



REPUBLIC OF THE PHILIPPINES
 SUPREME COURT
 JUSTICE
 ERNESTO M. PASIG
 Chairman, Clerk of Court
 Third Division
 NOV 03 2021

Republic of the Philippines
 Supreme Court
 Manila

THIRD DIVISION

MARIA MAGDALENA V.
 AROMIN *also known as* MARIA
 V. AROMIN,

G.R. No. 204447

Petitioner,

- versus -

HEIRS OF SPOUSES
 WILFREDO AND LEONILA
 SOMIS, namely: WILFREDO A.
 SOMIS, JR., VIOLITA SOMIS-
 FLORES, ELEANOR SOMIS
 FLORES, OLIVE SOMIS DE
 CASTRO, DELIA SOMIS-
 SORIANO, LALAINE SOMIS-
 DE LA CRUZ, CELSO A.
 SOMIS, and all persons claiming
 rights under them,

Present:

LEONEN, J.,
Chairperson,
 HERNANDO,
 CARANDANG,*
 DELOS SANTOS, and
 LOPEZ, J. Y., JJ.

Promulgated:

May 3, 2021

*Respondents. ***

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DECISION

HERNANDO, J.:

Challenged in this appeal are the February 13, 2012¹ Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 123064 which denied the Petition for Annulment of Judgment filed by petitioner Maria Magdalena Aromin and its November 12, 2012² Resolution denying the Motion for Reconsideration thereof.

* Designated as additional member per raffle dated April 21, 2021 vice J. Inting who recused; his sister, J. Socorro B. Inting, had participation in the Court of Appeals.
 ** The Regional Trial Court, Branch 33, Bauang, La Union, presided by Judge Rosemary Molina-Alim, the Provincial Assessor's Office, represented by Samuel Delizo, and the Municipal Assessor's Office of Bauang, represented by Diana Flores, are dropped as party respondents pursuant to Section 4, Rule 45 of the Rules of Court.
¹ *Rollo*, pp. 31-37; penned by Associate Justice Mario V. Lopez (now a member of this Court) and concurred in by Associate Justices Fernanda Lampas Peralta and Ramon A. Cruz.
² *Id.* at 40-43.

The Antecedents:

The instant case stemmed from a Petition for Annulment of Judgment³ assailing the January 17, 2008 Decision⁴ of the Regional Trial Court (RTC) of Bauang, La Union, Branch 33, docketed as Civil Case No. 1782-BG which approved the Compromise Agreement executed by and between Maria Magdalena Aromin (Maria) and Leonila Somis (Leonila), as well as “[o]ther documents and proceedings in connection thereto.”⁵

Maria alleged that she and her deceased husband Rufino⁶ owned three (3) parcels of land described as follows:

- (1) **PIN 008-08-037-03-002**, ARP No. 037-00678- a parcel of unirrigated riceland located at Taberna, La Union with an area of 2,827 square meters (hereinafter, Lot A);
- (2) **PIN 008-08-005-08-025**, ARP No. 005-01079- a parcel of unirrigated riceland located at Baccuit Sur, Bauang, La Union with an area of 1,228 square meters, (hereinafter, Lot B);
- (3) **PIN 008-08-005-09-001**, ARP No. 005-01018- a 1,328 square meter parcel of land located at Baccuit Sur, Bauang, La Union with a 300 square meter house built within the property, (hereinafter, Lot C).⁷

According to Maria, in February 2007, she instructed her son, Briccio V. Aromin (Briccio), to pay the realty tax for the foregoing lots. Briccio then discovered that Lots A and C were sold to the spouses Wilfredo and Leonila (spouses Somis), through a Deed of Sale with the Right to Repurchase dated May 20, 1971, allegedly signed by Maria and Rufino.⁸

On June 18, 2007, Maria filed a Complaint for Annulment of Documents with Damages, alleging that she did not sign the Deed of Sale transferring Lot C to the spouses Somis, hence it is void. Summonses were served on the Somises who filed their Answer on August 30, 2007.⁹

Subsequently, on November 28, 2007, the parties entered into a Compromise Agreement¹⁰ which stated:

³ CA *rollo*, pp. 5-31.

⁴ Id. at 33-35; penned by Judge Rose Mary R. Molina-Alim.

⁵ *Rollo*, pp. 31-32.

⁶ Id. at 32; Rufino died on May 22, 1978.

⁷ Id. at 13 and 32.

⁸ Id. at 32.

⁹ Id.

¹⁰ Id. at 25 and 32.

2. That for and in consideration of the withdrawal of the case filed by the FIRST PARTY [Maria Aromin] against the SECOND PARTY [Leonila Somis], the SECOND PARTY agreed that the subject property located in Taberna, Bauang, La Union as covered by PIN No. 008-08-037-03-002 [Lot A] shall belong to the FIRST PARTY and in turn, the FIRST PARTY agreed that the property subject at bar located in Baccuit Sur, Bauang, La Union as covered by PIN NO. 008-08-005-08-025 [Lot B] shall belong to the SECOND PARTY.

x x x x

IN WITNESS WHEREOF, we have hereunto [set] our hands this 28th day of Nov., 2007 at San Fernando City, La Union.

(signed)
BRICCIO V. AROMIN
First Party's Atty-in-Fact

(signed)
CELSO SOMIS
Second Party's Atty-in-Fact

Assisted by:
(signed)
ATTY. BENILDA E. INDASEN
Legal Counsel

Assisted by:
(signed)
ATTY. FITERO ANGEL
GARLITOS
Legal Counsel¹¹

The Compromise Agreement was approved by the trial court in its January 17, 2008 Decision¹² which became final.¹³ A Writ of Execution was issued on June 27, 2008.¹⁴

On July 8, 2008, Maria filed a motion to set aside the Order granting the issuance of the writ of execution. She claimed that she intended to give Lot C (and not Lot B) to the spouses Somis. She asserted that the description or PIN of the property given to the spouses Somis under the Compromise Agreement was erroneous.¹⁵

In its October 20, 2008 Order, the RTC granted the motion. It directed that PIN 008-08-005-08-025 (referring to Lot B), as written in the Compromise Agreement, be changed to PIN 008-08-005-09-001 (referring to Lot C). The spouses Somis moved for reconsideration but they were denied.¹⁶

Aggrieved, the Somis couple filed a Petition for *Certiorari* before the appellate court. In its January 22, 2010 Decision¹⁷ in CA-GR SP No. 109076, the CA granted the Petition, declaring that "unless the court-approved compromise agreement is set aside through the available remedies provided

¹¹ Id. at 25; Emphasis Supplied.

¹² CA rollo, p. 33-35.

¹³ Id., Certificate of Finality, at 38-39.

¹⁴ Id. at 41-42.

¹⁵ Rollo, p. 33.

¹⁶ Id.

¹⁷ CA rollo, pp. 78-81; penned by Associate Justice Estela M. Perlas-Bernabe (now a member of this Court) and concurred in by Associate Justices Rebecca De Guia-Salvador and Jane Aurora C. Lantion.

under the law, its nature as a final and executory judgment demands that it be implemented strictly in accordance with its terms and conditions.”¹⁸ Thus, the RTC’s October 20, 2008 Order was set aside. In effect, the RTC’s January 17, 2008 Decision was reinstated.

Proceedings before the Regional Trial Court:

On February 15, 2010, Maria, through her counsel, Atty. Benilda Indasen (Atty. Indasen), filed a Motion to Annul the Compromise Agreement. However, in its June 8, 2010 Order,¹⁹ the trial court denied the Motion for being moot and academic. The trial court pointed out that the Compromise Agreement has become final and executory in light of the January 22, 2010 Decision of the appellate court in CA GR SP No. 109076.²⁰

On July 13, 2010, Maria, through her counsel, Atty. Indasen, filed a Petition for Relief from Judgment assailing the trial court’s January 17, 2008 Decision, which held that:

Finding the said Compromise Agreement to be in order as it is not contrary to *law, morals, good customs* and *public policy*, the same is hereby APPROVED. The parties are hereby enjoined to comply strictly with the terms and conditions set forth of the said agreement.

x x x x

SO ORDERED.²¹

However, the Petition was dismissed for non-payment of docket fees.²²

Subsequently, Maria secured the services of Atty. Manolito S. Hidalgo, who then filed a Petition for Reformation of Compromise Agreement. Afterwards, the Petition was withdrawn when Maria opted to file the instant Petition for Annulment of Judgment before the CA.²³

Ruling of the Court of Appeals:

In her Petition for Annulment of Judgment filed before the appellate court, Maria claimed that the trial court acquired no jurisdiction: (i) over the person of Celso Somis (Celso), who was not authorized to represent Leonila in the Compromise Agreement; and (ii) over the nature of the subject matter of the action because the Compromise Agreement is null and void for failure to

¹⁸ Id. at 81.

¹⁹ Id. at 45-46.

²⁰ *Rollo*, p. 34.

²¹ *CA rollo*, pp. 34-35.

²² *Rollo*, p. 34; *See also CA rollo*, per August 2, 2011 Order, p. 47.

²³ *id.*

comply with Article 1318²⁴ of the New Civil Code. In addition, she alleged that the trial court's January 17, 2008 Decision was obtained through extrinsic fraud when her former counsel, Atty. Indasen, connived with the mediator and the counsel of the spouses Somis in giving Lot B to the latter by writing the incorrect PIN of the property in the Compromise Agreement. Thus, she pointed out that Atty. Indasen was grossly negligent in handling the case.²⁵

In its February 13, 2012 Resolution²⁶ in CA-G.R. SP No. 123064, the appellate court dismissed Maria's Petition. It pointed out that a judgment may be annulled only on grounds of extrinsic fraud and lack of jurisdiction. It noted that jurisdiction over the persons of the parties were properly acquired as well as over the subject matter. The appellate court did not give credence to Maria's claim of extrinsic fraud.²⁷ It emphasized that the "overriding consideration when extrinsic fraud is alleged is that the fraudulent scheme of the prevailing litigant prevented a party from having her day in court."²⁸ However, Maria was not denied due process since she actively participated and was properly represented during the proceedings before the trial court.²⁹

Maria moved for reconsideration which the appellate court denied in its November 12, 2012 Resolution.³⁰

Issue

Whether or not the Compromise Agreement between the parties is valid and binding.

Our Ruling

Maria prays that both the November 28, 2007 Compromise Agreement and January 17, 2008 Decision of the trial court be declared void.³¹ She claims that the Compromise Agreement is void because Celso signed on behalf of Leonila without any authority to do so through a Special Power of Attorney as mandated under Article 1878 of the Civil Code. There was no meeting of the minds of parties since she intended to transfer Lot C and not Lot B which was erroneously reflected on the Compromise Agreement. Lastly, extrinsic fraud deprived her of the ownership of her property in view of the negligence of her then counsel, Atty. Indasen.³²

²⁴ Art. 1318. There is no contract unless the following requisites concur:

- (1) Consent of the contracting parties;
- (2) Object certain which is the subject matter of the contract;
- (3) Cause of the obligation which is established.

²⁵ CA *rollo*, pp. 34-35.

²⁶ *Rollo*, pp. 31-37

²⁷ *Id.* at 35-36.

²⁸ *Id.* at 36.

²⁹ *Id.*

³⁰ *Id.* at 40-43.

³¹ *Id.* at 20.

³² *Id.* at 34-35.

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We deny the petition.

This Court has repeatedly held that “when a decision becomes final and executory, it becomes valid and binding upon the parties and their successors in interest. Such decision or order can no longer be disturbed or reopened no matter how erroneous it may have been.”³³

We explained in *In the Matter of the Brewing Controversies in the Elections of the Integrated Bar of the Philippines*:³⁴

A definitive final judgment, however erroneous, is no longer subject to change or revision.

A decision that has acquired finality becomes immutable and unalterable. This quality of immutability precludes the modification of a final judgment, even if the modification is meant to correct erroneous conclusions of fact and law. And this postulate holds true whether the modification is made by the court that rendered it or by the highest court in the land. The orderly administration of justice requires that, at the risk of occasional errors, the judgments/resolutions of a court must reach a point of finality set by the law. The noble purpose is to write *finis* to dispute once and for all. This is a fundamental principle in our justice system, without which there would be no end to litigations. Utmost respect and adherence to this principle must always be maintained by those who exercise the power of adjudication. Any act, which violates such principle, must immediately be struck down. Indeed, the principle of conclusiveness of prior adjudications is not confined in its operation to the judgments of what are ordinarily known as courts, but extends to all bodies upon which judicial powers had been conferred.³⁵ (*Emphasis supplied*)

It is beyond dispute that the Compromise Agreement was approved by the trial court in its January 17, 2008 Decision³⁶ which decision became final.³⁷ Consequently, a Writ of Execution was issued on June 27, 2008.³⁸ The final and executory nature of the Compromise Agreement was likewise reiterated in the appellate court’s January 22, 2010 Decision³⁹ in CA-G.R. SP No. 109076. Thus, in view of the finality of the trial court’s January 17, 2008 Decision which upheld the Compromise Agreement, the latter is binding between and among the parties.

³³ *Government Service Insurance System v. Group Management Corp.*, 666 Phil. 277, 309 (2011).

³⁴ 709 Phil. 7 (2013).

³⁵ *Id.* at 129-130.

³⁶ *CA rollo*, pp. 33-35.

³⁷ *Id.* at 38-39; Certificate of Finality.

³⁸ *Id.* at 41-42.

³⁹ *Id.* at 78-81.

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Moreover, the appellate court soundly disposed of the instant case in its twin Resolutions dated February 13, 2012⁴⁰ and November 12, 2012⁴¹ in CA-G.R. SP No. 123064. It correctly ruled that the Compromise Agreement was valid and binding since there was a meeting of the minds between the parties.

Article 1305 of the Civil Code provides that a contract is a meeting of the minds between two persons, whereby one is bound to give something or to render some service to the other. A valid contract requires the concurrence of the following essential elements pursuant to Article 1318 of the same Code:

Art. 1318. There is no contract unless the following requisites concur:

- (1) Consent of the contracting parties;
- (2) Object certain which is the subject matter of the contract;
- (3) Cause of the obligation which is established

The Compromise Agreement was clear that the contracting parties mutually agreed to transfer to each other the properties indicated therein. Even if it was Maria's counsel who prepared the written instrument, she or her representative was expected to exercise due diligence in reviewing the entries therein before signing the instrument. Moreover, if indeed there was a mistake on which property should be transferred to the spouses Somis, Maria should have availed of her remedies immediately.

We further note that the trial court rendered its Decision on January 17, 2008 approving the Compromise Agreement, which immediately became final and executory⁴² and for which the trial court issued a Writ of Execution on June 27, 2008.⁴³ However, it was only on July 8, 2008 when Maria filed a motion to set aside the Order granting the issuance of the writ of execution.⁴⁴

In addition, the appellate court aptly denied the Petition for Annulment of Judgment. Section 2, Rule 47 of the Rules of Court provides that an annulment of judgment may be based only on the grounds of extrinsic fraud and lack of jurisdiction.

Jurisdiction is defined as the power and authority of a court to hear, try and decide a case.⁴⁵ In *Go v. Cordero*,⁴⁶ We pointed out that courts acquire jurisdiction over the person of the plaintiff upon the filing of the complaint, while jurisdiction over the person of the defendant in a civil case is acquired either through the service of summons upon them in the manner required by

⁴⁰ *Rollo*, pp. 31-37.

⁴¹ *Id.* at 40-43.

⁴² *CA rollo*, Certificate of Finality, pp. 38-39.

⁴³ *Id.* at 41-42.

⁴⁴ *Rollo*, p. 33.

⁴⁵ *Land Bank of the Philippines v. Dalauta*, 815 Phil. 740, 768 (2017).

⁴⁶ 634 Phil. 69, 90 (2010).

law or through their voluntary appearance in court and their submission to its authority.

In the instant case, the appellate court correctly held that jurisdiction over the spouses Somis was acquired by the trial court when summonses were duly served on them.⁴⁷ With regard to Celso, jurisdiction was likewise acquired over his person when he voluntarily appeared before the court by signing and filing the Compromise Agreement.⁴⁸ We find no merit in Maria's argument that Celso signed on behalf of Leonila without any authority to do so.⁴⁹ As correctly pointed out by the appellate court, the authority of Celso to represent the spouses Somis was affirmed when he filed the Petition for *Certiorari* before the appellate court in CA-G.R. SP No. 109076 to uphold the accuracy of the contents in the Compromise Agreement.⁵⁰

Likewise, jurisdiction over the subject matter is conferred only by the Constitution or the law.⁵¹ In the instant case, the subject matter of the complaint before the RTC was the annulment of a Compromise Agreement which was essentially a Deed of Sale allegedly executed by Maria in favor of the spouses Somis.⁵² In *De Ungria v. Court of Appeals*,⁵³ We pointed out that an action to annul a contract and reconveyance is incapable of pecuniary estimation and thus, within the jurisdiction of the RTC. Thus, the trial court had jurisdiction over the subject matter of Maria's complaint.

We are also not persuaded by Maria's contention that she was deprived of due process on the ground of extrinsic fraud. In *Amihan Bus Lines, Inc. v. Romars International Gases Corp.*,⁵⁴ We explained that:

Extrinsic fraud refers to any fraudulent act of the prevailing party in litigation committed outside of the trial of the case, whereby the defeated party is prevented from fully exhibiting his side of the case by fraud or deception practiced on him by his opponent, such as by keeping him away from court, by giving him a false promise of a compromise, or where the defendant never had the 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 instances show that there was never a real contest in the trial or hearing of the case so that the judgment should be annulled and the case set for a new and fair hearing.⁵⁵

⁴⁷ *Rollo*, p. 35.

⁴⁸ *Id.*

⁴⁹ *Id.* at 34.

⁵⁰ *Id.* at 35; *see also* CA *rollo*, pp. 78-81.

⁵¹ *Land Bank of the Philippines v. Dalauta*, *supra*. note 45 at 768.

⁵² *Rollo*, p. 35.

⁵³ 669 Phil. 585, 596 (2011).

⁵⁴ 637 Phil. 401 (2010).

⁵⁵ *Id.* at 407.

In the instant case, Maria actively participated in the proceedings and was properly assisted by her counsel both in the RTC and the appellate court. Thus, when she found out about the alleged error in the Compromise Agreement, she filed a motion to amend the same, which was initially granted per the trial court's October 20, 2008 Order.

However, said Order was set aside by the appellate court's January 22, 2010 Decision in CA-G.R. SP No. 109076. Thereafter, she filed a motion to annul the Compromise Agreement before the trial court but the same was denied in view of the foregoing CA Decision. Subsequently, she filed a petition for relief from judgment with the trial court but it was likewise dismissed for non-payment of docket fees.⁵⁶ In view of the foregoing, this Court finds that Maria was accorded with due process to defend her case.

Yet, Maria resorted to accusing her previous counsel, Atty. Indasen, with negligence and of conniving with the spouses Somis in depriving her of Lot B. This Court finds her allegation unsupported by any evidence on record. In any case, assuming *arguendo*, that her previous counsel was negligent, the same does not constitute as extrinsic fraud. Our pronouncement in *Baclaran Marketing Corp. v. Nieva*⁵⁷ is instructive:

Here, BMC invokes extrinsic fraud and lack of due process as grounds for its petition for annulment of judgment. It claims that Atty. Rizon's gross negligence in handling the case constitutes extrinsic fraud and deprived it of due process of law.

We are not persuaded. x x x

In *Pinausukan*, We held that a lawyer's neglect in keeping track of the case and his failure to apprise his client of the developments of the case do not constitute extrinsic fraud. Fraud is not extrinsic if the alleged fraudulent act was committed by petitioner's own counsel. The fraud must emanate from the act of the adverse party and must be of such nature as to deprive petitioner of its day in court. Thus, in many cases, we have held that a lawyer's mistake or gross negligence does not amount to extrinsic fraud that would grant a petition for annulment of judgment.⁵⁸ (*Emphasis supplied; Citations omitted*)

In sum, We find that the November 28, 2007 Compromise Agreement is valid and binding between the parties. Likewise, the finality of the January 17, 2008 Decision of the RTC upholding said written instrument should be respected since the grounds to annul the same are non-existent.

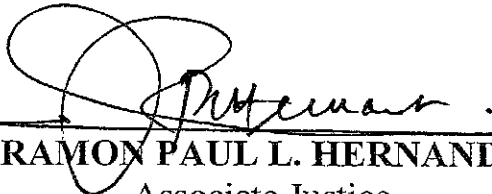
WHEREFORE, the Petition is hereby **DENIED**. The assailed February 13, 2012 and November 12, 2012 Resolutions of the Court of Appeals in CA-GR SP No. 123064 are hereby **AFFIRMED**. Costs on petitioner.

⁵⁶ CA *rollo*, pp. 45-46.

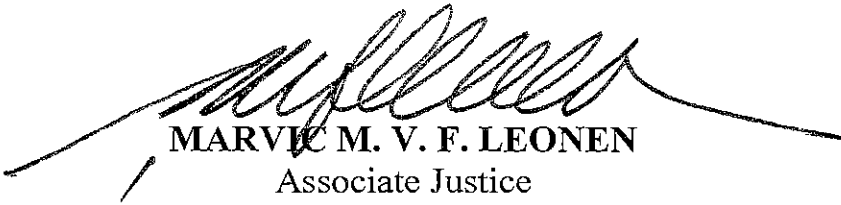
⁵⁷ 809 Phil. 92 (2017).


⁵⁸ *Id.* at 103.

SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice

WE CONCUR:


MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

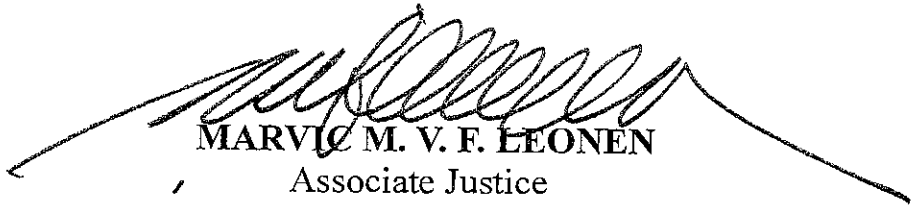

ROSMARID. CARANDANG
Associate Justice


EDGARDO L. DELOS SANTOS
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

ATTESTATION

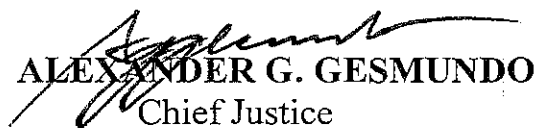
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



MARVIC M. V. F. LEONEN
Associate Justice
Chairperson

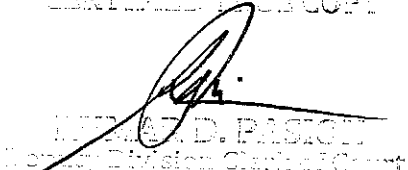
CERTIFICATION

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



ALEXANDER G. GESMUNDO
Chief Justice

CERTIFIED TRUE COPY



MARIA D. PASIGT
Secretary, Division Clerk of Court
Civil Division

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