



Republic of the Philippines
Supreme Court
Manila

SPECIAL FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Special First Division, issued a Resolution dated **March 1, 2023** which reads as follows:*

“G.R. No. 234612 (Lourdes G. Villena v. Teodora San Juan). – On February 3, 2021, the Court issued a Resolution,¹ the *fallo* of which states:

WHEREFORE, premises considered, the instant petition is **DENIED**. The Decision dated October 24, 2016 and the Resolution dated October 4, 2017 of the Court of Appeals in CA-G.R. CV No. 102777 are hereby **AFFIRMED**. The Motion for Intervention filed by SBR Homes Realty & Development Corporation is **DENIED**.

The letter dated December 2, 2019 of Ms. Jane G. Sabido, Chief, Archives Section, Judicial Records Division, Court of Appeals, Manila, in compliance with the Resolution dated September 4, 2019, transmitting the rollo of CA-G.R. CV No. 102777 with 342 pages, four (4) folders of original records, one (1) folder of duplicate copies of the transcript of stenographic notes, and one (1) folder of index, is **NOTED**.

SO ORDERED.²

Now pending before the Court are several motions/incidents:

In her Motion for Reconsideration³ dated September 30, 2021, Lourdes G. Villena (petitioner) insists that she is a mortgagee in good faith and an innocent purchaser for value of the subject property. Contrary to the Court’s ruling, petitioner claims that the doctrine of mortgagee in good faith is applicable even if the Real Estate Mortgage

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¹ Rollo, pp. 436-447.

² Id. at 446.

³ Id. at 555-570.

(REM) executed over the property is forged and despite the absence of transfer of title to the impostor, the existence of which she continues to challenge. Likewise, petitioner maintains that she should not be compelled to question the ownership of the person to whom the property is titled by the mere fact that the certificate of title was reconstituted.⁴

A careful reading of petitioner's motion reveals that the above-mentioned arguments are a mere rehash of those set forth in her Petition for Review on *Certiorari*,⁵ which the Court had already considered and thoroughly passed upon. Petitioner fails to raise any new and substantial arguments, and no cogent reason exists to warrant a reversal or modification of the Court's Resolution.

At the risk of being redundant, the Court reiterates once more that considering the REM was forged as it was entered into by petitioner with an impostor – representing herself as Teodora San Juan (respondent) – it is null and void and conveys no title.⁶ It then follows that there could also be no valid foreclosure or valid auction sale, either. As title to the subject property remained registered in the name of respondent and not transferred to the name of the impostor when petitioner transacted with the latter, petitioner did not acquire any right or title over the same.⁷ Thus, petitioner cannot be deemed as a mortgagee in good faith and an innocent purchaser for value entitled to the protection of the law. Correspondingly, it is but proper that ownership over the subject property should be retained by respondent, unless it can be shown that it has been transferred to an innocent third person.⁸

This is where SBR Homes Realty & Development Corporation (SBR Homes) comes in with its Motion for Reconsideration⁹ dated October 3, 2021, assailing the Court's denial of its motion for intervention. SBR Homes contends that, as a purchaser in good faith and for value of the subject property from petitioner, it is an indispensable party to the case whose interest can only be protected if allowed to intervene.¹⁰

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⁴ Id. at 556.

⁵ Id. at 17-50.

⁶ See *Ruiz v. Dimailig*, 799 Phil. 273, 283 (2016).

⁷ *Rollo*, p. 443.

⁸ See *Dadis v. Sps. De Guzman*, 810 Phil. 749, 766-767 (2017).

⁹ *Rollo*, pp. 451-472.

¹⁰ Id. at 453.

The Court is not persuaded. In *Neptune Metal Scrap Recycling, Inc. v. Manila Electric Company*,¹¹ the Court elucidated on the remedy of intervention:

Intervention is a remedy by which a third party, who is not originally impleaded in a proceeding, becomes a litigant for purposes of protecting his or her right or interest that may be affected by the proceedings. Intervention is not an absolute right but may be granted by the court when the movant shows facts which satisfy the requirements of the statute authorizing intervention. **The allowance or disallowance of a motion to intervene is within the sound discretion of the court.**

Section 1, Rule 19 of the Rules [of Court] provides that a court may allow intervention (a) if the movant has legal interest or is otherwise qualified, and (b) if the intervention will not unduly delay or prejudice the adjudication of rights of the original parties and if the intervenor's rights may not be protected in a separate proceeding. **Both requirements must concur.**

Section 2, Rule 19 of the Rules requires a movant to file the motion for intervention before the RTC's rendition of judgment and to attach a pleading-in-intervention. **The court may allow intervention after rendition of judgment if the movant is an indispensable party.**¹² (Emphasis supplied and citations omitted)

In the present case, SBR Homes' Motion for Intervention¹³ was filed only on January 24, 2018 with this Court after the Regional Trial Court (RTC) of Biñan City, Laguna, Branch 25, and the Court of Appeals (CA) had rendered judgment on November 29, 2013 in Civil Case No. B-6668¹⁴ and October 24, 2016 in CA-G.R. CV No. 102777,¹⁵ respectively. By itself, this inordinate delay constitutes sufficient ground for denying the motion.

At any rate, even if the Motion for Intervention was seasonably filed, it should still be denied. As can be gleaned from the motion itself, SBR Homes purchased the subject property in 2014¹⁶ during the pendency of the litigation between petitioner and respondent. In a

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¹¹ 789 Phil. 30 (2016).

¹² Id. at 37-38.

¹³ *Rollo*, pp. 216-237.

¹⁴ Id. at 154-172; penned by Judge Teodoro N. Solis.

¹⁵ Id. at 55-65; penned by Associate Justice Renato C. Francisco, with Associate Justices Mario V. Lopez (now a Member of this Court) and Carmelita Salandanan-Manahan, concurring.

¹⁶ Id. at 224.

desperate attempt to intervene in the case, SBR Homes admitted to having discovered late about the notice of *lis pendens* annotated on petitioner's title.¹⁷ Irrespective of its veracity, SBR Homes cannot seek refuge therefrom.

Lis pendens is a Latin term which literally means, "a pending suit or a pending litigation" while a notice of *lis pendens* is an announcement to the whole world that a real property is in litigation, serving as a warning that anyone who acquires an interest over the property does so at his/her own risk, or that he/she gambles on the result of the litigation over the property. It is a warning to prospective buyers to take precautions and investigate the pending litigation.¹⁸ Here, the notice of *lis pendens* was annotated on respondent's title as early as November 2, 2004 and was transferred to petitioner's title on November 14, 2011.¹⁹ The Court cannot accept the excuse proffered by SBR Homes because from the time of filing of such notice for record, SBR Homes as purchaser of the property affected is deemed to have constructive notice of the pendency of the action.²⁰

Since SBR Homes is a transferee with notice of the pending litigation between petitioner and respondent, SBR Homes stands exactly in the shoes of petitioner and is bound by any judgment or decree which may be rendered for or against her. SBR Homes is not really denied protection inasmuch as it is represented in the action by its predecessor-in-interest, petitioner.²¹ Hence, SBR Homes is not an indispensable party as its presence would merely permit complete relief between it and those already parties to the action.²²

Not being a party in this case, the Court cannot take cognizance of and act upon the other pleadings and motions filed by SBR Homes, namely: (1) the Supplemental Motion²³ dated October 17, 2021; (2) the Intervenor's Manifestation²⁴ dated March 30, 2022; (3) the Opposition to the Motion of Respondent²⁵ dated April 11, 2022; and (4) the Manifestation and Last Motion²⁶ dated June 11, 2022.

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¹⁷ Id. at 220.

¹⁸ *Homeowners Savings and Loan Bank v. Felonia*, 728 Phil. 115, 127-128 (2014).

¹⁹ *Rollo*, pp. 220 and 269.

²⁰ Section 19, Rule 13 of the 2019 Amendments to the 1997 RULES OF CIVIL PROCEDURE (A.M. No. 19-10-20-SC).

²¹ See *Heirs of Pael v. Court of Appeals*, 382 Phil. 222, 256 (2000).

²² See *Heirs of Valeriano C. Dela Corta, Sr. v. Alag-Pitogo*, G.R. No. 226863, February 19, 2020.

²³ *Rollo*, pp. 505-521.

²⁴ Id. at 593-599.

²⁵ Id. at 613-619.

²⁶ Id. at 628-634.

With respect to the death of respondent, Section 16, Rule 3 of the 2019 Amendments to the 1997 Rules of Civil Procedure (Rules) provides:

Section 16. *Death of party; duty of counsel.* - Whenever a party to a pending action dies, and the claim is not thereby extinguished, it shall be the duty of his counsel to inform the court within thirty (30) days after such death of the fact thereof, and to give the name and address of his legal representative or representatives. Failure of counsel to comply with this duty shall be a ground for disciplinary action.

The heirs of the deceased may be allowed to be substituted for the deceased, without requiring the appointment of an executor or administrator and the court may appoint a guardian *ad litem* for the minor heirs.

The court shall forthwith order said legal representative or representatives to appear and be substituted within a period of thirty (30) days from notice.

If no legal representative is named by the counsel for the deceased party, or if the one so named shall fail to appear within the specified period, the court may order the opposing party, within a specified time, to procure the appointment of an executor or administrator for the estate of the deceased and the latter shall immediately appear for and on behalf of the deceased. The court charges in procuring such appointment, if defrayed by the opposing party, may be recovered as costs.

The duty of counsel under this provision is two-fold: first, the counsel must inform the court within 30 days after the death of his client of such fact of death; and second, to give the court the names and addresses of the deceased litigant's legal representative or representatives. This is the only representation that a counsel can undertake after his client's death as the fact of death essentially terminates the lawyer-client relationship they had with each other.²⁷

Respondent died on January 5, 2021, as indicated in her Certificate of Death²⁸ issued by the Philippine Statistics Authority. Counting 30 days therefrom, respondent's counsel had the duty to inform the Court of the fact of such death and submit the names and addresses of respondent's heir/s or legal representative/s until February 4, 2021 (Thursday). There being no compliance upon the lapse of the period stated, petitioner posits in her Manifestation and Motion Re:

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²⁷ *Siao v. Atty. Atup*, A.C. No. 10890, July 1, 2020.

²⁸ *Rollo*, pp. 587-588.

Alleged Death of Respondent²⁹ dated February 8, 2022 that all actions taken after the date of respondent's death, including the Court's promulgation of the Resolution dated February 3, 2021, should be nullified for failure to acquire jurisdiction over the person of the heirs or legal representatives of deceased respondent.³⁰

The Court does not agree. The Complaint for Declaration of Nullity of Real Estate Mortgage and Certificate of Sale involves title to, possession of, and interest in real property, *i.e.*, the subject property, which survives the death of respondent. The Court was informed, albeit belatedly, of respondent's death and was supplied with the names and addresses of her heirs through the filing of the Notice of Death with Motion for the Substitution of Heirs³¹ dated March 3, 2022 and the Manifestation Re: Notice of Death with Motion for the Substitution of Heirs³² dated March 9, 2022. Pursuant to Article 777³³ of the Civil Code, the heirs have thus acquired interest in the property in litigation and became parties in interest in the case. There is, therefore, no reason for the Court not to allow their substitution as parties in interest for deceased respondent.³⁴

The spirit behind the general rule requiring a formal substitution of heirs is "not really because substitution of heirs is a jurisdictional requirement, but because non-compliance therewith results in the undeniable violation of the right to due process of those who, though not duly notified of the proceedings, are substantially affected by the decision rendered therein."³⁵ Such violation of due process is a personal defense³⁶ that can only be asserted by the persons whose rights are claimed to have been violated,³⁷ who are respondent's heirs in this case, and not petitioner.

When due process is not violated, as when the right of the representative or heir is recognized and protected, non-compliance or belated formal compliance with the Rules cannot affect the validity of a promulgated decision,³⁸ as in this case.

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²⁹ Id. at 603-608.

³⁰ Id. at 606.

³¹ Id. at 574-580.

³² Id. at 583-586.

³³ Article 777. The rights to the succession are transmitted from the moment of the death of the decedent.

³⁴ *Cruz v. Cruz*, 644 Phil. 67, 74 (2010).

³⁵ *Torres v. Rodellas*, 614 Phil. 566, 585 (2009).

³⁶ *Napere v. Barbarona*, 567 Phil. 354, 361 (2008).

³⁷ *Carandang v. Heirs of Quirino A. De Guzman*, 538 Phil. 319, 331-332 (2006).

³⁸ *Napere v. Barbarona*, *supra* at 360.

WHEREFORE, premises considered, the Resolution of this Court dated February 3, 2021 **STANDS**. Accordingly, the Court resolves to:

1. **DENY WITH FINALITY** the Motion for Reconsideration dated September 30, 2021 of petitioner Lourdes G. Villena;
2. **DENY WITH FINALITY** the Motion for Reconsideration dated October 3, 2021 of SBR Homes Realty & Development Corporation;
3. **NOTE WITHOUT ACTION** the Supplemental Motion dated October 17, 2021 of SBR Homes Realty & Development Corporation;
4. **NOTE** and **GRANT** the Notice of Death with Motion for Substitution of Heirs dated March 3, 2022 of counsel for respondent Teodora San Juan, informing the Court about the fact of respondent's death, and praying that deceased respondent be substituted by the named heirs as respondents in the instant case;
5. **NOTE** and **GRANT** the Manifestation Re: Notice of Death with Motion for Substitution of Heirs dated March 9, 2022 of counsel for deceased respondent Teodora San Juan, submitting a certified true copy of her death certificate, informing the Court about the death of one of her named heirs, Julieta San Juan Elevazo, on March 6, 2022, to be succeeded by her own heirs, and including the name of Ronaldo Mendoza San Juan among the heirs who will substitute respondent in the case;
6. **NOTE WITHOUT ACTION** the Intervenor's Manifestation dated March 30, 2022 of SBR Homes Realty & Development Corporation;
7. **NOTE** and **DENY** the Manifestation and Motion Re: Alleged Death of Respondent dated February 8, 2022 of petitioner Lourdes G. Villena, praying for the nullification of the Court's Resolution dated February 3, 2021 on the ground of failure to acquire jurisdiction over the person of the heirs and/or representatives of deceased respondent Teodora San Juan for lack of formal substitution of parties in the case;

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8. **NOTE WITHOUT ACTION** the Opposition to the Motion of Respondent dated April 11, 2022 of SBR Homes Realty & Development Corporation; and
9. **NOTE WITHOUT ACTION** the Manifestation and Last Motion dated June 11, 2022 of SBR Homes Realty & Development Corporation.

No further pleadings or motions will be entertained in this case. Let Entry of Judgment be issued immediately. The Judicial Records Office is directed to report compliance within ten (10) days from notice.

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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APR 04 2023

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No. 12-7-1-SC)

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