Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated **July 6, 2022** *which reads as follows:*

"**G.R. No. 247896 (*Catalina Galgo, Jecell Galgo, Jemuel Galgo, Jemelyn Galgo, Joime Galgo, Jose Ibarra, Victor O. Fiel, and Alberto Galgo Fiel v. Efraim Calumba, Delia Aceron and Norberta Aceron-Chatman*).** – This resolves the Petition for Review on *Certiorari*[1] dated July 21, 2019 filed under Rule 45 of the Rules of Court, by petitioners Catalina Galgo, Jecell Galgo, Jemuel Galgo, Jemelyn Galgo, Joime Galgo (collectively, the Galgos), Jose Ibarra, Victor O. Fiel, and Alberto Galgo Fiel (collectively, the Fiels) against respondents Efraim Calumba (Calumba), Delia Aceron and Norberta Aceron-Chatman (collectively, the Acerons), seeking to reverse and set aside the Decision[2] dated May 23, 2019 promulgated by the Court of Appeals (CA) in the case docketed as CA-G.R. SP No. 08645-MIN.

The factual antecedents, as found by the CA and quoted *in toto* by petitioners, are as follows:

On July 27, 2010, petitioners lodged against respondents an Amended Complaint[3] for recovery of ownership and possession of real property with an aggregate assessed value of [₱22,930.00] plus damages, before the Municipal Circuit Trial Court (MCTC) of Claver-Gigaquit, Province of Surigao del Sur.[4]

- over – eleven (11) pages ...

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1 *Rollo*, pp. 14-29.

2 Id. at 32-40. Penned by Associate Justice Florencio M. Mamauag, Jr. and concurred in by Associate Justices Edgardo A. Camello and Walter S. Ong.

3 A copy was not attached to the petition.

4 *Rollo*, p. 33. The MCTC address was erroneously typed as "Province of Surigao del Sur" instead of "Province of Surigao del Norte" in the CA Decision.

In their Amended Complaint, [petitioners averred] that they are the legal heirs of the spouses Bartolome and Rosalia Galgo, who had three (3) children, namely Rafael, Aquilina, and Riveriano. The Fiels are the son-in-law and grandson of Rafael, Jose and Saturnino Ibarra are the children of Aquilina, while the Galgos are the daughter-in-law and children of Riveriano and his wife Eduarda Patan (Eduarda).[5] On the other hand, the Acerons are the children of Eduarda from her second marriage after Riveriano's passing, while Calumba is the husband of Delia Aceron.[6]

Petitioners also allege[d] that Riveriano predeceased Bartolome in June 1946. Upon the former's death, Jaime Galgo[7] (Jaime) succeeded his deceased father by right of representation, because such right is available to Jaime as Riveriano's son, but not to Eduarda as Riveriano's spouse. Thus, the legal heirs of the spouses Bartolome and Rosalia were only Rafael, Aquilina, and Jaime, to the exclusion of Eduarda.[8]

According to petitioners, when Bartolome died in December 1946, he left three (3) real properties, specifically a parcel of rice land located at Ladgaron, Claver, Surigao del Norte containing an area of .7100 hectares (has.) more or less and covered by Tax Declaration (TD) No. 3330;[9] a parcel of coconut land located at Daywan, Claver, Surigao del Norte containing an area of 1.5120 has. more or less and covered by TD No. 2308;[10] and a parcel of residential land located at Tayaga, Claver, Surigao del Norte containing an area of 731 square meters more or less and covered by TD No. 8124.[11]

Petitioners additionally submitted that part of the properties of Bartolome had been in the possession and enjoyment of the respondents for many years, particularly a part of the residential lot covered by TD No. 8124,[12] which is now covered by TD No. 8206[13] in the name of Eduarda; a part of the coconut land covered by TD No. 2308, which is now also covered by TD No. 8206 under the name of Eduarda; and the rice land covered by TD No. 3330, which was

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5 Id.
6 Id. at 33-34.
7 For clarity, Jaime Galgo is the son of Riveriano and the husband of petitioner Catalina Galgo. Petitioner Joime Galgo is Jaime and Catalina's son.
8 *Rollo*, p. 33.
9 Id. TD No. 3330 is not attached to the petition.
10 Id. TD No. 2308 is not attached to the petition.
11 Id. TD No. 8124 is not attached to the petition.
12 Id. at 34.
13 Id. TD No. 8206 is not attached to the petition.

purportedly sold by Eduarda. In relation, petitioners argued that respondents' possession of the abovementioned properties is illegal, in view of the fact that respondents had no right to succeed to the estate of Bartolome because they are total strangers to the family line of the latter.[14]

In their Answer,[15] respondents asserted that the claim of petitioners is barred by prescription and *res judicata* or prior judgment. Eduarda and Jaime, Riveriano's surviving spouse and son, respectively, in Civil Case No. 2555, entered into a Compromise Agreement[16] with respect to the partition and sharing of the real properties of Bartolome, Riveriano's father, which agreement was approved by the then Court of First Instance (CFI) of Surigao City. Further, respondents contended that the properties which Eduarda acquired by virtue of the said Compromise Agreement were sold by her to her daughter, Norberta Aceron-Chatman, during the former's lifetime.[17]

In a Decision[18] dated February 21, 2017, the MCTC ruled in favor of respondents. The trial court recognized the infirmity in the division of the properties because only Eduarda and Jaime, wife and son of Riveriano, respectively, shared in the properties to the exclusion of the other heirs.[19] This notwithstanding, the court opined that it is already barred from ordering the return of the properties to the intestate estate of the late Bartolome on account of the existence of the Judgment Compromise[20] in Civil Case No. 2555, which states as follows:

JUDGMENT

> When this case was pre-tried in Chambers today, the parties, thru their respective counsels, manifested that they have finally agreed to settle the case amicably and to this end submitted the following:
>
> "COMPROMISE AGREEMENT"
>
> 1. That the real property described in paragraph 2a of the Complaint located in Dojong, Claver, Surigao del Norte, with an area of 1.5120 hectares shall be divided by them: two-thirds of the

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[14] Id.
[15] A copy was not attached to the petition.
[16] A copy was not attached to the petition.
[17] *Rollo*, p. 34.
[18] A copy was not attached to the petition.
[19] *Rollo*, p. 34.
[20] A copy was not attached to the petition.

> area or one hectare shall pertain to the defendant [Jaime] and the remaining one-third or one-half hectare shall pertain to the plaintiff [Eduarda];
>
> 2. That the real property described in paragraph 2b of the Complaint located in Dayuan, Claver, Surigao del Norte, with an area of .8720 hectare shall exclusively pertain to the defendant [Jaime]. This property shall offset the real property located in Ladgaron, Claver, Surigao del Norte, which was sold by plaintiff [Eduarda] sometime in 1970 for P1,900.00;
>
> 3. That the residential house and lot located in Poblacion of Claver, Surigao del Norte, shall be divided by them as follows: the residential house shall exclusively pertain to the plaintiff while the residential lot with an area of 750 square meters, more or less, shall be divided by them equally and the area presently occupied by the house shall pertain to the plaintiff.
>
> xxx
>
> WHEREFORE, finding the said Compromise Agreement not to be contrary to law, morals, customs and public policy, the same is hereby APPROVED.
>
> xxx
>
> Surigao City, Philippines, September 27, 1978.[21]

The MCTC further opined that a judgment on Compromise Agreement is a judgment on the merits, and applied the doctrines of bar by prior judgment and immutability of judgment. The court moreover stated that the petitioners, particularly the heirs of Rafael and Aquilina, were not deprived of any equitable remedies to annul the judgment in Civil Case No. 2555. However, neither did they avail of any of them nor did they take any action to avoid the judgment from taking effect. Hence, the judgment is binding upon the MCTC since it has not been set aside nor declared a nullity by a competent court.[22]

On April 3, 2017, petitioners sought the reconsideration of the aforecited Decision but it was denied by the MCTC in an Order[23] dated May 24, 2017 on the ground that the petitioners' Motion for Reconsideration[24] lacked a notice of hearing, which is mandated by the Rules of Court.[25]

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[21] *Rollo*, pp. 34-35. As cited in the CA Decision.
[22] Id. at 35.
[23] A copy was not attached to the petition.
[24] A copy was not attached to the petition.
[25] *Rollo*, pp. 35-36.

On June 13, 2017, petitioners filed before the Regional Trial Court (RTC) their Notice of Appeal, which was given due course.[26]

But, in a Decision[27] dated November 16, 2017, the RTC dismissed the appeal on the ground that the MCTC Decision has already attained finality because of the failure of petitioners to include the mandatory requirement of notice of hearing in their Motion for Reconsideration. The court said that the motion is a mere scrap of paper that did not interrupt the running of the prescriptive period to appeal.[28]

Petitioners moved for reconsideration but the RTC, in its Order[29] dated January 31, 2018, denied the same.[30]

Aggrieved, petitioners filed a Petition for Review[31] before the CA, maintaining that the court *a quo* erred in considering that the MCTC Decision has attained finality; in applying the principle of immutability of judgment to this case; and in not ordering the return of the subject properties to the intestate estate of Bartolome.[32]

The CA, in the assailed Decision,[33] denied the petition and affirmed the RTC Decision. The dispositive portion reads:

> **WHEREFORE**, the petition is **DENIED**. The Decision dated November 16, 2017 of the Regional Trial Court, 10th Judicial Region, Branch 29, Surigao City dismissing the appeal is **AFFIRMED**.
>
> **SO ORDERED**.[34]

In the petition before Us, petitioners insist that the CA erred in affirming the lower courts' rulings, based on the same issues that they raised before the appellate court.[35]

Respondents, in their Comment[36] dated November 14, 2019, challenge the petition, praying that the same be denied in due course.

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[26] Id. at 36.
[27] A copy was not attached to the petition.
[28] *Rollo*, p. 36.
[29] A copy was not attached to the petition.
[30] *Rollo*, p. 36.
[31] A copy was not attached to the petition.
[32] *Rollo*, p. 36.
[33] Id. at 32-40.
[34] Id. at 40.
[35] Id. at 20-21.
[36] Id. at 46-55.

This case involves questions of both procedure and substance, surrounding the MCTC Decision that denied petitioners' Amended Complaint for recovery of ownership and possession of various real properties, taking into account a Judgment on Compromise issued by the CFI in a separate action but pertaining to the same parcels of land. After a careful evaluation of the arguments of both parties, as well as the applicable laws and jurisprudence, this Court finds the petition meritorious.

I

Petitioners submit that the CA erred in denying their arguments without discussing the case of *Cabrera v. Ng*,[37] which they believe is inapplicable to this case, since a cursory reading of the same will reveal that the Supreme Court ruled that a motion for reconsideration, which failed to comply with the notice requirement, should not be considered *pro forma*.[38]

On the other hand, respondents anchor their opposition on the contention that the MCTC Decision subject of this petition had become final. They explain that while the Motion for Reconsideration was filed before the MCTC on time, its filing did not interrupt the running of the prescriptive period for appeal, because such motion did not contain a notice of hearing and was thus *pro forma* and a mere scrap of paper.[39]

Respondents' proposition deserves scant consideration.

In *Villamil v. Spouses Erguiza*,[40] the Court held:

> The general rule is that the three-day notice requirement in motions under Sections 4 and 5 of Rule 15 of the Rules of Court is mandatory. It is an integral component of procedural due process. "The purpose of the three-day notice requirement, which was established not for the benefit of the movant but rather for the adverse party, is to avoid surprises upon the latter and to grant it sufficient time to study the motion and to enable it to meet the arguments interposed therein."
>
> "A motion that does not comply with the requirements x x x is a worthless piece of paper which the clerk of court has no right to receive and which the court has no authority to act upon."

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37 729 Phil. 544-552 (2014).
38 *Rollo*, pp. 22-23.
39 Id. at 47.
40 833 Phil. 686 (2018).

> "Being a fatal defect, in cases of motions to reconsider a decision, the running of the period to appeal is not tolled by their filing or pendency."[41]

Just like any other rule, however, this Court has permitted its relaxation subject, of course, to certain conditions. Jurisprudence provides that for liberality to be applied, it must be assured that the adverse party has been afforded the opportunity to be heard through pleadings filed in opposition to the motion. In such a way, the purpose behind the three-day notice rule is deemed realized. Despite the lack of notice of hearing in a motion for reconsideration, there was substantial compliance with the requirements of due process where the adverse party actually had the opportunity to be heard and had filed pleadings in opposition to the motion.[42]

Here, there is no dispute that respondents filed their Opposition[43] to petitioners' Motion for Reconsideration three (3) days after their counsel received a copy thereof. It is thus beyond cavil that respondents were in fact furnished a copy of the subject motion before the date of the scheduled hearing. Accordingly, respondents were given their day in court and the purpose of a notice of hearing was actually served.

Inasmuch as the Motion for Reconsideration was timely filed by petitioners before the MCTC, and respondents were rightfully given the opportunity to be heard despite the lack of notice of hearing, We consider the subject motion as neither *pro forma* nor a mere scrap of paper. Following this line of reasoning, the filing of such motion interrupted the running of the prescriptive period to file an appeal before the RTC, and the MCTC Decision subject of this case could not be said to have gained finality.

II

Petitioners aver that void judgments are among the exceptions to the doctrine of immutability of final judgments, and note that the court *a quo* itself recognized the legal infirmity of partitioning the estate of Bartolome to the exclusion of the other compulsory heirs.[44]

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41 Id. at 700.
42 *Magellan Aerospace Corp. v. Philippine Air Force*, 781 Phil. 788, 801 (2016).
43 A copy was not attached to the petition.
44 *Rollo*, pp. 24-25.

Respondents quote the Decision in *Metropolitan Cebu Water District v. Mactan Rock Industries, Inc.*[45] and posit that a final and executory judgment, no matter how erroneous, cannot be changed, even by this Court. They claim that nothing is more settled in law than that once a judgment attains finality, it thereby becomes immutable and unalterable.[46]

We rule in favor of petitioners in light of the determination made in the previous section.

As discussed in detail above, the MCTC Decision never became final and executory because the Motion for Reconsideration filed by petitioners effectively tolled the running of the prescriptive period to appeal. Therefore, the principle of immutability of judgment fails to apply to this case.

Even granting, for the sake of argument, that the MCTC Decision became final and executory, the same would still fail to defeat petitioners' rights, in their capacity as owners, to the subject realties. Respondents' sinister scheme, that culminated in the partition of the said properties to the exclusion of petitioners, could not have legally deprived the latter of the ownership, which already vested in them at the moment of Bartolome's death by virtue of succession.

The case of *Treyes v. Larlar*,[47] which had a factual milieu similar to the present controversy, provides a fitting reference. Respondents therein alleged that petitioner fraudulently caused the transfer of the subject properties to himself by executing two (2) Affidavits of Self-Adjudication and refused to reconvey the shares of respondents who were legal heirs of the deceased. Thus, respondents in that case asked for the declaration of nullity of the Affidavits of Self-Adjudication; cancellation of all the Transfer Certificates of Title issued in favor of petitioner; reconveyance to respondents of their successional share in the estate of the decedent; and partition of the estate of the deceased.

The Supreme Court held that respondents do not really seek the establishment of their rights as intestate heirs but, rather, the enforcement of their rights already granted by law as intestate heirs, pursuant to Article 777 of the Civil Code, which states that the rights

[45] 690 Phil. 163-192 (2012).
[46] *Rollo*, pp. 49-50.
[47] G.R. No. 232579, September 8, 2020.

of succession are transmitted from the moment of the death of the decedent. Therefore, the heir is legally deemed to have acquired ownership of his/her share in the inheritance at that very moment, and not at the time of declaration of heirs, or partition, or distribution. In fact, in partition cases, even before the property is judicially partitioned, the heirs are already deemed co-owners of the property. Thus, in partition cases, the heirs are deemed real parties in interest without a prior separate judicial determination of their heirship.[48]

The earlier case of *Neri v. Heirs of Spouses Yusop*,[49] with antecedents likewise akin to those prevailing here, constitutes additional basis to vindicate petitioners' right of ownership. A complaint for annulment of sale of the inherited properties, which were disposed of through an Extra-Judicial Settlement of the Estate with Absolute Deed of Sale, was filed by the heirs who were excluded and deprived of their inheritance.

In its Decision, this Court declared that upon the death of the decedent, her children and surviving spouse acquired their respective inheritances, entitling them to their *pro indiviso* shares in her whole estate. Hence, in the execution of the Extra-Judicial Settlement of the Estate with Absolute Deed of Sale, all the heirs should have participated. Considering that certain heirs were admittedly excluded and not properly represented therein, the settlement was not valid and binding upon them and consequently, a total nullity.[50] As such, the Supreme Court ordered the return of the amount paid corresponding to the shares of excluded heirs, with legal interest.[51]

Perforce, in view of the doctrines laid down in the foregoing cases, the Compromise Agreement between respondents herein should be deemed null and void. Pursuant to the maxim *nemo dat quod non habet*, literally meaning "no one can give what they do not have," respondents could not have legally effected the conveyance to themselves and/or others of petitioners' share in the estate of Bartolome. The ruse, that respondents employed to secure judicial *imprimatur* for their ploy to divest petitioners of their inheritance, should not be gratified with affirmation.

At this juncture, it bears stressing that the MCTC only approved the said agreement because it was misled by respondents to believe that the same was not contrary to law, morals, customs, and public

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[48] Id.
[49] 697 Phil. 217 (2012).
[50] Id. at 224-225.
[51] Id. at 230-231.

policy. Respondents deviously withheld from the trial court the crucial fact that there were other real parties in interest, specifically other heirs who are legally co-owners of the properties referred to in the Compromise Agreement. It would be the height of inequity and absurdity to affirm the validity of the Judgment on Compromise, and reward respondents with a favorable judgment, notwithstanding the latter's cunning acts that led to the defrauding and deception not only of the petitioners but also the MCTC.

Having established that the MCTC Decision did not become final and executory; that petitioners were already vested with co-ownership of the subject properties at the moment of Bartolome's death and prior to the partition of his estate; and that the Compromise Agreement was null and void and approved by the MCTC simply due to respondents' misrepresentation; the doctrine of immutability of judgments is inapplicable.

III

Anent the issue of reverting the parcels of land back to the intestate estate of Bartolome, We observe that the records of this case do not present sufficient information to thresh out and rule on the details thereof, and consequently find it more appropriate to remand the case to the RTC for the presentation of the respective evidence of the parties to facilitate the complete resolution of the controversy.

WHEREFORE, the petition is hereby **GRANTED**. The Decision dated May 23, 2019 of the Court of Appeals in CA-G.R. SP No. 08645-MIN is hereby **REVERSED** and **SET ASIDE**. Accordingly, this case is hereby **REMANDED** to the Municipal Circuit Trial Court of Claver-Gigaquit, Surigao del Norte for the continuation of proceedings on petitioners' action for recovery of ownership and possession.

SO ORDERED."

By authority of the Court:

LIBRADA C. BUENA
Division Clerk of Court

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court

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JUL 21 2022

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