



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **July 27, 2022** which reads as follows:*

“**G.R. No. 218473** (*Severino Martin, Jr., Luisito Martin, Analiza Martin, Flordeliza Martin, Sherely Martin and Merely Martin vs. Spouses Dante Del Campo and Alma Del Campo*). —The court may clarify a judgment of an ambiguity arising from inadvertent omission of what might be described as a logical follow-through of something set forth in its body and dispositive portion.¹ We apply this doctrine in the Petition for Review on *Certiorari*² before this Court assailing the Court of Appeals’ Decision³ dated November 17, 2014 and Resolution⁴ dated April 29, 2015 in CA-G.R. CV No. 84734.

The antecedents follow.

Severino, Jr., Luisito, Analiza, Flordeliza, Sherely, and Merely, all surnamed Martin (Severino, Jr. *et al.*), filed a complaint⁵ for cancellation of a deed of real estate mortgage against their father Severino Martin, Sr. (Severino, Sr.), and Spouses Dante and Alma Del Campo (Spouses Del Campo), before the Regional Trial Court of Valenzuela City, Branch 172 (RTC). Severino, Jr. *et al.* alleged that their parents, Severino, Sr. and Josefina Martin (Josefina), were the registered owners of a 130-square-meter parcel of land registered under Transfer Certificate of Title (TCT) No. V-5166. On October 28, 1986, Josefina died, making Severino, Sr. and Severino, Jr. *et al.*

¹ *Spouses Poblete v. Banco Filipino Savings and Mortgage Bank*, G.R. No. 228620, June 15, 2020, <<https://sc.judiciary.gov.ph/17639/>>.

² *Rollo*, pp. 9–23.

³ *Id.* at 26–35. Penned by Associate Justice Stephen C. Cruz with the concurrence of Associate Justices Magdangal M. De Leon and Eduardo B. Peralta, Jr.

⁴ *Id.* at 42–45.

⁵ *Id.* at 47–53.

mbv

co-owners of the property. On July 6, 1998, Severino, Sr. falsified the signature of Josefina and mortgaged the land to Spouses Del Campo, who acted in bad faith in not inquiring about the status of the collateral. On the other hand, Spouses Del Campo countered that Severino, Jr. *et al.* have no cause of action. The land was the exclusive property of Severino, Sr. when he inherited it from his parents. Severino, Jr. *et al.* were estopped from questioning the validity of the mortgage after they benefited from the transaction.⁶

On October 14, 2004, the RTC dismissed the complaint. Unsuccessful at a reconsideration, Severino, Jr. *et al.* elevated the case to the Court of Appeals docketed as CA-G.R. CV No. 84734. On November 17, 2014, the CA reversed the RTC's findings and declared void the mortgage on the ground of forgery,⁷ thus:

True enough, an examination of the deed of real estate mortgage reveals that Josefina's signature was forged by the contracting parties (i.e., Martin, Sr. was, in fact, convicted of falsification of public document for having forged his wife's signature in the mortgage contract) in order to show that she had willingly signed off the subject property as collateral to Martin, Sr.'s loan. This, of course, is virtually unattainable given that she had passed away some twelve years earlier in 1986.

In effect the deed or the mortgage itself lacks the essential requisites of a valid contract, viz.: (1) consent from plaintiffs-appellants as Josefina's heirs; (2) Martin, Sr.'s absolute ownership of the property in question; and (3) his power to freely assume the role of mortgagor without legal authority from the co-owners as mandated under *Article 2085* of the *Civil Code*. Important as they are, the absence of (any of) these requisites naturally render the mortgage contract void.

To elucidate, Martin, Sr. is not eligible to make use of the entire property because a considerable portion thereof belongs to the plaintiffs-appellants by way of inheritance from Josefina (i.e., per *Article 777* of the *Civil Code*, the rights to the succession are transmitted from the moment of the death of the decedent). While defendants-appellees, particularly Martin, Sr., refute the conjugal nature of the property, the fact that it is registered in the spouse[s'] name belies their declaration that Martin, Sr. is the sole owner thereof by lucrative title (allegedly inherited from his father). *Article 160* of the *Civil Code* provides that all property of the marriage is presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband or to the wife.

x x x x

In the same vein, defendants-appellees cannot justify the validity of the mortgage contract by raising the defense of estoppel.

⁶ Id. at 26-27.

⁷ Id. at 28.

Estoppel arises only when one, by his acts, representations, or admissions, or by his silence when he ought to speak out, intentionally or through culpable negligence induces another to believe certain facts to exist and such other rightfully relies and acts on such belief, so that he will be prejudiced if the former is permitted to deny the existence of such facts.

Suffice it to say that the plaintiffs-appellants did not act in a way that shows their amenability to the mortgage contract. In fact, a contrary assertion runs counter to human experience because no one in his right mind would allow the encumbrance of his property unless he has expressly consented thereto.

Defendants-appellees, particularly the Sps. del Campo, point to Martin, Jr. as benefiting from the mortgage contract by driving the jeepney that was paid for by the proceeds thereof. Granting that this is true, his act of driving the vehicle does little to indicate his knowledge or cooperation to the mortgage contract. This is purely a physical act and not indicative of Martin, Jr.'s state of mind or even his awareness of the agreement. Besides, the jeepney was delivered to Martin, Sr., being the purchaser thereof. It is safe to assume that the only person who benefited therefrom was Martin, Jr. to [the] exclusion of everyone else.

x x x x

WHEREFORE, premises considered, the assailed Decision of Branch 172 of the Regional Trial Court of Valenzuela City dated October 14, 2004 is hereby **REVERSED** and **SET ASIDE**. Accordingly, defendants-appellees are ordered to pay plaintiffs-appellants the sum of Php20,000.00 by way of nominal damages; Php20,000.00 as moral damages and attorney's fees equivalent to ten (10%) percent of the entire amount of the damages awarded.

SO ORDERED.⁸ (Citations omitted)

Severino, Jr. *et al.* moved for partial reconsideration or clarification and prayed that the dispositive portion of the Decision state the effects of a void mortgage contract for purposes of execution of judgment. On April 29, 2015, the CA denied the motion.⁹ Hence, this recourse.

Severino, Jr. *et al.* contend that the dispositive portion is incomplete. The CA did not declare the mortgage contract void despite a finding of forgery. The CA did not order the Spouses del Campo to surrender the owner's duplicate copy of TCT No. V-5166, and for the Register of Deeds to cancel the annotation of the real estate mortgage on the TCT. In their Comment,¹⁰ Spouses Del Campo argued that the relief sought was an attempt to cut short the procedure to recover the possession of the TCT.

The Petition is meritorious.

⁸ Id. at 30-34.

⁹ Id. at 42-45.

¹⁰ Id. at 65-68.

It bears emphasis that “the *fallo* or dispositive [portion of a judgment] or order x x x embodies the court’s decisive action [on the controversy] and is x x x part of the decision that must be enforced[.]”¹¹ The dispositive portion must categorically state the rights and obligations of the parties to the dispute as against each other.¹² In *Velarde v. Social Justice Society*,¹³ the Court discussed the test of completeness of a dispositive portion of a decision, *viz.*:

In a civil case as well as in a special civil action, the disposition should state whether the complaint or petition is granted or denied, the specific relief granted, and the costs. The following test of completeness may be applied. *First*, the parties should know their rights and obligations. *Second*, they should know how to execute the decision under alternative contingencies. *Third*, there should be no need for further proceedings to dispose of the issues. *Fourth*, the case should be terminated by according the proper relief. The “proper relief” usually depends upon what the parties seek in their pleadings. It may declare their rights and duties, command the performance of positive prestations, or order them to abstain from specific acts. The disposition must also adjudicate costs.¹⁴

If “there is an ambiguity caused by an omission or a mistake[,] x x x, this Court may clarify [the dispositive portion through] an amendment even after the judgment become final.”¹⁵

In *Republic Surety and Insurance Co. Inc. v. IAC*,¹⁶ the Court clarified a final judgment of an ambiguity arising from inadvertent omission of what might be described as a logical follow-through of something set forth in its body and dispositive portion. In that case, the Court affirmed the trial court’s Decision declaring the contract between the parties void and ordering the petitioners to vacate the property and surrender its possession to the private respondents. The judgment became final and executory. However, the Register of Deeds refused to cancel the existing TCT and to revive the old title because these were not mentioned in the dispositive portion of the trial court’s Decision. Aggrieved, the private respondents moved for clarificatory inquiry. The petitioners opposed, arguing that only the dispositive portion is subject to execution and that the private respondents must seek their relief in a separate suit. The Court held that the missing order to cancel and revive should be deemed implied in the trial court’s Decision nullifying the contract, thus:

What is involved here is not what is ordinarily regarded as a clerical error in the dispositive part of the decision of the Court of First Instance, which type of error is perhaps best typified by an error in arithmetical computation. At the same time, what is involved here is not a correction of an erroneous judgment or dispositive portion of a judgment. **What we believe is involved here is in the nature of an inadvertent omission on the part of**

¹¹ *Gonzales v. Solid Cement Corporation*, 697 Phil. 619, 630 (2012).

¹² *Lim v. HMR Philippines, Inc.*, 740 Phil. 353, 367–368 (2014).

¹³ 472 Phil. 285 (2004).

¹⁴ *Id.* at 325.

¹⁵ *Partosa-Jo v. Court of Appeals*, 290–A Phil. 488, 493 (1992).

¹⁶ 236 Phil. 332 (1987).

the Court of First Instance (which should have been noticed by private respondents' counsel who had prepared the complaint), of what might be described as a logical follow-through of something set forth both in the body of the decision and in the dispositive portion thereof: the inevitable follow-through, or translation into, operational or behavioral terms, of the annulment of the Deed of Sale with Assumption of Mortgage, from which petitioners' title or claim of title embodied in TCT 133153 flows. The dispositive portion of the decision itself declares the nullity *ab initio* of the simulated Deed of Sale with Assumption of Mortgage and instructed the petitioners and all persons claiming under them to vacate the subject premises and to turn over possession thereof to the respondent-spouses. Paragraph B of the same dispositive portion, confirming the real estate mortgage executed by the respondent-spouses also necessarily assumes that Title No. 133153 in the name of petitioner Republic Mines is null and void and therefore to be cancelled, since it is indispensable that the mortgagors have title to the real property given under mortgage to the creditor (Article 2085 [2], Civil Code).

x x x x

There are powerful considerations of an equitable nature which impel us to the conclusions we reach here. **Substantial justice cannot be served if the petitioner Republic Mines, having absolutely no right, legal or equitable, to the property involved, its claim thereto being based upon a transaction which was not only simulated but also immoral and unconscionable, should be allowed to retain the Transfer Certificate of Title in its name. The petitioner would thereby be in a position to inflict infinite mischief upon the respondent-spouses whom they deprived for 15 years of the possession of the property of which they were and are lawful owners, and whom they compelled to litigate for 15 years to recover their own property. The judicial process as we know it and as administered by this Court cannot permit such a situation to subsist. It cannot be an adequate remedy for the respondent-spouses to have to start once more in the Court of First Instance, to ask that court to clarify its own judgment, a process which could be prolonged by the filing of petitions for review in the Court of Appeals and eventually in this Court once more. Public policy of the most fundamental and insistent kind requires that litigation must at last come to an end if it is not to become more pernicious and unbearable than the very injustice or wrong sought to be corrected thereby. That public policy demands that we cut this knot here and now.**¹⁷ (Emphases supplied)

The ruling was cited and applied in the recent case of *Spouses Poblete v. Banco Filipino Savings and Mortgage Bank*,¹⁸ where the Court clarified the dispositive portion of the trial court's decision by requiring the respondent to surrender the certificates of title and the Register of Deeds to issue new certificates of title in the name of the petitioners, to wit:

A cogent reference to the above doctrines established the authority of the courts to clarify and effect the necessary consequences of their judgments. Here, the Order to surrender and transfer the certificates of title is deemed implied from the Decision declaring Spouses Poblete as owners

¹⁷ Id. at 338-341.

¹⁸ G.R. No. 228620, June 15, 2020, <<https://sc.judiciary.gov.ph/17639/>>.

of the lots and ordering Banco Filipino to refrain from committing acts of dispossession. The fact that it was not mentioned in the dispositive portion is of no moment. A judgment is not confined to what appears on its face but extends as well to those necessary to carry out the Decision into effect. Moreover, the reliefs that Banco Filipino surrender and reconvey the titles were included in Spouses Poblete's memorandum in LRC Case No. LP-98-0304 and in their appellants' brief in CA-G.R. CV No. 94420. Lastly, Banco Filipino has no right over the properties. It should not be permitted to retain the titles over the lots on the basis of a void transaction. Otherwise, it would unjustly deprive Spouses Poblete of their right as owners to register the lots in their names and subject them to threats of dispossession. These consequences are manifestly contrary to the final judgment in CA-G.R. CV Nos. 94420 and 95152 and would subvert the very purpose of bringing this case for a complete resolution.¹⁹ (Citations omitted)

Here, the CA ruled that the mortgage lacks the essential requisites of a valid contract when Severino, Sr. forged the signature of his wife who had been dead for 12 years. This renders the transaction void. Yet, this finding was not embodied in the dispositive portion even if it was extensively discussed in the body of the Decision and prayed for in the complaint. The dispositive portion also failed to order the Register of Deeds to cancel the annotation of the real estate mortgage appearing on the certificate of title which is a necessary consequence of a void contract. Moreover, the directive for Spouses del Campo to surrender the certificate of title is deemed implied from the judgment. "The fact that it was not mentioned in the dispositive portion is of no moment. A judgment is not confined to what appears on its face but extends as well to those necessary to carry out the Decision into effect."²⁰ Contrary to Spouses del Campo's theory, a separate proceeding is unnecessary to recover the possession of the certificate of title.

FOR THESE REASONS, the Petition is **GRANTED**. The dispositive portion of the Court of Appeals' Decision dated November 17, 2014 and Resolution dated April 29, 2015 in CA-G.R. CV No. 84734 are clarified to read as follows:

WHEREFORE, premises considered, the assailed Decision of Branch 172 of the Regional Trial Court of Valenzuela City dated October 14, 2004 is hereby **REVERSED** and **SET ASIDE**. [The Deed of Real Estate Mortgage executed between respondent Severino M. Martin, Sr. and respondents Spouses Dante Del Campo and Alma Del Campo is declared **VOID**. The Register of Deeds of Valenzuela City is **ORDERED** to cancel the annotation of the mortgage appearing on Transfer Certificate of Title No. V-5166. Respondents are **ORDERED** to deliver/return to the petitioners the copy of Transfer Certificate of Title No. V-5166 free of the encumbrance mentioned above.] Accordingly, [respondents] are ordered to pay [petitioners] the sum of Php20,000.00 by way of nominal damages;

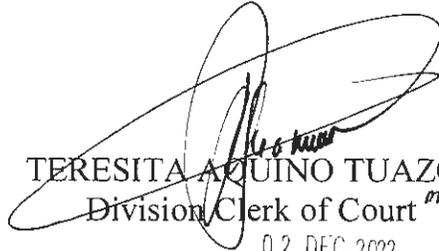
¹⁹ Id.

²⁰ Id.

Php20,000.00 as moral damages and attorney's fees equivalent to ten (10%) percent of the entire amount of the damages awarded.²¹

SO ORDERED."

By authority of the Court:



TERESITA AQUINO TUAZON
 Division Clerk of Court ^{11/12/22}
 02 DEC 2022

PEOPLE'S LAW OFFICE (reg)
 Counsel for Petitioners
 Suite 207, Victoria Bldg.
 11th Ave., Caloocan City

SPS. DANTE DEL CAMPO & ALMA DEL CAMPO (reg)
 Respondents
 R3-093, Candy St.
 J. Santiago St., Malanday
 Valenzuela City

HON. PRESIDING JUDGE (reg)
 Regional Trial Court, Branch 172
 Valenzuela City
 (Civil Case No. 132-V-01)

REGISTRY OF DEEDS (reg)
 Valenzuela City

COURT OF APPEALS (x)
 Ma. Orosa Street
 Ermita, 1000 Manila
 CA-G.R. CV No. 84734

JUDGMENT DIVISION (x)
 Supreme Court, Manila

PUBLIC INFORMATION OFFICE (x)
 LIBRARY SERVICES (x)
 [For uploading pursuant to A.M. No. 12-7-SC]

OFFICE OF THE CHIEF ATTORNEY (x)
 PHILIPPINE JUDICIAL ACADEMY (x)
 Supreme Court, Manila

Please notify the Court of any change in your address.
 GR218473. 07/27/2022A(239)URES

²¹ Rollo, p. 34.