Republic of the Philippines
Supreme Court
Baguio City

SECOND DIVISION

REPUBLIC OF THE PHILIPPINES, Petitioner,	**G.R. No. 217120**
	Present:
- versus -	CARPIO, *J.*, *Chairperson*, BRION, DEL CASTILLO, MENDOZA, and LEONEN, *JJ.*
THE HEIRS OF SPOUSES FLORENTINO AND PACENCIA MOLINYAWE, represented by MARITES MOLINYAWE and FRED SANTOS, Respondents.	Promulgated: APR 18 2016

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DECISION

MENDOZA, *J.*:

This is a petition for review on *certiorari*[1] filed by the Republic of the Philippines *(Republic)* praying that the February 20, 2015 Decision[2] of the Court of Appeals *(CA)* in CA G.R. SP No. 133803 be reversed and set aside and that Civil Case No. 10-658 pending before the Regional Trial Court, Branch 57, Makati City *(RTC-Branch 57),* be dismissed for lack of jurisdiction.

In the CA, the appellate court denied the Republic's petition for *certiorari* which sought to annul the orders, dated September 6, 2013[3] and November 19, 2013,[4] of the RTC-Branch 57 admitting the Amended and Supplemental Petition of the respondents, seeking the cancellation of the *lis*

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[1] *Rollo*, pp. 23-66.
[2] Id. at 70-78; Penned by Associate Justice Socorro B. Inting with Associate Justice Jose C. Reyes, Jr. and Associate Justice Victoria Isabel A. Paredes, concurring.
[3] Id. at 252 (Issued by Judge Honorio E. Guanlao, Jr.).
[4] Id. at 264.

pendens annotated at the back of Transfer Certificate of Title *(TCT)* Nos. 75239, 76129 and 77577 and for quieting of title of said TCTs on the ground of prescription because the Republic failed to execute the final and executory decision of a co-equal court.

The Antecedents:

On May 16, 1960, criminal cases for malversation were filed with the then Court of First Instance of La Union *(CFI- La Union)* against several accused including Florentino Molinyawe *(Florentino)* and docketed as **Criminal Case Nos. 2996 and 2997**.[5]

In that same year, the Republic, through the Office of the Solicitor General *(OSG)*, filed a forfeiture case pursuant to Republic Act *(R.A.)* No. 1379 before the then CFI-Pasig against Florentino, his relatives, and the respondents in this case, namely: Patricia Molinyawe, Salisi Molinyawe, Oscar Molinyawe, Vicente Miranda, Baldomera Miranda, Cresence Padilla, Leonarda Recinto Padilla, and Vicente Leus *(respondents).* The forfeiture case, docketed as **Civil Case No. 6379**, involved several parcels of land covered by TCT Nos. 75239, 76129 and 77577, and registered in the names of the Spouses Vicente Miranda and Baldomera Miranda *(Spouses Miranda),* Spouses Cresence Padilla and Leonarda *Recinto Padilla (Spouses Padilla)* and Vivencio Leus *(Leus).* The Republic claimed that Florentino had illegally acquired the said properties as their values were said to be grossly disproportionate to his declared income.

On November 18, 1960, the Republic caused the annotation of the forfeiture case on the back of the titles of the subject lots.[6]

On September 22, 1972, the CFI-Pasig declared the sale of the subject properties to the Spouses Miranda, Spouses Padilla and Leus null and void, and ordered that the said properties be forfeited in favor of the Republic.

The decision was appealed to the CA but the appeal was denied by the CA in its February 13, 1974 Resolution. No further action was taken to set aside the judgment. Thus, on August 23, 1974, the CA issued an Entry of Judgment.

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[5] Id. at 71.
[6] Id.

The CFI-Pasig then issued a writ of execution on February 14, 1975. Although the writ was duly served on the respondents in that case, more than thirty (30) years had passed , but still the Republic failed to cancel TCT Nos. 75239, 76129 and 77577 and transfer them to its name. It appeared that Florentino did not turn over to the Republic the owner's duplicate copies of the subject TCTs.[7]

Meanwhile, on January 12, 1973, in Criminal Case Nos. 2996 and 2997, the CFI-La Union acquitted Florentino of malversation.

Many years later, on July 9, 2010, the respondents, as heirs of Florentino, filed with the RTC-Branch 57, a *Complaint/Petition*, docketed as **Civil Case No. 10-658**, praying for the cancellation of the *lis pendens* annotated at the back of TCT Nos. 75239, 76129 and 77577 and for quieting of title regarding said TCTs on the ground of prescription for the non-execution of the September 22, 1972 CA decision.[8]

Thereafter, on October 6, 2010, the Republic caused the annotation of the September 22, 1972 decision on the back of TCT Nos. 75239, 76129 and 77577.

On December 5, 2010, the Republic filed a separate action with the RTC, Branch 138, Makati City *(RTC Branch 138)*, docketed as **LRC Case No. M-5469**, specifically a petition for annulment of owner's duplicate copy of said TCTs and the issuance of new ones pursuant to Section 107 of Presidential Decree *(P.D.)* No. 1529 allegedly due to the respondents' refusal to surrender the owner's duplicate copies.[9]

On September 12, 2011, the RTC-Branch 138 decided in favor of the Republic in LRC Case No. M-5469 declaring the owner's duplicate copies of TCT Nos. 75239, 76129 and 77577 in possession of the respondents as null and void. Thus, the RTC-Branch 138 cancelled the same and directed the Register of Deeds of Makati *(RD-Makati)* to issue new owner's duplicate copies of said TCTs in the name of the Republic.[10]

On April 12, 2012, the RD-Makati caused the cancellation and transfer of the subject TCTs as follows:

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[7] Id. at 25.
[8] Id. at 25-26.
[9] Id. at 26-27.
[10] Id. at 72-73.

a. TCT No. 75239 in the names of the spouses Vicente Miranda and Baldomera Miranda – cancelled and transferred to the Republic of the Philippines with TCT No. 006-2012000526.

b. TCT No. 76129 in the names of the spouses Cresence Padilla and Leonarda Recinto Padilla – cancelled and transferred to the Republic of the Philippines with TCT No. 006-2012000527.

c. TCT No. 77577 in the name of Vivencio Leus – cancelled and transferred to the Republic of the Philippines with TCT No. 006-2012000528.[11]

Considering that no appropriate remedy was pursued within the reglementary period, the September 12, 2011 decision in the LRC case became final and executory. In January 2012, the Republic filed a motion for execution which was granted by the RTC-Branch 138 in its March 16, 2012 Order.[12]

Due to the decision in the LRC case, the respondents filed on June 10, 2013, a ***Motion to Admit Amended and Supplemental Petition*** (attaching to it the said Amended and Supplemental Petition), in Civil Case No. 10-658. In its September 6, 2013 Order, the RTC-Branch 57, granted the same. The Republic moved for a reconsideration but its motion was denied in its November 19, 2013 Order of the Court.

Consequently, the Republic filed a Rule 65 petition for *certiorar*i before the CA seeking the annulment of the orders, dated September 6, 2013 and November 19, 2013, issued by the RTC-Branch 57 in Civil Case No. 10-658. It argued that the trial court had committed grave abuse of discretion amounting to lack or excess of jurisdiction in issuing the September 6, 2013 and November 19, 2013 orders considering that: a] it had no jurisdiction over the original complaint/petition; b] the amendment sought a review of a final and executory decision of a co-equal court; and c] the amendment is a collateral attack on TCT Nos. 006-201000526, 006-201200527 and 006-201200528.

Ruling of the Court of Appeals

In its February 20, 2015 Decision, the CA dismissed the petition. The appellate court ruled that the RTC-Branch 57 did not act without or in excess of jurisdiction or committed grave abuse of discretion in issuing its

[11] Id. at 25.
[12] Id. at 29.

questioned orders. It explained that the RTC had jurisdiction over an action for quieting of title. The CA explained that the order of the RTC to admit the respondents' amended and supplemental petition inspite of being fully aware of the finality of the decision of a co-equal court was not tantamount to grave abuse of discretion which would warrant the issuance of a writ of *certiorari.* Further, the Court found that the RTC's judgment was not performed in a capricious or whimsical manner because the alleged abuse of discretion was not so patent and gross. Hence, the CA concluded that its judgment was not exercised in an arbitrary and despotic manner by reason of passion or personal hostility. In other words, the CA was saying that although the actions of the RTC-Branch 57 could constitute imprudence, it could not be regarded as an act of grave abuse of discretion that could justify the issuance of a writ of *certiorari.*

Finally, the CA opined that the decision of RTC-Branch 138 in LRA Case No. M-5469 was a "flawed decision" reasoning as follows:

> Shifting to another point, We are in awe on how LRA Case No. M-5469 was decided. There are some observations that tinker with our curiosity. It is quite strange and mind boggling too that in LRA Case No. M-5469, it seems apparent that the decision made therein was only based on the decision dated September 22, 1972 pertaining to the forfeiture case without regard for taking into account the January 23, 1975 decision in the malversation case acquitting Florentino Molinyawe. Of course, it is understandable that no mention of the acquittal was made in petitioner's Petition for annulment of the owner's duplicate copy of the TCTs covering the subject properties. Interestingly too, private respondents merely opted to file a motion to dismiss, instead of filing their answer and presenting the trial court (Branch 138) the January 23, 1975 decision. Had these been considered, a complete turn of events could have transpired considering that such acquittal necessarily rendered the forfeiture of the properties ineffective and invalid. By the virtue of the acquittal, the forfeiture of his properties became ineffective. Consequently, it is but proper that his forfeited properties be given back to him or in his absence, to his heirs. That said, the decision in LRA Case No. M-5469 is, to Us, a flawed decision. But then, of course, this is not a matter that necessitates a discussion in the present case mindful of the fact that this is not within the thrust of a petition for certiorari. In certiorari, We are only limited to the determination of whether or not public respondent acted without or in excess of jurisdiction or with grave abuse of discretion in rendering the assailed orders and as earlier stated, no such abuse of discretion was found to be availing under the circumstances.[13]

[13] Id. at 76-77.

Not in conformity with the CA decision, the Republic filed the subject petition based on the following

GROUNDS:

> **THE DECISION DATED FEBRUARY 20, 2015 OF THE COURT OF APPEALS IS NOT IN ACCORD WITH LAW AND JURISPRUDENCE SINCE:**
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> 1) **RTC-BRANCH 57 COMMITTED GRAVE ABUSE OF DISCRETION IN ADMITTING RESPONDENTS' AMENDED AND SUPPLEMENTAL PETITION AS IT HAS NO JURISDICTION IN THE FIRST PLACE OVER CIVIL CASE NO. 10-658; AND**
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> 2) **THE COURT OF APPEALS WENT BEYOND ITS JURISDICTION UNDER RULE 65 WHEN IT RULED THAT THE CIVIL FORFEITURE CASE IS CONTINGENT OR DEPENDENT ON THE CRIMINAL CASE**.[14]

The Republic emphasizes that RTC-Branch 57 gravely abused its discretion when it admitted the respondents' Amended and Supplemental Petition because, in the first place, it had no jurisdiction over Civil Case No. 10-658. Citing jurisprudence, it argues that an amendment of a pleading is not permissible when the court has no jurisdiction over the case. Moreover, by admitting the Amended and Supplemental Petition, it was allowing the respondents to alter both the factual and legal findings of the RTC-Branch 138 in its decision in LRC No. M-5469, which had long become final and executory.

The Republic argues that the respondents' Complaint/Petition should have been dismissed right away by the RTC-Branch 57 because, pursuant to Section 77 of P.D. No. 1529, they were not the proper parties to ask for the cancellation of the notice of *lis pend*ens. It points out that the allegations show that the cancellation of the notice of *lis pendens* was but an ancillary or incident to Civil Case No. 6374. The Republic highlights that the respondents admitted that they did not have a legal or an equitable interest in TCT Nos. 75239, 76129 and 77577; that the original complaint/petition failed to allege any of the grounds under Section 77 of P.D. No. 1529 for the cancellation of a notice of *lis pendens;* and that only the court having jurisdiction over the main action or proceeding involving the property may order its cancellation.

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[14] Id. at 34.

More importantly, the Republic contends that the admission of the respondents' Amended and Supplemental Petition seeks to alter the final and executory findings of a co-equal branch. It being the purpose, it concludes that the RTC-Branch 57 should have dismissed the petition and amended petition pursuant to Section 1, Rule 9 of the 1997 Rules of Civil Procedure which allows *motu propio* dismissal of cases.

Finally, the Republic stresses that the CA went beyond its jurisdiction under Rule 65 when it stated that the civil forfeiture case was contingent or dependent on the outcome of a criminal case.

Position of the Respondents

The respondents counter that the RTC-Branch 57 had jurisdiction over the original petition that they had filed and that the admission of their amended and supplemental petition was in order and in accordance with the Rules of Court. They point out that actions for quieting of title and cancellation of *lis pendens* are actions which are incapable of pecuniary estimation. Hence, the respondents posit that the RTC-Branch 57 had exclusive original jurisdiction thereof pursuant to the provisions of Section 19 of Batas Pambansa *(B.P.)* Blg. 129, as amended.

They further argue that the amended and supplemental petition will not alter the findings of the RTC-Branch 138 considering that they chose to amend and supplement their original petition because its decision in LRC Case No. M-5469 rendered moot and academic their action for cancellation of *lis pendens* and quieting of title. In this regard, they assert that the CA did not go beyond its jurisdiction under Rule 65 when it briefly discussed its observation and stated that the LRC case was flawed.

The Court's Ruling

The petition is meritorious.

Grant of extraordinary remedy of certiorari justified when grave abuse of discretion present

For the extraordinary remedy of *certiorari* to be justified, the petitioner must satisfactorily establish that the court gravely abused its discretion. Grave abuse of discretion is the capricious or whimsical exercise of judgment that effectively brings the acting entity outside the exercise of

its proper jurisdiction. The abuse of discretion must be grave, as when the power is exercised in an arbitrary or despotic manner by reason of passion or personal hostility, and the abuse must be so patent and gross so as to amount to an evasion of a positive duty or to a virtual refusal to perform the duty enjoined, or to act at all in contemplation of law, as to be equivalent to having acted without jurisdiction.[15]

In the case at bar, a cursory review of the records would reveal that the RTC-Branch 57 violated several rules of procedure and well-settled rulings. Thus, its decision was arrived at arbitrarily and whimsically – clearly constituting grave abuse of discretion.

Jurisdiction; Final and Executory judgment

Records show that when the respondents filed Civil Case No. 10-658 in July 2010 for the cancellation of the *lis pendens* annotated on the back of TCT Nos. 75239, 76129 and 77577 and for quieting of said titles before the RTC-Branch 57, there was already a decision rendered by the CFI-Pasig City in the forfeiture case (Civil Case No. 6379) declaring null and void the sale of the subject properties to the Spouses Miranda, Spouses Padilla and Leus and at the same time ordering said properties forfeited in favor of the Republic. The September 22, 1972 decision of the CFI-Pasig, in Civil Case No. 6379 became final and executory on August 23, 1974 after the CA issued an entry of judgment. Subsequently, in February 1975, the CFI-Pasig issued a writ of execution in Civil Case No. 6379.

The records further establish that when the respondents filed their Motion To Admit Amended and Supplemental Petition on June 10, 2013 before the RTC-Branch 57, a decision had already been rendered by the RTC-Branch 138 in LRC Case No. M-5469, declaring the owner's duplicate copies of TCT Nos. 75239, 76129 and 77577 in possession of the respondents null and void, cancelling the same and directing the RD-Makati to issue new owner's duplicate copies of said TCTs in the name of the Republic. On April 12, 2012, in compliance with the said decision in the LRC case, the RD-Makati caused the cancellation and transfer of the subject TCTs. Hence, TCT Nos. 75239, 76129 and 77577 were all cancelled and TCT Nos. 006-2012000526, 006-2012000527 and 006-2012000528 were issued, respectively, all in the name of the Republic.

[15] *Biñan Rural Bank v. Carlos*, G.R. No. 193919, June 15, 2015.

From the above scenario, it cannot be denied that the forfeiture case involving the subject TCTs was filed before the CFI-Pasig while the complaint/petition for cancellation of *lis pendens* and quieting of title was filed before the RTC-Branch 57. There is likewise no dispute that the CFI-Pasig tried and decided the forfeiture case. Therefore, it was the CFI-Pasig that had jurisdiction over the main action or proceeding involving the subject TCTs, not the RTC-Branch 57. As the CFI-Pasig had jurisdiction over the main action, said court exercised exclusive power and control over the TCTs that were the subjects of the respondents' complaint/petition with the RTC-Branch 57. Hence, the RTC-Branch 57 had no jurisdiction over the respondents' complaint/petition.

The Court agrees with the Republic's contention that only the court having jurisdiction over the main action or proceeding involving the property may order the cancellation thereof. In this case, only the CFI-Pasig (or its successor) can order the cancellation of *lis pendens*, not the RTC-Branch 57. The case of *J. Casim Construction Supplies, Inc. v. Registrar of Deeds of Las Piñas*[16] is illustrative on this point, to wit:

> *Lis pendens* — which literally means pending suit — refers to the jurisdiction, power or control which a court acquires over the property involved in a suit, pending the continuance of the action, and until final judgment. Founded upon public policy and necessity, *lis pendens* is intended to keep the properties in litigation within the power of the court until the litigation is terminated, and to prevent the defeat of the judgment or decree by subsequent alienation. Its notice is an announcement to the whole world that a particular property is in litigation and serves as a warning that one who acquires an interest over said property does so at his own risk, or that he gambles on the result of the litigation over said property.
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> **A notice of *lis pendens*, once duly registered, may be cancelled by the trial court before which the action involving the property is pending.** This power is said to be inherent in the trial court and is exercised only under express provisions of law. Accordingly, Section 14, Rule 13 of the 1997 Rules of Civil Procedure authorizes the trial court to cancel a notice of *lis pendens* where it is properly shown that the purpose of its annotation is for molesting the adverse party, or that it is not necessary to protect the rights of the party who caused it to be annotated. Be that as it may, the power to cancel a notice of *lis pendens* is exercised only under exceptional circumstances, such as: where such circumstances are imputable to the party who caused the annotation; where the litigation was unduly prolonged to the prejudice of the other party because of several continuances procured by petitioner; where the case which is the basis for the *lis pendens* notation was dismissed for *non*

[16] 636 Phil. 725-738 (2010).

prosequitur on the part of the plaintiff; or where judgment was rendered against the party who caused such a notation. In such instances, said notice is deemed ipso facto cancelled.

In theorizing that the RTC of Las Piñas City, Branch 253 has the inherent power to cancel the notice of lis pendens that was incidentally registered in relation to Civil Case No. 2137, a case which had been decided by the RTC of Makati City, Branch 62 and affirmed by the Supreme Court on appeal, petitioner advocates that the cancellation of such a notice is not always ancillary to a main action.

The argument fails.

From the available records, it appears that the subject notice of *lis pendens* had been recorded at the instance of Bruneo F. Casim (Bruneo) in relation to Civil Case No. 2137 — one for annulment of sale and recovery of real property — which he filed before the RTC of Makati City, Branch 62 against the spouses Jesus and Margarita Casim, predecessors-in-interest and stockholders of petitioner corporation. That case involved the property subject of the present case, then covered by TCT No. 30459. At the close of the trial on the merits therein, the RTC of Makati rendered a decision adverse to Bruneo and dismissed the complaint for lack of merit. Aggrieved, Bruneo lodged an appeal with the Court of Appeals, docketed as CA-G.R. CV No. 54204, which reversed and set aside the trial court's decision. Expectedly, the spouses Jesus and Margarita Casim elevated the case to the Supreme Court, docketed as G.R. No. 151957, but their appeal was dismissed for being filed out of time.

A necessary incident of registering a notice of *lis pendens* is that the property covered thereby is effectively placed, until the litigation attains finality, under the power and control of the court having jurisdiction over the case to which the notice relates. In this sense, parties dealing with the given property are charged with the knowledge of the existence of the action and are deemed to take the property subject to the outcome of the litigation. **It is also in this sense that the power possessed by a trial court to cancel the notice of *lis pendens* is said to be inherent as the same is merely ancillary to the main action.**

Thus, in *Vda. de Kilayko v. Judge Tengco, Heirs of Maria Marasigan v. Intermediate Appellate Court* and *Tanchoco v. Aquino,* it was held that **the precautionary notice of lis pendens may be ordered cancelled at any time by the court having jurisdiction over the main action inasmuch as the same is merely an incident to the said action.** The pronouncement in Heirs of Eugenio Lopez, Sr. v. Enriquez, citing Magdalena Homeowners Association, Inc. v. Court of Appeals, is equally instructive —

The notice of *lis pendens* . . . is ordinarily recorded without the intervention of the court where the action is pending. The notice is but an incident in an action, an extrajudicial one, to be sure. It does not affect the merits thereof. It is intended merely to constructively advise, or warn, all people who deal with the

> property that they so deal with it at their own risk, and whatever rights they may acquire in the property in any voluntary transaction are subject to the results of the action, and may well be inferior and subordinate to those which may be finally determined and laid down therein. The cancellation of such a precautionary notice is therefore also a mere incident in the action, and may be ordered by the Court having jurisdiction of it at any given time. . . .
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> **Clearly, the action for cancellation of the notice of lis pendens in this case must have been filed not before the court a quo via an original action but rather, before the RTC of Makati City, Branch 62 as an incident of the annulment case in relation to which its registration was sought. Thus, it is the latter court that has jurisdiction over the main case referred to in the notice and it is that same court which exercises power and control over the real property subject of the notice.**
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> [Emphases Supplied]

In the case at bench, considering that a judgment in Civil Case No. 6379 had been rendered in favor of the Republic and said judgment already attained finality, the RTC-Branch 57 could no longer claim and exercise jurisdiction over the respondents' original complaint/petition for cancellation of *lis pendens* and quieting of title in Civil Case No. 10-658. It is also to be noted that when the respondents filed their motion to admit their amended and supplemental petition before RTC-Branch 57, the decision in LRC Case No. M-5469 rendered by the RTC-Branch 138 had likewise attained finality. The RTC-Branch 57 cannot definitely alter a final and executory decision of a co-equal court by such a move. To do so would certainly defeat the clear purpose of amendments provided by the rules and amount to a grave abuse of discretion as well. Thus:

> But even so, **the petition could no longer be expected to pursue before the proper forum inasmuch as the decision rendered in the annulment case has already attained finality** before both the Court of Appeals and the Supreme Court on the appellate level, unless of course there exists substantial and genuine claims against the parties relative to the main case subject of the notice of *lis pendens*. There is none in this case. It is thus well to note that the precautionary notice that has been registered relative to the annulment case then pending before the RTC of Makati City, Branch 62 has served its purpose. **With the finality of the decision therein on appeal, the notice has already been rendered *functus officio*.** The rights of the parties, as well as of their successors-in-interest, petitioner included, in relation to the subject property, are hence to be decided according the said final decision.[17]
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> [Emphases Supplied]

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[17] Id.

In view of the finality of the decisions in Civil Case No. 6379 and LRC Case No. M-5469, the RTC-Branch 57 had no legal or valid basis in admitting the respondents' amended and supplemental petition. It should have dismissed *motu proprio* the respondents' motion to admit amended and supplemental petition for lack of jurisdiction. Section 1, Rule 9 of the Rules of Court allows this, to wit:

> **Section 1**. Defenses and objections not pleaded.
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> Defenses and objections not pleaded either in a motion to dismiss or in the answer are deemed waived. However, when it appears from the pleadings or the evidence on record that **the court has no jurisdiction** over the subject matter, that **there is another action pending between the same parties for the same cause, or that the action is barred by a prior judgment** or by statute of limitations, the court shall **dismiss** the claim.
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> [Emphases Supplied]

The respondents argue that even assuming for the sake of argument that the RTC-Branch 57 did not have jurisdiction to hear the action for the cancellation of *lis pendens*, it was already mooted by the decision rendered in LRC Case No. M-5469. They claim that the LRC case filed by the Republic was the primordial reason for the amendment and supplementation of the original petition.

The Court is not persuaded.

When the respondents filed their original complaint/petition in LRC Case No. M-5469 before RTC-Branch 57 sometime in July 2010, the decision of the CFI-Pasig in Civil Case No. 6379 had not yet been executed. Thus, the Republic acted pursuant to Section 107 of PD No. 1529 which reads as follows:

> **Section 107.** *Surrender of withhold duplicate certificates.* Where it is necessary to issue a new certificate of title pursuant to any involuntary instrument which divests the title of the registered owner against his consent or where a voluntary instrument cannot be registered by reason of the refusal or failure of the holder to surrender the owner's duplicate certificate of title, the party in interest may file a petition in court to compel surrender of the same to the Register of Deeds. The court, after hearing, may order the registered owner or any person withholding the duplicate certificate to surrender the same, and direct the entry of a new certificate or memorandum upon such surrender. If the person withholding the duplicate certificate is not amenable to the process of the court, or if not any reason the outstanding owner's duplicate certificate cannot be delivered, the court may order the annulment

> of the same as well as the issuance of a new certificate of title in lieu thereof. Such new certificate and all duplicates thereof shall contain a memorandum of the annulment of the outstanding duplicate.

The Republic was compelled to do so because the respondents failed or refused to surrender their owners' duplicate copies of the subject TCTs. The respondents did not deny the fact that they were duly notified of the said LRC proceedings but they failed to participate therein. So, on September 12, 2011, RTC-Branch 138 rendered a decision in favor of the Republic and against the respondents. To reiterate, the decision declared, among others, the owner's duplicate copies of TCT Nos. 75239, 76129 and 77577 null and void, cancelled the same and directed the RD-Makati to issue new owner's duplicate copies of the subject TCTs in the name of the Republic. Thereafter, TCT Nos. 006-2012000526, 006-2012000527 and 006-2012000528 were issued.

Fully aware of the said adverse decision in the LRC case, the respondents made matters worse for them by allowing said decision to become final and executory through their inaction. Jurisprudence has always been one in saying that a judgment that attains finality becomes immutable and unalterable. Thus:

> The principle of immutability of a final judgment stands as one of the pillars supporting a strong, credible, and effective court. The principle prohibits any alteration, modification, or correction of final and executory judgments as what remains to be done is the purely ministerial enforcement or execution of the judgment.
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> On this point, the Court has repeatedly declared:
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> It is a hornbook rule that once a judgment has become final and executory, it may no longer be modified in any respect, even if the modification is meant to correct an erroneous conclusion of fact or law, and regardless of whether the modification is attempted to be made by the court rendering it or by the highest court of the land, as what remains to be done is the purely ministerial enforcement or execution of the judgment.
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> The doctrine of finality of judgment is grounded on fundamental considerations of public policy and sound practice that at the risk of occasional errors, the judgment of adjudicating bodies must become final and executory on some definite date fixed by law. [. . .], the Supreme Court reiterated that the doctrine of immutability of judgment is adhered to by necessity notwithstanding occasional errors that may result thereby, since litigations must somehow come to an end for otherwise, it would be even more intolerable than the wrong and injustice it is designed to protect.

> Once a judgment is issued by the court in a case, and that judgment becomes final and executory, the principle of immutability of judgments automatically operates to bar any modification of the judgment. The modification of a judgment requires the exercise of the court's discretion. At that stage — when the judgment has become final and executory — the court is barred from exercising discretion on the case; the bar exists even if the modification is only meant to correct an erroneous conclusion of fact or law as these are discretionary acts that rest outside of the court's purely ministerial jurisdiction.[18]

On the CA's remark that Florentino's acquittal necessarily rendered the forfeiture of the properties ineffective and invalid, it clearly was an *obiter dictum*. Moreover, it had no substantial or procedural basis. The cases were separate and distinct from one another. Indeed, there is no law, rule or jurisprudence that mandates the automatic dismissal of a forfeiture case after an acquittal in the criminal case for malversation. Illustrative of this point is *Ferdinand R. Marcos, Jr. v. Republic of the Philippines,*[19] where it was ruled:

> As early as *Almeda v. Judge Perez,* we have already delineated the difference between criminal and civil forfeiture and classified the proceedings under R.A. 1379 as belonging to the latter, viz.:
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> > "Forfeiture proceedings may be either civil or criminal in nature, and may be in *rem or in personam*. If they are under a statute such that if an indictment is presented the forfeiture can be included in the criminal case, they are criminal in nature, although they may be civil in form; and where it must be gathered from the statute that the action is meant to be criminal in its nature it cannot be considered as civil. If, however, the proceeding does not involve the conviction of the wrongdoer for the offense charged the proceeding is of a civil nature; and under statutes which specifically so provide, where the act or omission for which the forfeiture is imposed is not also a misdemeanor, such forfeiture may be sued for and recovered in a civil action."
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> In the first place a proceeding under the Act (Rep. Act No. 1379) does not terminate in the imposition of a penalty but merely in the forfeiture of the properties illegally acquired in favor of the state. (Sec. 6) In the second place the procedure outlined in the law leading to forfeiture is that provided for in a civil action. Thus there

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[18] *Spouses Tabalno v. Dingal, Sr.,* G.R. No. 191526 , October 5, 2015.
[19] 686 Phil. 980 (2012).

> is a petition (Sec. 3), then an answer (Sec. 4), and lastly, a hearing. The preliminary investigation which is required prior to the filing of the petition, in accordance with Sec. 2 of the Act, is provided expressly to be one similar to a preliminary investigation in a criminal case. If the investigation is only similar to that in a criminal case, but the other steps in the proceedings are those for civil proceedings, it stands to reason that the proceeding is not criminal. . . . . (citations omitted)
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> Forfeiture cases impose neither a personal criminal liability, nor the civil liability that arises from the commission of a crime (ex delicto). The liability is based solely on a statute that safeguards the right of the State to recover unlawfully acquired properties. Executive Order No. 14 (E.O. No. 14), Defining the Jurisdiction Over Cases Involving the Ill-gotten Wealth of Former President Ferdinand Marcos, authorizes the filing of forfeiture suits that will proceed independently of any criminal proceedings. Section 3 of E.O. 14 empowered the PCGG to file independent civil actions separate from the criminal actions.[20]

Besides, the CA itself recognized that it had no bearing. In fact, it wrote that it was not within the thrust of a petition for *certiorari.*

The remedy of the respondents is to file the necessary motion or action before the court having jurisdiction over the main case, if still permitted by the rules. It is to be remembered, however, that prescription and estoppel do not lie against the State.[21]

WHEREFORE, the petition is **GRANTED**. Accordingly, the February 20, 2015 Decision of the Court of Appeals in CA-G.R. SP No. 133803 is **REVERSED** and **SET ASIDE**.

Civil Case No. 10-658 pending before the Regional Trial Court, Branch 57, Makati City is hereby ordered **DISMISSED**.

SO ORDERED.

JOSE CATRAL MENDOZA
Associate Justice

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[20] Id. at 996-997.
[21] *Republic v. Bacas*, G.R. No. 182913, November 20, 2013, 710 SCRA 411, 433.

WE CONCUR:

ANTONIO T. CARPIO
Associate Justice
Chairperson

ARTURO D. BRION
Associate Justice

MARIANO C. DEL CASTILLO
Associate Justice

MARVIC M.V.F. LEONEN
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.

ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

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

MARIA LOURDES P. A. SERENO
Chief Justice