



Republic of the Philippines  
Supreme Court  
Baguio City

THIRD DIVISION

VIVIEN M. CADUNOG  
[deceased], substituted by her  
heirs, VIENNE ANDREA KIM  
CADUNOG and BIEN  
ANDREU CADUNOG, as  
represented by ELENA  
CAMAY and JOSE MARI  
CADUNOG,\*

Petitioner,

G.R. No. 254543

Present:

CAGUIOA, Chairperson,  
INTING,  
GAERLAN,  
DIMAAMPAO, and  
SINGH,\*\* JJ.

- versus -

SUNG HA JUNG,

Respondent.

Promulgated:

APR 02 2025

MisDcBatt

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DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court seeking to reverse and set aside the Decision<sup>2</sup> dated August 20, 2019, and the Resolution<sup>3</sup> dated August 28, 2020, of the

\* Rollo, pp. 208–209. See Resolution dated June 19, 2023.

\*\* On leave.

<sup>1</sup> Rollo, pp. 11–30.

<sup>2</sup> *Id.* at 36–49. Penned by Associate Justice Pamela Ann Abella Maxino and concurred in by Associate Justices Marilyn B. Lagura-Yap and Carlito B. Calpatura of the Special Twentieth Division, Court of Appeals, Cebu City.

<sup>3</sup> *Id.* at 51–53. Penned by Associate Justice Pamela Ann Abella Maxino and concurred in by Associate Justices Marilyn B. Lagura-Yap and Dorothy P. Montejo-Gonzaga of the Special Former Special Twentieth Division, Court of Appeals, Cebu City.

Court of Appeals (CA) in CA-G.R. SP No. 06966. In the assailed issuances, the CA dismissed the Petition for Annulment of Judgment on Civil Liability<sup>4</sup> filed by Vivien M. Cadungog (petitioner) against the Decision<sup>5</sup> dated September 16, 2011, of Branch 14, Regional Trial Court, Cebu City (RTC) in Criminal Case No. CBU-90099 for violation of the provisions of Presidential Decree No. 957,<sup>6</sup> or the “Subdivision and Condominium Buyers’ Protective Decree.”

### *The Antecedents*

Petitioner was the owner and the developer of Sophela Tower Condominium (Sophela Tower), a seven-storey condominium building located in Lahug, Cebu City. Petitioner averred that sometime in November 2008, she and Sung Ha Jung (respondent) entered into a Contract to Sell wherein the latter would buy Unit 202 thereof, covered by Condominium Certificate of Title (CCT) No. C-6562, with an area of 75.32 square meters, for the total consideration of PHP 3,500,000.00. Respondent agreed to pay the amount of PHP 175,000.00 to petitioner upon the signing of the Contract to Sell as downpayment; while the balance thereof and the expenses for the transfer taxes shall be paid by respondent upon the delivery of the unit.<sup>7</sup>

Petitioner alleged that pursuant to a Deed of Undertaking, she undertook to finish the condominium project on or before December 4, 2008. Consequently, on said date, she informed respondent of the completion of the unit and asked for the payment of the balance amounting to PHP 3,325,000.00 plus transfer taxes. However, respondent only paid the amount of PHP 3,066,050.00. Insisting that there was still an unpaid balance of PHP 258,950.00, petitioner refused to issue a final receipt and to deliver the unit to respondent.<sup>8</sup>

For his part, respondent narrated that in the early part of January 2009, petitioner told him that she was in urgent need of money, and that if he could give her USD 65,000.00 or its equivalent in Philippine Peso, PHP 3,066,050.00, petitioner promised to immediately deliver to respondent the condominium unit, its deed of absolute sale, and the CCT already under respondent’s name. However, despite giving the amount to

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<sup>4</sup> *Id.* at 54–69.

<sup>5</sup> *Id.* at 70–74. Penned by Presiding Judge Raphael B. Yrastorza, Sr.

<sup>6</sup> Approved on July 12, 1976.

<sup>7</sup> *Rollo*, pp. 76–79.

<sup>8</sup> *Id.* at 71.

petitioner, respondent lamented that petitioner failed to make good her promises. Respondent's counsel sent a written demand but to no avail.<sup>9</sup>

The foregoing antecedents prompted respondent to file an Affidavit-Complaint<sup>10</sup> against petitioner before the Office of the City Prosecutor of Cebu. Subsequently, an Information<sup>11</sup> for violation of Presidential Decree No. 957 was filed in the RTC against petitioner which reads:

That sometime in the month of November, 2008, or for sometime prior and subsequent thereto, in the City of Cebu, Philippines, and within the jurisdiction of this Honorable Court ; the said accused, being a developer and absolute owner of a seven stor[e]y condominium building named The Sophela Tower Condominium (La Vienna Realty), located at corner [F]riendship and Wisdom Streets, Peace Valley, Lahug, Cebu City, with an area of 75.32 square meters, more or less, covered by Condominium Certificate of Title No. C-6562, with deliberate intent, with intent to gain, did then and there sell said unit No. 202 to Sung Ha Jung and upon acceptance of the full purchase price for said condominium unit without any justifiable reason fail to deliver the title of the lot or unit to said Sung Ha Jung, thus in [v]iolation of Presidential Decree No. 957.

CONTRARY TO LAW.<sup>12</sup>

After trial, the RTC rendered a Decision on September 16, 2011, the dispositive portion of which states:

WHEREFORE, in view of the foregoing premises, judgment is rendered finding [petitioner], [VIVIEN] M. CADUNGOG, NOT GUILTY of Sec. 39 in relation to Sec. 25 of P.D. 957 and DISMISSES the Information against her on reasonable doubt; the civil liability of each party to each [sic] is NOT, however, extinguished, thus, the parties MUST comply with either of the following prestations:

- a.) [Petitioner] MUST deliver the condo unit unto [respondent] within thirty (30) days from delivery/payment of the amount of TWO HUNDRED FIFTY EIGHT THOUSAND and NINE HUNDRED FIFTY ([PHP] 258,950.00); or

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<sup>9</sup> *Id.* at 76-77.

<sup>10</sup> *Id.* at 76-79.

<sup>11</sup> *Id.* at 80-81.

<sup>12</sup> *Id.* at 80.

b.) [Petitioner] MUST deliver to/reimburse [respondent] the amount of THREE MILLION TWO HUNDRED FORTY-ONE THOUSAND and FIFTY ([PHP] 3,241,050.00) PESOS with TWELVE PERCENTUM (12%) PER ANNUM interest thereon.

The choice of either [alternative] is granted unto [respondent],  
SUNG HA JUNG.

Costs de officio.<sup>13</sup>

In so ruling, the RTC found that per Contract to Sell entered into by the parties, the consideration for the condominium unit was pegged at PHP 3,500,000.00. It was undisputed that respondent only paid the amount of PHP 3,241,050.00, thereby leaving the balance of PHP 258,950.00 which still remained unpaid to petitioner. Consequently, the latter was under no obligation to deliver the title of the unit to respondent under Section 25<sup>14</sup> of Presidential Decree No. 957.<sup>15</sup>

Respondent then filed a Manifestation [and] Motion<sup>16</sup> before the RTC informing the court that he has chosen the second alternative, i.e., for petitioner to deliver/reimburse to him the amount of PHP 3,241,050.00 already paid with interest of 12% per annum.<sup>17</sup> Pursuant thereto, and on respondent's motion, the RTC issued a Writ of Execution<sup>18</sup> on December 12, 2011, directing petitioner to comply with the RTC Decision dated September 16, 2011. This was followed by the issuance of a Notice of Levy Upon Realty Pursuant to Writ of Execution<sup>19</sup> covering four condominium units in Sophela Tower owned by petitioner.

Subsequently, petitioner filed before the RTC a Motion to Set Aside the Judgment on Civil Liability Against the Accused<sup>20</sup> contending that the exclusive and original jurisdiction of the civil aspect of the case pertained

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<sup>13</sup> *Id.* at 74.

<sup>14</sup> SECTION 25. *Issuance of Title.* – The owner or developer shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit. No fee, except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer in accordance herewith.

<sup>15</sup> *Rollo*, p. 73.

<sup>16</sup> *Id.* at 82–85.

<sup>17</sup> *Id.* at 83.

<sup>18</sup> *Id.* at 86–87.

<sup>19</sup> *Id.* at 88–89.

<sup>20</sup> *Id.* at 90–98.

to the Housing and Land Use Regulatory Board (HLURB) pursuant to Section 1<sup>21</sup> of Presidential Decree No. 1344.<sup>22</sup> The RTC denied the Motion in an Order<sup>23</sup> dated March 22, 2012, on the ground that its judgment on the criminal and civil aspects of the case had long become final and executory.

### *The Petition for Annulment of Judgment*

Aggrieved, petitioner filed a Petition for Annulment of Judgment before the CA praying, among others, that the RTC Decision dated September 16, 2011, be declared as null and void insofar as it found her to be civilly liable on respondent's claim. Petitioner maintained that the judgment on the civil liability was rendered by the RTC without jurisdiction over the subject matter of the case.<sup>24</sup>

### *The Ruling of the CA*

On August 20, 2019, the CA dismissed the Petition for Annulment of Judgment for lack of merit. Thus:

WHEREFORE, the instant petition for annulment of judgment is dismissed.

SO ORDERED.<sup>25</sup>

The CA explained that pursuant to Rule 111, Section 1, paragraph 1<sup>26</sup> of the 2000 Rules on Criminal Procedure, the civil action

<sup>21</sup> SECTION 1. In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority shall have exclusive jurisdiction to hear and decide cases of the following nature:

- (a) Unsound real estate business practices;
- (b) Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- (c) Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, broker or salesman.

<sup>22</sup> Titled, "Empowering The National Housing Authority To Issue Writ Of Execution In The Enforcement Of Its Decision Under Presidential Decree No. 957." Approved and took effect immediately on April 2, 1978.

<sup>23</sup> *Rollo*, p. 99.

<sup>24</sup> *Id.* at 107-121.

<sup>25</sup> *Id.* at 48.

<sup>26</sup> SECTION 1. *Institution of criminal and civil actions.* — (a) When a criminal action is instituted, the civil action for the recovery of civil liability arising from the offense charged shall be deemed instituted with the criminal action unless the offended party waives the civil action, reserves the right to institute it separately or institutes the civil action prior to the criminal action.

for the recovery of civil liability is impliedly instituted with the criminal action unless there was an express waiver of the civil action, there was a reservation to institute a separate one, or the civil action was filed prior to the criminal complaint. Because none of the exceptions are present in the case, the civil action was deemed instituted with the criminal action before the RTC.<sup>27</sup>

Moreover, the CA ruled that where a court has jurisdiction over the subject matter and over the person of the accused, and the crime was committed within its territorial jurisdiction, the court necessarily exercises jurisdiction over all issues that the law requires it to resolve. The fact that the RTC Decision covered civil matters incident to the case did not change the nature of the case from criminal to civil.<sup>28</sup>

Further, the CA found that the Petition for Annulment of Judgment was not the proper remedy to challenge the RTC Decision. For one, a petition for annulment of judgment cannot be resorted to when the RTC judgment being questioned is a criminal case; for another, petitioner failed to prove that the ordinary remedy of an appeal or other remedies are no longer available through no fault on her part.<sup>29</sup>

Petitioner filed a Motion for Reconsideration<sup>30</sup> questioning the CA Decision, but the CA denied it in the assailed Resolution<sup>31</sup> dated August 28, 2020.

Hence, the present Petition.

### *The Petition*

In the present Petition, petitioner avers that the CA erred in ruling that the RTC has jurisdiction to hear and decide the civil aspect of Criminal Case No. CBU-90099. Pursuant to Presidential Decree No. 1344, it is the HLURB that has exclusive jurisdiction over claims for specific performance or claims for refund by subdivision or condominium buyers against the developer.<sup>32</sup> Moreover, petitioner contends that the CA

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<sup>27</sup> *Id.* at 45–46.

<sup>28</sup> *Id.* at 46.

<sup>29</sup> *Id.* at 47.

<sup>30</sup> *Id.* at 127–139.

<sup>31</sup> *Id.* at 51–53.

<sup>32</sup> *Id.* at 19, 22.

erred in ruling that a petition for annulment of judgment is not the proper remedy to challenge the RTC decision. The Petition before the CA purely dealt with the civil aspect of the case; thus, the remedies available in a civil action, including a petition for annulment of judgment, may be availed of insofar as the civil aspect is concerned.<sup>33</sup>

In his Comment<sup>34</sup> to the Petition, respondent counters that the CA correctly ruled that the RTC had jurisdiction over the civil aspect of the criminal case as the latter necessarily included the civil aspect arising out of the same criminal action.<sup>35</sup> Respondent did not waive, reserve, or institute a separate civil action to enforce his claims; hence, the civil action was automatically instituted together with the criminal complaint before the RTC.<sup>36</sup> He adds that petitioner was acquitted on reasonable doubt which did not preclude a judgment on the civil aspect of the case that arose from the same action.<sup>37</sup>

Moreover, respondent maintains that assuming that the HLURB has sole jurisdiction over the civil aspect of the case, the present case falls within the exception of the doctrine of primary jurisdiction and exhaustion of administrative remedies. He points out that petitioner did not file any motion for reconsideration or an appeal from the RTC Decision which had also long attained finality and now due for execution; entertaining the petition for annulment of judgment would only cause unreasonable delay that would prejudice him.<sup>38</sup>

Further, respondent argues that a petition for annulment of judgment is not available in criminal cases including the civil aspect arising therefrom. Likewise, petitioner's failure to avail of the ordinary remedies of reconsideration or appeal due to her own fault and gross negligence prevents her from availing of the said remedy.<sup>39</sup>

In her Reply,<sup>40</sup> petitioner avers that the rule on implied institution of the civil aspect to the criminal action does not apply where the court does not have jurisdiction over the civil aspect of the case.<sup>41</sup> In the present

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<sup>33</sup> *Id.* at 26.

<sup>34</sup> *Id.* at 158-174.

<sup>35</sup> *Id.* at 159.

<sup>36</sup> *Id.* at 160.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 164-165.

<sup>39</sup> *Id.* at 168-170.

<sup>40</sup> *Id.* at 182-204.

<sup>41</sup> *Id.* at 183.

case, the civil liability arose from a contract between the parties which respondent can pursue separately in an independent civil action and over which the HLURB has exclusive jurisdiction.<sup>42</sup>

### *The Issues*

The issues in the case are whether the CA erred in ruling that: (1) the RTC had jurisdiction to hear and decide the civil aspect of Criminal Case No. CBU-90099; and (2) a petition for annulment of judgment is not the proper remedy to challenge the RTC decision.<sup>43</sup>

### *The Ruling of the Court*

The Court finds merit in the Petition.

Article 100<sup>44</sup> of the Revised Penal Code provides that every person criminally liable is also civilly liable. If the accused, however, is not found to be criminally liable, it does not necessarily mean that he or she will not likewise be held civilly liable because extinction of the penal action does not carry with it the extinction of the civil action.<sup>45</sup> The rule more specifically applies when: (a) the acquittal is based on reasonable doubt as only preponderance of evidence is required; (b) the court declares that the liability of the accused is only civil; and (c) the civil liability of the accused does not arise from or is not based upon the crime of which the accused was acquitted.<sup>46</sup>

Here, it is undisputed that the parties entered into a Contract to Sell involving a condominium unit with a consideration amounting to PHP 3,500,000.00, but respondent only paid the amount of PHP 3,241,050.00 to petitioner. Thus, as the full purchase price remained unpaid, petitioner's obligation to deliver the CCT to respondent did not arise, thereby negating petitioner's purported violation of Presidential Decree No. 957. Nonetheless, the RTC still ruled on the parties' respective civil liabilities by giving respondent the choice to either

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<sup>42</sup> *Id.* at 188.

<sup>43</sup> *Id.* at 19.

<sup>44</sup> ARTICLE 100. *Civil liability of a person guilty of felony.* – Every person criminally liable for a felony is also civilly liable.

<sup>45</sup> *Nissan Gallery-Ortigas v. Felipe*, 720 Phil. 828, 837 (2013).

<sup>46</sup> *Id.*, citing *Alferez v. People, et al.*, 656 Phil. 116, 126 (2011). See also *Hun Hyung Park v. Eung Won Choi*, 544 Phil. 431, 444 (2007); *Sanchez v. Far East Bank & Trust Co.*, 511 Phil. 450, 558 (2005).



(1) pay his balance to petitioner amounting to PHP 258,950.00, in which case, the latter shall deliver the condominium unit to him within 30 days from said payment; or (2) demand reimbursement from petitioner of the amount already paid, i.e., PHP 3,241,050.00, with interest at 12% per annum.<sup>47</sup>

Clearly, the ruling of the RTC pertains to civil liability *ex contractu* or that which arose from the Contract to Sell entered into between the parties. This is highlighted by the fact that the RTC even gave respondent two options to choose from, the first of which included an obligation on his part to deliver the balance of the purchase price to petitioner and the latter would then deliver the condominium unit to respondent within 30 days. Moreover, as the RTC stated in its Decision dated September 16, 2011, the ruling was made “[o]n the basis of fairness and equity, since both parties have committed a breach of their agreement, they ([respondent and petitioner]) must either [sic] do either of two alternatives.”<sup>48</sup> Thus, from the wordings of the RTC Decision itself, the civil liability was imposed in view of the parties’ breach of their agreement; hence it is in the nature of civil liability *ex contractu*. The Court has ruled that “when an accused is acquitted due to the prosecution’s failure to establish his or her guilt beyond reasonable doubt, the civil liability *ex delicto* may be recovered in the same criminal case, except if the source of the obligation stems from a contract.”<sup>49</sup>

*The RTC has no jurisdiction to rule on the parties’ civil liability arising from the Contract to Sell entered into by them*

Section 3 of Presidential Decree No. 957,<sup>50</sup> or the “Subdivision and Condominium Buyers’ Protective Decree,” vested upon the National Housing Authority (NHA) exclusive jurisdiction to regulate the real estate trade and business. Presidential Decree No. 1344<sup>51</sup> was thereafter enacted which expanded NHA’s jurisdiction to hear and decide cases as follows:

<sup>47</sup> *Rollo*, p. 74.

<sup>48</sup> *Id.* (Emphasis supplied)

<sup>49</sup> *Cheng v. People*, 921 Phil. 565, 582 (2022). (Emphasis supplied)

<sup>50</sup> Enacted on July 12, 1976.

<sup>51</sup> Titled, “Empowering The National Housing Authority To Issue Writ Of Execution In The Enforcement Of Its Decision Under Presidential Decree No. 957.” Approved and took effect immediately on April 2, 1978.

SECTION 1. In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority shall have exclusive jurisdiction to hear and decide cases of the following nature:

- (a) Unsound real estate business practices;
- (b) Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- (c) Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, broker or salesman.

Then, on February 7, 1981, Executive Order No. 648<sup>52</sup> transferred the regulatory and quasi-judicial functions of the NHA to the Human Settlements Regulatory Commission which, in 1986, was renamed as the HLURB.<sup>53</sup> Finally, on February 14, 2019, the HLURB was reconstituted as the Human Settlements Adjudication Commission (HSAC) pursuant to Republic Act No. 11201.<sup>54</sup>

At the time of the filing of the criminal case before the RTC, it was the HLURB that had jurisdiction over cases filed by the buyer or owner of a subdivision or condominium unit based on any of the causes of action above-enumerated under Section 1 of Presidential Decree No. 1344.

There is no quarrel that the RTC had jurisdiction over the criminal action filed by respondent against petitioner for violation of Presidential Decree No. 957 because the HLURB was not specifically conferred with power to hear and decide cases which are criminal in nature.<sup>55</sup> The issue now is on the civil liability that was adjudged on the criminal case which, as earlier explained, was *ex contractu*, or one which arose from the parties' contractual obligation. Verily, the RTC rendered the judgment on the civil liability of the parties *without* jurisdiction over the subject matter of the case; it pertained to the parties' breach of contractual obligations which is under the exclusive jurisdiction of the HLURB. Following the rule that a

<sup>52</sup> Titled, "Reorganizing the Human Settlements Regulatory Commission." Approved and took effect immediately on February 7, 1981.

<sup>53</sup> *Palisoc v. Housing and Land Use Regulatory Board*, G.R. No. 208704, March 15, 2023 [Notice].

<sup>54</sup> Titled, "Department of Human Settlement and Urban Development Act." Approved on February 14, 2019.

<sup>55</sup> *Dazon v. Yap*, 624 Phil. 76, 86 (2010).

court without jurisdiction cannot render a valid judgment,<sup>56</sup> the ruling of the RTC on the parties' civil liability is therefore null and void for lack of jurisdiction.

*On petitioner's resort to a  
petition for annulment of  
judgment*

In the assailed Decision, the CA ruled that petitioner cannot resort to a petition for annulment of judgment because the judgment being questioned was rendered in a criminal case. Moreover, petitioner failed to prove that the ordinary remedy of an appeal or other appropriate remedies were no longer available through no fault on her part.<sup>57</sup>

The Court finds otherwise, considering the peculiar circumstances of the case.

Rule 47 of the Rules of Court provides for the remedy of annulment of judgment by the CA of the judgments, final orders, and resolutions of the RTCs in civil actions for which the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner.<sup>58</sup> It is a recourse equitable in character, allowed only in exceptional cases as where there is no available or other adequate remedy. In addition, it may only be invoked on two grounds, namely, extrinsic fraud and lack of jurisdiction.<sup>59</sup>

The present case, although it stemmed from a criminal action, was filed solely for the purpose of seeking the annulment of the civil liabilities of the parties that were incorporated in the judgment on the criminal case. Thus, to the mind of the Court, petitioner is not precluded from availing herself of this remedy as the aspect being assailed by petitioner is purely civil in nature and one which was not deemed instituted in the criminal action pursuant to Article 100 of the Revised Penal Code. This is especially considering the allegation of lack of jurisdiction on the part of

<sup>56</sup> *Narra Nickel Mining and Development Corp. v. Redmont Consolidated Mines Corp.*, 775 Phil. 238, 247 (2015), citing *Zamora v. Court of Appeals*, 262 Phil. 298, 309 (1990).

<sup>57</sup> *Rollo*, p. 47.

<sup>58</sup> SECTION 1. *Coverage*. – This Rule shall govern the annulment by the Court of Appeals of judgments or final orders and resolutions in civil actions of Regional Trial Courts for which the ordinary remedies of new trial, appeal, petition for relief or other appropriate remedies are no longer available through no fault of the petitioner

<sup>59</sup> *Calubad v. Aceron*, 881 Phil. 9, 20 (2020), citing *Hrs. of So v. Oblisca*, 566 Phil. 397, 406 (2008); *Orbeta v. Sendiong*, 501 Phil. 478, 489 (2005).

the RTC in rendering the civil aspect of the judgment which is one of the two grounds therefor.

Corollarily, that petitioner should have instead filed an appeal from the civil aspect of the RTC Decision is of no moment. In *Ancheta v. Ancheta*,<sup>60</sup> the Court ruled that where a petition for annulment of judgment is grounded on lack of jurisdiction, the petition *need not allege* that the remedies of new trial or reconsideration or appeal therefrom are no longer available through no fault of the petitioner. Thus:

In a case where a petition for the annulment of a judgment or final order of the RTC filed under Rule 47 of the Rules of Court is grounded on lack of jurisdiction over the person of the defendant/respondent or over the nature or subject of the action, the petitioner need not allege in the petition that the ordinary remedy of new trial or reconsideration of the final order or judgment or appeal therefrom are no longer available through no fault of her own. This is so because a judgment rendered or final order issued by the RTC without jurisdiction is null and void and may be assailed any time either collaterally or in a direct action or by resisting such judgment or final order in any action or proceeding whenever it is invoked, unless barred by laches.<sup>61</sup> (Citations omitted)

Consequently, having established that the RTC was without jurisdiction over the civil aspect set forth in its Decision dated September 6, 2011, it follows that the same is null and void. Indeed, a judgment or final order issued by the trial court without jurisdiction over the subject matter or nature of the action is always void;<sup>62</sup> it could logically never become final and executory.<sup>63</sup> At this point, the fact that the RTC Decision is already at its execution stage is rendered immaterial. After all, the remedy of annulment of judgment is available *precisely* to assail judgments issued without jurisdiction, among others, subject only to the limitation under Rule 47, Section 3 of the Revised Rules of Court that the action is not yet barred by laches or estoppel.<sup>64</sup> This emanates from the principle that jurisdiction over the subject matter must exist as a matter of law and cannot be fixed by agreement of the parties, acquired through, waived, enlarged or diminished by any act or omission of the parties;

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<sup>60</sup> 468 Phil. 900 (2004).

<sup>61</sup> *Id.* at 911.

<sup>62</sup> *Pinausukan Seafood House, Roxas Boulevard, Inc. v. Far East Bank & Trust Co.*, 725 Phil. 19, 35 (2014).

<sup>63</sup> *Duero v. Court of Appeals*, 424 Phil. 12, 24 (2002).

<sup>64</sup> SECTION 3. *Period for filing action.* – If based on extrinsic fraud, the action must be filed within four (4) years from its discovery; and if based on lack of jurisdiction, before it is barred by laches or estoppel.

neither can it be conferred by acquiescence of the tribunal.<sup>65</sup> Thus, as ruled by the Court in *Nazareno v. Court of Appeals*:<sup>66</sup>

A void judgment never acquires finality. Hence, while admittedly, the petitioner in the case at bar failed to appeal timely the aforementioned decision of the Municipal Trial Court of Naic, Cavite, it cannot be deemed to have become final and executory. In contemplation of law, that void decision is deemed non-existent. Thus, there was no effective or operative judgment to appeal from[.]

....

Thus, a void judgment is no judgment at all. It cannot be the source of any right nor of any obligation. All acts performed pursuant to it and all claims emanating from it have no legal effect. Hence, it can never become final and any writ of execution based on it is void: "...it may be said to be a lawless thing which can be treated as an outlaw and slain at sight, or ignored wherever and whenever it exhibits its head."<sup>67</sup> (Citations omitted, emphasis in the original)

All told, the CA committed a reversible error in dismissing the petition for annulment of judgment filed before it. As discussed above, the circumstances of the case warrant the resort to an extraordinary action to annul a final judgment.

**ACCORDINGLY**, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated August 20, 2019, and the Resolution dated August 28, 2020, of the Court of Appeals in CA-G.R. SP No. 06966 are **REVERSED and SET ASIDE**. The Decision dated September 16, 2011, of Branch 14, Regional Trial Court, Cebu City in Criminal Case No. CBU-90099, insofar as it ruled on the civil liabilities of the parties, is hereby declared as **NULL and VOID** for lack of jurisdiction.

**SO ORDERED.**

  
**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

<sup>65</sup> *Bio v. Intermediate Appellate Court*, 246 Phil. 556, 571 (1988).


<sup>66</sup> 428 Phil. 32 (2002).

<sup>67</sup> *Id.* at 41-42.

WE CONCUR:



**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*



**SAMUEL H. GAERLAN**  
*Associate Justice*

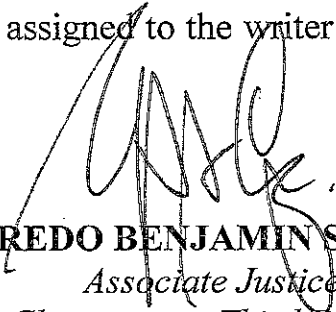


**JAPAR B. DIMAAMPAO**  
*Associate Justice*


On leave  
**MARIA FILOMENA D. SINGH**  
*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.



**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*  
*Chairperson, Third Division*



**CERTIFICATION**

Pursuant to Article VIII, Section 13 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*



