With the secretary's certification that there was no quorum during the November 26 meeting, the Board of Governors sent a circular that the matters discussed then were invalid and had no binding effect, including the setting of a meeting for December 8, 1996.

Just the same, on December 8, 1996, Jose Concepcion presided as chairperson of the meeting. The designated commission on elections reported on the attendance and the votes cast during the November 26 and December 8, 1996 meetings.

As a reaction, some FPA members filed separate cases before the Home Insurance Guaranty Corporation (HIGC). In **HIGC Case No. HOA-97-003** entitled *Arturo V. Rocha v. Forbes Park Association, Inc.*, Arturo Rocha sought the annulment of the FPA resolutions passed during the November 26 and December 8, 1996 meetings, extending the corporate life of FPA and the Deed of Restrictions, on the ground of no-quorum. In **HIGC Case No. HOA-97-010** entitled *Jose Concepcion, Jr., Federico V. Borromeo and Jaime Augusto Zobel de Ayala II v. Rosa Caram*, on the other hand, the three (3) complaining homeowners asked HIGC to enjoin Rosa Caram, the FPA secretary, from misrepresenting that the resolutions passed extending the corporate life of FPA and the Deed of Restrictions were vitiated for lack of quorum. The two cases were consolidated.

Meantime, the Board of Governors of the FPA, chaired by Lagdameo, issued several circulars on the guidelines for the nominations and qualifications of candidates, and validation of proxies for the general assembly and election set for March 30, 1997. The Hearing Panel then canceled the scheduled election and directed the holding of one on June 30, 1997. During the June 30, 1997 election, the FPA members voted for the 25-year extension of FPA's corporate life.

Subsequently, Lagdameo instituted another case before the HIGC docketed as **HIGC Case No. HOA-98-111** and entitled *Enrique B. Lagdameo, Jose M. Cabarrus, Antonio C. Cuyegkeng II, et al. v. Forbes Park Association, Inc., Leonardo Siguion-Reyna and the Register of Deeds of Makati City* that was consolidated with HIGC Case Nos. HOA-97-003 and HOA-97-010. Since, however, the latter two cases had already been submitted for resolution, HIGC Case No. HOA-98-111 was separately heard.

On November 5, 1999, the Hearing Panel, in the consolidated cases, HIGC Case Nos. HOA-97-003, HOA-97-010, and HOA-98-111, ruled that the Deed of Restrictions had not been validly extended because only 407 of the 424 members present, or less than the required two-third (2/3) votes of the members, voted affirmatively. It also declared that the proceedings during the December 8, 1996 meeting and the decision to allow additional members to register and vote were not capable of ratification because the meeting was improperly held. But, the Hearing



Panel went on to state, however, that it is essential to ascertain the real will of the members considering that based on the November 26 and December 8, 1996 meetings, albeit held under improper circumstances, more than 2/3 of the general membership, 464 out of 489, including the votes of those who were allowed to register and vote during the December 8 meeting, expressed approval for the extension of the Deed of Restrictions. The panel ordered a referendum within 30 days.

On appeal to the HIGC Appeals Board which was docketed as HIGC AB Case No. 99-012, the Board reversed the panel's decision, thus:

“WHEREFORE, PREMISES CONSIDERED, the Decision of the Hearing Panel dated November 5, 1999 is hereby REVERSED except insofar as it declared the December 8, 1996 meeting as illegally and improperly held which we hereby affirm.

Therefore, judgment is hereby rendered [declaring as] VALID AND EFFECTIVE the Resolution of the general membership of the Forbes Park Association, Inc. dated June 30, 1997 extending the corporate term of the Association and the Deed of Restrictions of the Forbes Park Subdivision, for another twenty-five (25) years from expiry date.”

Unhappy with the outcome, Rocha filed a petition before the Court of Appeals (CA), the recourse docketed as CA-G.R. SP No. 59359. In a Decision dated August 29, 2003, the CA declared the extension of the deed of restrictions and FPA's corporate life for another 25 years to be valid.

Rocha then challenged the CA Decision before this Court in G.R. No. 163869 that was subsequently closed and terminated after his death. The Rocha heirs, on July 8, 2004, manifested that they were no longer interested in pursuing the case.

On August 29, 2003, the Decision of the CA upholding the extension of the Deed of Restrictions and FPA's corporate life became final and executory. Judgment was entered on September 22, 2004.<sup>31</sup>

Interestingly, *Forbes Park* is the precursor of *PAGREL*. The Court narrates in *Forbes Park*, to wit:

***Forbes Park Association, Inc. v. Register of Deeds of Makati City  
(Lis Pendens Case), CA-G.R. SP No. 61245  
and subsequently G.R. No. 148733***

On January 27, 1999, FPA filed an application with the Register of Deeds of Makati City for the registration by FPA of notices of *lis pendens* over certain Forbes Park lots in connection with HIGC Case Nos. HOA-97-003, HOA-97-010, and HOA-98-111. The issue in the above HIGC cases was the extension of the Deed of Restrictions.

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<sup>31</sup> Id. at 40-44.

On February 5, 1999, the Register of Deeds denied FPA's application on the ground that a notice of *lis pendens* may only be sought in actions to recover possession of real estate, or to quiet title thereto, or to remove clouds upon the title thereof, or to partition the property, and in any other proceedings of any kind in court directly affecting the title to the land or the use or occupation thereof on the building thereon.

This denial compelled FPA to appeal *via* a *consulta* with the Land Registration Authority (LRA). This was entitled as *Forbes Park Association, Inc. v. Register of Deeds of Makati City* and docketed as Consulta No. 3038. The principal issue FPA raised before the LRA was whether or not a notice of *lis pendens* can be registered given the circumstances of FPA's application. On August 21, 2000, the LRA issued a resolution denying the appeal filed by FPA and essentially adopting the reasoning of the Register of Deeds.

The denial of the appeal by the LRA prompted FPA to file a petition for review with the CA, docketed as CA-G.R. SP No. 61245. x x x

On November 28, 2000, the CA, in a single page resolution, dismissed FPA's petition for review on the sole ground that the person who signed the subject verification and certification was not a duly authorized representative of FPA. FPA's motion for reconsideration was denied in the CA's June 25, 2001 Resolution.

On April 25, 2005, FPA filed before the Court a petition for review, docketed as **G.R. No. 148733**, assailing the above resolutions of the CA and praying that the CA be directed to give due course to FPA's Petition for Review on the issue of registration of the notices of *lis pendens* on certain Forbes Park lots. In this recourse, FPA faulted the CA for ruling against the validity of the verification and certification signed by Rigor.

Subsequently, FPA filed a Manifestation and Motion to Withdraw the Petition dated March 15, 2005, contending that the *lis pendens* issue in question has been rendered moot by the development in *Arturo V. Rocha v. FPA*, G.R. No. 163869.

In the *Rocha* case, as may be recalled, the CA Decision in CA-G.R. SP No. 59359, which upheld the extension of the Deed of Restrictions and the corporate life of FPA, became final and executory because of the withdrawal by the Rocha heirs of their appeal in G.R. No. 163869. Thus, according to FPA, the issue in G.R. No. 148733, specifically the registration of notices of *lis pendens*, had essentially become moot and academic.

Acting on FPA's manifestation and motion to withdraw the petition, this Court issued a Resolution dated April 25, 2005, stating that G.R. No. 148733 dismissing the petition was deemed closed and terminated. The entry of judgment in G.R. No. 148733 was made on June 14, 2005.

***The PAGREL Cases***  
***(LRC Case Nos. M-4150, M-4151 and M-4152 [CA-G.R. SP No. 67263])***  
***are the subject matters of instant G.R. No. 153821***



Earlier, on March 29, 2001, respondent PAGREL, Inc., represented by Gregorio Araneta III, respondent Pilar R. De Lagdameo, and respondent Lagdameo, separately filed *ex parte* petitions with the Makati City Regional Trial Court (RTC) to cancel the restrictions over their respective lot titles. These were docketed as LRC Case Nos. M-4150, M-4151, and M-4152, respectively (PAGREL cases). They claimed that the Deed of Restrictions had expired and remained so until the time of the filing of their petitions without any extensions or new restrictions registered with the Registry of Deeds of Makati City as of midnight of December 31, 1998. Significantly, FPA was not impleaded as a party in any of the above cases filed with the RTC.

The RTC granted the relief in its April 10, 2001 Order, the *fallo* of which reads:

“WHEREFORE, in view of the foregoing, the Court rules to:

1.] Give due course and GRANTS the petition filed by Pagrel Inc. as represented herein by Gregorio Araneta III, through counsel in LRC Case No. M-4150. And as prayed for, the Register of Deeds of Makati City is ordered to cancel, remove or delete from Transfer Certificate of Title No. (63307) S-30612 the restriction inscribed therein as primary no. 2655 File T-37356, at the expense of petitioner-Pagrel Inc.;

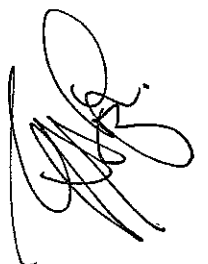
2.] Give due course and GRANTS the petition filed by Pilar R. De Lagdameo, through counsel, in LRC Case No. M-4151. And as prayed for the Register of Deeds of Makati City, is ordered to cancel, remove or delete from: [2.a] Transfer Certificate of Title No. (27039) S-80092, the restriction inscribed therein as primary no. 42535, and [2.b] Transfer Certificate of Title No. (252548), the restriction inscribed therein as primary no. 38638 File T-25258, at the expense of the petitioner Pilar R. De Lagdameo; and

3.] Give due course and GRANTS the petition filed by Petitioner Enrique B. Lagdameo, through counsel, in LRC Case No. M-4152. And as prayed for the Register of Deeds of Makati City is ordered to cancel, remove or delete from Transfer Certificate of Title No. (389324) the primary no. being 25469, at the expense of the petitioner Enrique B. Lagdameo.

SO ORDERED.”

The order became final and executory on May 3, 2001.

Displeased with the RTC Order, FPA filed on October 19, 2001 with the CA a Petition for Annulment of Final Order with prayer for Temporary Restraining Order (TRO) and Writ of Injunction docketed as CA-G.R. SP No. 67263. According to FPA, PAGREL, Inc., *et al.*, as



private respondents, committed extrinsic fraud when they did not implead FPA as party-in-interest in the three petitions for cancellation of the restrictions on their respective titles. FPA claimed further that: (1) private respondents, as Forbes Park lot owners and FPA members, are bound by the terms and conditions contained in the Deed of Restrictions; (2) they were aware that at least 2/3 of the members of FPA approved the extension of the corporate life of FPA, and the extension *in toto* of the Deed of Restrictions in question; (3) the Deed of Restrictions was designed to maintain the exclusive residential nature of the village, and to protect the residents and lot owners from the ravages of noise and pollution which commercialization of the lots within Forbes Park would consequently bring; and (4) FPA had successfully defended the extension of its corporate life and the extension of the deed of restrictions before the HIGC.

x x x x

In its March 7, 2002 Resolution, the CA denied FPA's petition for annulment of the final order of the RTC. The CA found that between the PAGREL cases and G.R. No. 148733, the elements of *litis pendentia* existed.

FPA's motion for reconsideration was subsequently denied.<sup>32</sup>

Given this backdrop, the Court ruled that the CA erred because the elements of *litis pendentia* did not exist in the said cases and noted that:

Lest it be overlooked, this Court, acting on FPA's manifestation and motion to withdraw petition dated March 15, 2005, issued on April 25, 2005 a resolution dismissing the petition in G.R. No. 148733 and considered the case closed and terminated. Thus, there no longer exists any other case that can be used as a bar to CA-G.R. SP No. 67263 (PAGREL cases) on the ground of *litis pendentia*. Necessarily, such obstacle has now been removed and the aforementioned CA petition for annulment can now proceed.<sup>33</sup>

Thus, the Court, in *Forbes Park*, granted the petition of FPA and set aside the assailed Resolutions of the CA. FPA's Petition for Annulment of Final Order therein was given due course and the case was remanded to the CA to commence proceedings therein and resolve the petition with dispatch.<sup>34</sup> Based on *PAGREL*, FPA's Petition for Annulment of Final Order was granted by the CA and when *PAGREL, Inc., et al.* elevated the matter before the Court, the CA was affirmed in the Court's Resolution dated December 10, 2012.<sup>35</sup> Said Resolution became final on February 20, 2013.<sup>36</sup>

While *Rocha v. Forbes Park Association, Inc.*<sup>37</sup> (*Rocha*), based on the Court's pronouncements in *Forbes Park*, was resolved through a minute

<sup>32</sup> Id. at 44-48. Citations omitted.

<sup>33</sup> Id. at 51.

<sup>34</sup> Id. at 52.

<sup>35</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, p. 56; *rollo* (G.R. Nos. 220682-84), p. 86.

<sup>36</sup> Id. at 57; id. at 87.

<sup>37</sup> G.R. No. 163869.

Resolution, thus non-binding to non-parties thereto, the Court continues to recognize the matters resolved therein — the validity of the extension of the Deed of Restrictions and of FPA's corporate life — in the absence of subsequent contrary ruling by the Court.

From the foregoing, the duty of petitioners to notify FPA of the petitions for cancellation of the Deed of Restrictions annotated on their certificates of title is mandated by Section 108 of PD 1529, the Rules and jurisprudence. That FPA did not inform them of the extension of the Deed of Restrictions or that FPA did not annotate such extension on their certificates of title is of no moment. While FPA might have been remiss in that respect, the notice requirement in Section 108 is jurisdictional. Petitioners have to comply therewith to vest jurisdiction over their petitions for cancellation in the RTCs. Since they failed to do so, the assailed Orders of the RTCs are void, as correctly ruled by the CA.

*Proper proceedings before the CA*

Petitioners question the proceedings adopted by the CA in the resolution of FPA's petitions for annulment of the assailed RTC Orders in that the CA's Decision was merely based on the pleadings as it did not conduct pre-trial and trial, nor did it require the submission of memoranda.

On this point the CA correctly observed:

*Section 1, Rule 47 of the Rules of Court* clearly provides that the [CA] has exclusive original jurisdiction over actions for the annulment of judgments, final orders or resolutions in civil actions of [the RTCs]. Verily, [the CA] is vested with jurisdiction to annul the assailed Orders issued by the RTC[s] in relation to the petitions filed thereat by no less than [petitioners] themselves. x x x

With regard to [petitioners'] claim that [the CA] failed to proceed to pre-trial and trial of the case[s] after the issues have been joined, suffice it to state that *Section 6, Rule 47* x x x does not make mandatory the conduct of pre-trial and trial in petitions for annulment of judgments. The said provision states:

Sec. 6. Procedure. — The procedure in ordinary civil cases shall be observed. **Should a trial be necessary**, the reception of the evidence may be referred to a member of the court or a judge of a Regional Trial Court.

Verily, [the CA] has the discretion to submit the instant consolidated cases for decision on the merits without the necessity of a trial if it finds that the pleadings filed by the parties [are] sufficient to make a determination of the issues raised. *Section 1, Rule 51* x x x does not likewise make the submission of a memorandum a prerequisite before a judgment can be rendered. thus:

Sec. 1. When case deemed submitted for judgment.  
— A case shall be deemed submitted for judgment: x x x

B. In original actions and petitions for review. – x x x

2) Where no hearing is held, upon the filing of the last pleading required or permitted to be filed by the court, or the expiration of the period for its filing. x x x<sup>38</sup>

Consequently, the CA properly observed the Rules, contrary to petitioners' untenable assertions.

*Prescription of action and laches*

Petitioners argue that FPA's petitions for annulment of the assailed Orders of the RTCs were filed beyond the period provided in Section 3, Rule 47 of the Rules, which states:

SEC. 3. *Period for filing action.* – If based on extrinsic fraud, the action must be filed within four (4) years from its discovery; and if based on lack of jurisdiction, before it is barred by laches or estoppel. (n)

The CA, after ruling that the RTCs lacked jurisdiction in issuing the assailed Orders and that petitioners employed extrinsic fraud, found that there was no undue delay on the part of FPA in asserting its rights:

[Petitioners] also invoke *laches* on the part of [FPA]. However, a review of the records of the case[s] reveal[s] that no undue delay in the assertion of its rights can be attributed to [FPA].<sup>39</sup>

This is a factual finding of the CA, which as a general rule, cannot be raised in a Rule 45 petition for review on *certiorari* and, in the absence of a clear showing that any of the exceptions thereto obtains in these cases, the Court is bound by such finding.

Additionally, the Court notes that FPA has previously instituted and participated in actions (*Rocha*, *PAGREL* and *Forbes Park*), which involved the very same Deed of Restrictions as herein and have a direct impact on the present cases. FPA pursued those cases until it obtained rulings in its favor. These moves of FPA show vigilance in asserting its rights, negating estoppel by laches on its part.

*Restoration of the Deed of Restrictions*

Furthermore, petitioners question the restoration of the annotation of the Deed of Restrictions on their certificates of title.

The restoration of the annotation of the Deed of Restrictions on petitioners' certificates of title is understandably the logical consequence of the nullification of the Orders of the RTCs, which ordered the cancellation

<sup>38</sup> *Rollo* (G.R. Nos. 220340-41), Vol. I, pp. 63-64; *rollo* (G.R. Nos. 220682-84), pp. 93-94.

<sup>39</sup> *Id.* at 65; *id.* at 95.





of the annotation of the Deed of Restrictions on their certificates of title. If the annotation of the Deed of Restrictions remained cancelled, then that would be tantamount to said Orders not being nullified.

*Other Matters*

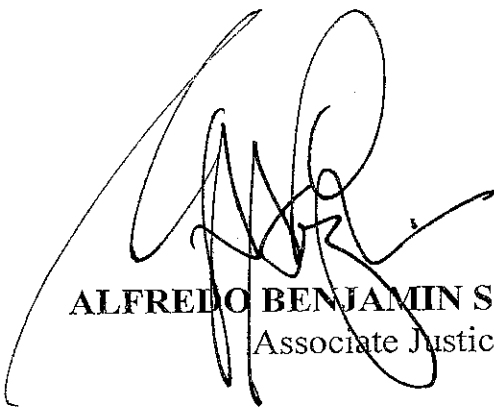
The Court finds it unnecessary to discuss the merits of the remaining matters raised by petitioners. The outcome of the present cases, as discussed above, will not in any way be affected. Besides, they are irrelevant.

The Court notes that RMFPU lament that the “exclusivity and privacy” of Forbes Park Village and the “basic services of the FPA such as, but not limited to, the security guards, garbage disposal, landscaping, and other benefits otherwise enjoyed by those living within the gated confines of Forbes Park” were never enjoyed by them.<sup>40</sup> Imposing the same restrictions to those living outside the gated walls of Forbes Park Village and to those living inside would, according to RMFPU, violate petitioners’ right to equal protection of laws.<sup>41</sup> Quick Silver, for its part, wants the Court to scrutinize whether the Deed of Restrictions serves a public purpose and whether restrictions imposed by posh communities further the social responsibility that land ownership entails in the light of the Dissenting Opinion of Justice Hugo Gutierrez in *Cariday Investment Corp. v. Court of Appeals, et al.*<sup>42</sup>

Petitioners will just have to find the proper forum for these matters.

**WHEREFORE**, the consolidated Petitions are **DENIED**. The Decision dated March 6, 2015 and Resolution dated September 2, 2015 of the Court of Appeals in CA-G.R. SP Nos. 123877, 123878 and 123879 are **AFFIRMED**.

**SO ORDERED.**



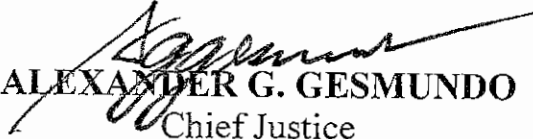
**ALFREDO BENJAMIN S. CAGUIOA**  
Associate Justice

<sup>40</sup> Id. at 25-26.


<sup>41</sup> Id. at 26.

<sup>42</sup> *Rollo* (G.R. Nos. 220682-84), pp. 58-59, citing *J. Gutierrez, Jr., Dissenting Opinion in Cariday Investment Corp. v. Court of Appeals*, G.R. No. 83358, August 2, 1989, 176 SCRA 31.

WE CONCUR:

  
**ALEXANDER G. GESMUNDO**  
Chief Justice  
Chairperson

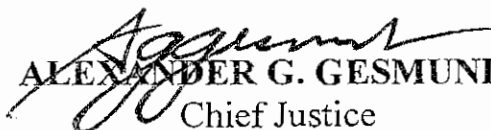
  
**ROSMARI D. CARANDANG**  
Associate Justice

  
**RODIL V. ZALAMEDA**  
Associate Justice

  
**RICARDO R. ROSARIO**  
Associate Justice

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the cases were assigned to the writer of the opinion of the Court's Division.

  
**ALEXANDER G. GESMUNDO**  
Chief Justice

