

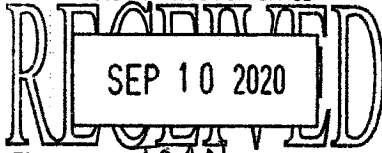
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RUMAR D. PASION
Deputy Division Clerk of Court
Third Division

SEP 08 2020

SUPREME COURT OF THE PHILIPPINES
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Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

**SAPHIA MUTILAN, SAUDA G.R. No. 216109
MUTILAN, and MOHAMMAD M.
MUTILAN,**
Petitioners,

Present:

LEONEN, J., Chairperson,
GISMUNDO,
CARANDANG,
ZALAMEDA, and
GAERLAN, JJ.

-versus-

**CADIDIA MUTILAN, known
recently as CADIDIA IMAM
SAMPORNA, and THE
REGISTER OF DEEDS OF
MARAWI CITY,**
Respondents.

**Promulgated:
February 5, 2020**

X-----X

DECISION

LEONEN, J.:

The probate court can decide the question of title or ownership over properties when the interested parties are all heirs and the rights of third parties are not impaired. When, however, a separate civil action is still filed to decide the question of ownership, it is mandatory that it be instituted by the real parties in interest, and the indispensable parties be impleaded. These are jurisdictional requirements, which, when failed to be satisfied, prove fatal to the civil action.

This Court resolves the Petition for Review on Certiorari¹ assailing the Decision² and Resolution³ of the Court of Appeals, which affirmed the

¹ Rollo, pp. 10-35.

² Id. at 124-134. The March 17, 2014 Decision in CA-G.R. CV No. 02333-MIN was penned by Associate Justice Edward B. Contreras and concurred in by Associate Justices Edgardo T. Lloren and

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Resolution⁴ of the Regional Trial Court of Marawi City.

Sometime in 1979, Cadidia Imam Samporna (Cadidia) married Mahid Mira-ato Mutilan (Mahid) under Muslim Law. Prior to this, Mahid had a previous marriage to an Egyptian national, with whom he begot a son, Mohammad M. Mutilan (Mohammad).⁵

In 1993, Cadidia allowed Mahid to marry Saphia Mutilan (Saphia) under Muslim law.⁶

On December 12, 1999, Cadidia bought two (2) parcels of land and correspondingly executed two (2) Deeds of Absolute Sale with Rodolfo “Boy” Yu Diator (Diator), on behalf of his mother Alice Yu Diator. The first Deed of Absolute Sale involved a 1,111-square meter lot in Banggolo, Poblacion, Marawi City, covered by Transfer Certificate of Title No. T-406, worth ₱26,500,000.00. The second Deed of Absolute Sale involved a 739-square meter lot in Batoali, Poblacion, Marawi City, covered by Transfer Certificate of Title No. T-782, worth ₱6,800,000.00. The Deeds of Absolute Sale were thereafter notarized.⁷

On December 26, 1999, Cadidia executed two (2) Affidavits and had them notarized. In the Affidavits, she stated that the consideration for the two (2) parcels of land exclusively came from her separate funds.⁸

In 2003, Mahid, with Cadidia’s consent, contracted another marriage with Sauda Mutilan (Sauda) under Muslim law.⁹

On December 6, 2007, while on his way to Cagayan de Oro City airport, Mahid got into a vehicular crash and died.¹⁰

On April 8, 2008, Saphia filed a Petition for Judicial Settlement of the Estate of Mahid M. Mutilan before the *Shari’a* District Court, Fourth *Shari’a* Judicial Court of Marawi City.¹¹

Marie Christine Azcarraga-Jacob of the Twenty-Third Division of the Court of Appeals, Cagayan de Oro City.

³ Id. at 160–161. The December 2, 2014 Resolution was penned by Associate Justice Edward B. Contreras and concurred in by Associate Justices Edgardo T. Lloren and Rafael Antonio M. Santos of the Twenty-Third Division of the Court of Appeals, Cagayan de Oro City.

⁴ Id. at 36–40. The October 27, 2017 Resolution was penned by Presiding Judge Antonio M. Guiling of the Regional Trial Court of Lanao Del Sur, Branch 9.

⁵ *Rollo*, p. 125. In some parts of the *rollo*, Mohammad is named Mohammad-Ali.

⁶ Id.

⁷ Id.

⁸ Id.

⁹ Id.

¹⁰ Id. at 125–126.

¹¹ Id. at 126.

On the same date, the Office of the Register of Deeds of Marawi City issued Transfer Certificate of Title No. T-4627 in Cadidia's name for the 1,111-square meter lot. Later, on April 28, 2008, Transfer Certificate of Title No. T-4631 was also issued to Cadidia for the 739-square meter lot.¹²

On June 23, 2008, the *Shari'a* District Court issued an Order and Letters of Administration appointing Cadidia as administratrix of Mahid's entire estate.¹³ Subsequently, on October 15, 2008, it issued an Omnibus Order approving the inventory of Mahid's estate, which excluded the two (2) parcels of land in Cadidia's name.¹⁴

On January 30, 2009, the *Shari'a* District Court granted the Motion to Quash the Writ of Possession dated May 30, 2008, thus quashing the April 30, 2008 Writ of Possession it had issued over the two (2) parcels of land. Thus, the titles issued in Cadidia's name for these lots were excluded from the inventory of Mahid's estate.¹⁵

On March 19, 2009, Saphia, Sauda, and Mohammad filed a Complaint before the Regional Trial Court of Marawi City, seeking the annulment of the Deeds of Absolute Sale and Certificates of Title issued in Cadidia's name for allegedly being spurious and illegally issued. They alleged that it was Mahid, during his lifetime, who bought the two (2) parcels of land.¹⁶

In her Answer filed on April 14, 2009, Cadidia raised special affirmative defenses and prayed that the Complaint be dismissed for lack of merit.¹⁷

On January 25, 2010, a certain Asliah Mutilan filed a Motion to Intervene and to Admit Attached Complaint-in-Intervention.¹⁸

In a June 23, 2010 Resolution,¹⁹ the Regional Trial Court ruled in favor of Cadidia and dismissed the Complaint for lack of merit. The dispositive portion of the Decision read:

WHEREFORE, after evaluation of all the pleadings, the exhibits, evidences presented to the court, including the arguments of the counsel, the court finds the complaint of plaintiff Saphia Mutilan, Sauda Mutilan, Mohammad-Ali Mutilan, intervenor, Baby Asliah Mutilan without merit and ordered the case **DISMISSED** with cost to be paid by the defendants.

¹² Id.

¹³ Id.

¹⁴ Id.

¹⁵ Id.

¹⁶ Id. at 36 and 38.

¹⁷ Id. at 127.

¹⁸ Id.

¹⁹ Id. at 36-40.

SO ORDERED.²⁰ (Emphasis in the original)

The Regional Trial Court found that Saphia, Sauda, Mohammad, and Asliah were not parties in interest in the two (2) Deeds of Absolute Sale executed by Cadidia and Diator. Since they were heirs only of Mahid, and not of either Cadidia or Diator, the trial court deemed their relationship to the parties as purely speculative and collateral.²¹

The trial court also held that Saphia, Sauda, Mohammad, and Asliah's failure to implead Diator, the seller, as an indispensable party rendered their Complaint dismissible. It further found that they committed forum shopping for their failure to pursue their claim in the *Shari'a* District Court, where Mahid's estate was being settled.²²

Saphia, Sauda, and Mohammad jointly moved for reconsideration, while Asliah separately filed her own. Both Motions, however, were denied by the Regional Trial Court.²³

Thus, Saphia, Sauda, and Mohammad appealed to the Court of Appeals.²⁴

In a March 17, 2014 Decision,²⁵ the Court of Appeals held that the probate court or the *Shari'a* District Court, and not the Regional Trial Court, had jurisdiction over the subject matter, as the only interested parties were all the decedent's heirs who had already appeared in the estate settlement proceedings, and the third parties' rights were not impaired. Moreover, it found that invoking the jurisdiction of the Regional Trial Court after the unfavorable judgment of the probate court was an act of forum shopping.²⁶

The Court of Appeals also ruled that Saphia, Sauda, and Mohammad, not being parties to the Deeds of Absolute Sale, were not real parties in interest in the action seeking their annulment. As such, the Court of Appeals found that they failed to show prejudice on their rights, and their claimed interests were mere "expectancy or a contingent interest."²⁷

Finally, the Court of Appeals held that the failure to implead indispensable parties, such as the lots' seller and the decedent's estate,

²⁰ Id. at 40.

²¹ Id. at 39.

²² Id. at 39-40.

²³ Id. at 127.

²⁴ Id. at 124.

²⁵ Id. at 124-134.

²⁶ Id. at 130.

²⁷ Id. at 131.

proved fatal to the Complaint.²⁸ Accordingly, the dispositive portion of the Court of Appeals' Decision read:

WHEREFORE, premises considered, the appeal is hereby **DENIED**. The assailed Resolution rendered by the Regional Trial Court dated June 23, 2010 is **AFFIRMED**.

SO ORDERED.²⁹ (Emphasis in the original)

Saphia, Sauda, and Mohammad moved for reconsideration,³⁰ but the Court of Appeals denied the Motion in the assailed December 2, 2014 Resolution.³¹ Thus, on February 6, 2015, they filed this Petition for Review on Certiorari.³²

Petitioners assert that the probate court's findings on the excluded properties is only provisional as to the issue of title and ownership. They also contend that because their rights as Mahid's heirs will be prejudiced, they have a right to institute the action to annul the Deeds of Absolute Sale. They further insist that the non-joinder of indispensable parties is not a ground for the dismissal of their action.³³

In her Comment,³⁴ respondent alleges that the probate court is competent to decide the question of ownership because the interested parties are all heirs. She contends that Mahid, from whom petitioners derived their rights, was not a party to the Deeds of Absolute Sale, and even if the Deeds would be annulled, the real party in interest would be Mahid's estate. Thus, respondent argues that the Petition should be dismissed because petitioners are not real parties in interest. She also claims that the court cannot grant the relief prayed for, there was insufficient payment of docket fees, and the Complaint did not allege the assessed value of the real properties.³⁵

The issues for this Court's resolution are as follows:

First, whether or not the *Shari'a* District Court's findings, which excluded the properties in respondent Cadidia Imam Samporna's name from the deceased's estate, are binding upon the deceased's other heirs such that they can no longer file a separate civil action to determine the ownership of the properties;

²⁸ Id. at 133.

²⁹ Id.

³⁰ Id. at 136-147.

³¹ Id. at 160-161.

³² Id. at 10-35.

³³ Id. at 22-27.

³⁴ Id. at 169-187. Respondent filed the Comment on July 15, 2015 upon being required by this Court on April 13, 2015.

³⁵ Id. at 171-185.

Second, whether or not petitioners Saphia, Sauda, and Mohammad Mutilan, who are heirs only of the deceased husband—not being party to the Deeds of Absolute Sale entered into by respondent wife—are real parties in interest in a Complaint seeking to annul the Deeds; and

Finally, whether or not petitioners' failure to implead the indispensable parties renders this case dismissible.

The Petition has no merit.

I

The Code of Muslim Personal Laws provides that “[t]he *Shari’a* District Court shall have exclusive original jurisdiction over . . . all cases involving disposition, distribution and settlement of the estate of deceased Muslims, probate of wills, issuance of letters of administration or appointment of administrators or executors regardless of the nature or the aggregate value of the property[.]”³⁶ Its decisions shall be final, except when it shall affect the original and appellate jurisdiction of the Supreme Court as provided in the Constitution.³⁷

As a general rule, the question as to titles of properties should not be passed upon in testate or intestate proceedings, but should be ventilated in a separate action.

However, for purposes of expediency and convenience, this general rule is subject to exceptions, such that: (1) “the probate court may provisionally pass upon in an intestate or testate proceeding the question of inclusion in, or exclusion from, the inventory of a piece of property without prejudice to its final determination in a separate action”; and (2) the probate court is competent to decide the question of ownership “if the interested parties are all heirs, or the question is one of collation or advancement, or the parties consent” to the probate court’s assumption of jurisdiction and “the rights of third parties are not impaired.”³⁸

In *Bernardo v. Court of Appeals*,³⁹ this Court held that the question of ownership of certain properties, whether they belong to the conjugal partnership or to the husband exclusively, is within the jurisdiction of the

³⁶ CODE OF MUSLIM PERSONAL LAWS, art. 143(b).

³⁷ CODE OF MUSLIM PERSONAL LAWS, art. 145.

³⁸ *Romero v. Court of Appeals*, 686 Phil. 203, 213 (2012) [Per J. Sereno, Second Division] citing *Coca v. Pizarra*, 171 Phil. 246 (1978) [Per J. Aquino, Second Division]; *Agtarap v. Agtarap*, 666 Phil. 452, 468–469 (2011) [Per J. Nachura, Second Division]; *Natcher v. Court of Appeals*, 418 Phil. 669, 679 (2001) [Per J. Buena, Second Division]; *Coca v. Pizarra*, 171 Phil. 246, 252 (1978) [Per J. Aquino, Second Division]; *Bernardo v. Court of Appeals*, 117 Phil. 385, 389 (1963) [Per J. Barrera, En Banc]; and *Pascual v. Pascual*, 73 Phil. 561, 562 (1942) [Per J. Moran, En Banc].

³⁹ 117 Phil. 385 (1963) [Per J. Barrera, En Banc].

probate court, which necessarily has to liquidate the conjugal partnership in order to determine the estate of the decedent:

[T]he jurisdiction to try controversies between heirs of a deceased person regarding the ownership of properties alleged to belong to his estate has been recognized to be vested in probate courts. This is so because the purpose of an administration proceeding is the liquidation of the estate and distribution of the residue among the heirs and legatees. Liquidation means determination of all the assets of the estate and payment of all the debts and expenses. Thereafter, distribution is made of the decedent's liquidated estate among the persons entitled to succeed him. The proceeding is in the nature of an action of partition in which each party is required to bring into the mass whatever community property he has in his possession. To this end and as a necessary corollary, the interested parties may introduce proofs relative to the ownership of the properties in dispute. All the heirs who take part in the distribution of the decedent's estate are before the court, and subject to the jurisdiction thereof, in all matters and incidents necessary to the complete settlement of such estate, so long as no interests of third parties are affected.⁴⁰ (Citations omitted)

In *Pascual v. Pascual*,⁴¹ this Court held that since the parties interested are all heirs of the deceased claiming title under him, the question as to whether the transfer made by the deceased to his heir is fictitious, may properly be raised in testate or intestate proceedings when or before the estate is distributed.

In *Coca v. Pizzaras*,⁴² this Court applied the exception for two (2) reasons: (1) the probate court had already received evidence on the ownership of the property in the motion for exclusion from inventory; and (2) the only interested parties are heirs who all appeared in the intestate proceeding.

In *Natcher v. Court of Appeals*,⁴³ a probate court was held to be the best forum to adjudge the issue of advancement made by the decedent to his wife, as well as other matters involving the estate settlement.

In *Agtarap v. Agtarap*,⁴⁴ this Court likewise applied the exception after finding that the parties are all heirs of the deceased, the resolution on the issue of ownership would not impair third parties' rights, and the determination of whether the subject properties are conjugal is incidental for the probate court to settle the estate.

Here, the *Shari'a* District Court, acting as a probate court, issued an Omnibus Order on October 15, 2008 approving the inventory of Mahid's

⁴⁰ Id. at 390-391.

⁴¹ 73 Phil. 561 (1942) [Per J. Moran, En Banc].

⁴² 171 Phil. 246 (1978) [Per J. Aquino, Second Division].

⁴³ 418 Phil. 669 (2001) [Per J. Buena, Second Division].

⁴⁴ 666 Phil. 452 (2011) [Per J. Nachura, Second Division].

estate, which excluded the two (2) parcels of land in respondent's name.⁴⁵ In another Order dated January 30, 2009, it ruled upon the Writ of Possession on the same parcels of land:

Perusal of the Addendum with Annexes "A" to "F" shows that both the two (2) properties are titled in the name of Mrs. Cadidia Imam Samporna. The writ of possession in so far as the Banggolo and Batoali Properties are concerned should, therefore, be quashed.⁴⁶

Thus, the *Shari'a* District Court acted pursuant to the Code of Muslim Personal Laws, which provides:

ARTICLE 38. *Regime of property relations.* — The property relations between the spouses, in the absence of any stipulation to the contrary in the marriage settlements or any other contract, shall be governed by the regime of complete separation of property in accordance with this Code and, in a suppletory manner, by the general principles of Islamic law and the Civil Code of the Philippines.

Considering that the interested parties here are all heirs of the decedent and there are no third parties whose rights will be impaired, this case falls under the exception to the general rule. The *Shari'a* District Court properly exercised its jurisdiction when it passed upon the question of title and excluded the parcels of land in respondent's name from the inventory of Mahid's estate. Per the Code of Muslim Personal Laws, its decision shall be final, and more so, since petitioners did not raise issues affecting the original and appellate jurisdiction of the Supreme Court under the Constitution.

True, as petitioners contend, a probate court's determination of ownership over properties forming part of the estate is only provisional. But as explained in *Romero v. Court of Appeals*,⁴⁷ "this rule is applicable only as between the representatives of the estate and strangers thereto."⁴⁸

Since petitioners and respondent are all heirs and parties in the settlement proceeding of Mahid's estate, petitioners should have contested the exclusion of the properties before the *Shari'a* District Court, then acting as a probate court. However, they did not lift a finger to ask the probate court to include the properties in the inventory.⁴⁹ By failing to do so, petitioners are deemed to have acquiesced to the exclusion of the properties from the inventory, along with respondent's ownership over them.

⁴⁵ *Rollo*, p. 126.

⁴⁶ *Id.* at 130.

⁴⁷ 686 Phil. 203 (2012) [Per J. Sereno, Second Division].

⁴⁸ *Id.* at 214.

⁴⁹ *Rollo*, p. 57.

In *Pacioles, Jr., v. Chuatoco-Ching*,⁵⁰ where the respondent and her representative could have opposed the petitioner's inventory and sought the exclusion of the properties she considered hers, but instead adopted the inventory, this Court held that she and her representative acquiesced with petitioner's inventory.

In *Heirs of Reyes v. Reyes*,⁵¹ this Court affirmed the probate court's provisional inclusion of properties to the deceased's estate, without prejudice to the outcome of a separate action to determine ownership, because the properties were still titled under the Torrens system in the names of the deceased and his spouse. Unlike in *Heirs of Reyes*, the parcels of land in this case were already titled in respondent's name alone. Thus, to determine the issue of ownership in a separate proceeding would be unnecessary.

It is settled that the "certificate of title is the best evidence of ownership of a property."⁵² Thus, the titles issued to respondent, being Torrens titles, are conclusive upon the parties:

In regard to such incident of inclusion or exclusion, We hold that if a property covered by Torrens Title is involved, the presumptive conclusiveness of such title should be given due weight, and in the absence of strong compelling evidence to the contrary, the holder thereof should be considered as the owner of the property in controversy until his [of her] title is nullified or modified in an appropriate ordinary action, particularly, when as in the case at bar, possession of the property itself is in the persons named in the title.⁵³

Moreover, respondent's titles were derived from the notarized Deeds of Absolute Sale between her and the seller, which are presumed valid, regular, and authentic. Notarized deeds of absolute sale such as these enjoy a presumption of regularity and authenticity absent "strong, complete, and conclusive proof of its falsity."⁵⁴ Since they assail the genuineness of the Deeds, petitioners must prove their allegation of falsity with clear, strong, and conclusive evidence.

Here, however, both the Regional Trial Court and the Court of Appeals did not give merit to petitioners' allegation of falsity of the Deeds of Absolute Sale. As the trial court found, the documentary evidence submitted by petitioners—an Acknowledgment Receipt issued by the seller to Mahid indicating ₱2 million as partial payment for the properties, the loan obtained

⁵⁰ 503 Phil. 707 (2005) [Per J. Sandoval-Gutierrez, Third Division].

⁵¹ 399 Phil. 282 (2000) [Per J. Gonzaga-Reyes, Third Division].

⁵² *Malabanan v. Malabanan, Jr.*, G.R. No. 187225, March 6, 2019, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65059>> [Per J. Leonen, Third Division].

⁵³ *Ignacio v. Reyes*, 813 Phil. 717, 732 (2017) [Per J. Peralta, Third Division] citing *Bolisay v. Judge Alcid*, 174 Phil. 463, 470 (1978) [Per J. Barredo, Second Division].

⁵⁴ *Rodriguez v. Your Own Home Development Corp.*, G.R. No. 199451, August 15, 2018, <<http://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/64599>> [Per J. Leonen, Third Division] and *Almeda v. Heirs of Almeda*, 818 Phil. 239, 256 (2017) [Per J. Tijam, First Division].

by Mahid from one Engr. Cosain Dalidig, and various official receipts of a store in Wao—are purely immaterial and do not show any link to the two (2) Deeds of Absolute Sale between respondent and the seller.⁵⁵

Besides, whether a deed of absolute sale is genuine is a question of fact⁵⁶ not proper in a petition for review on certiorari, as only questions of law may be raised in a petition under Rule 45 of the Rules of Court.⁵⁷ Moreover, the trial court's factual findings, especially when affirmed by the Court of Appeals, are generally conclusive upon this Court.⁵⁸

II

An action for the annulment of contracts may be instituted by all who are obliged to it principally or subsidiarily.⁵⁹ By the principle of relativity or privity of contracts, contracts take effect only between the parties, their assigns, and heirs.⁶⁰

While the principle acknowledges that contractual obligations are transmissible to a party's assigns and heirs, petitioners here do not claim to be heirs of any party to the Deeds of Absolute Sale. They claim their interest as heirs of Mahid, the husband of respondent. But as established, it is actually respondent who was party to the sale, not Mahid. Therefore, petitioners, not being privy to the Deeds of Absolute Sale, are not the real parties in interest to question their validity.

Generally, every action must be prosecuted or defended in the name of the real party in interest,⁶¹ the one “who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit.”⁶² To be a real party in interest, one “should appear to be the present real owner of the right sought to be enforced, that is, his [or her] interest must be a present substantial interest, not a mere expectancy, or a future, contingent, subordinate, or consequential interest.”⁶³ In *Stronghold Insurance Company, Inc. v. Cuenca*,⁶⁴ this Court explained the rationale for such requirement:

The purposes of the requirement for the real party in interest prosecuting or defending an action at law are: (a) to prevent the prosecution of actions by persons without any right, title or interest in the case; (b) to require that the actual party entitled to legal relief be the one to

⁵⁵ Rollo, p. 40.

⁵⁶ *Almeda v. Heirs of Almeda*, 818 Phil. 239, 255 (2017) [Per J. Tijam, First Division] citing *Sps. Bernales v. Heirs of Julian Sambaan*, 624 Phil. 88, 97 (2010) [Per J. Del Castillo, Second Division].

⁵⁷ RULES OF COURT, Rule 45, sec. 1.

⁵⁸ *Pascual v. Burgos*, 776 Phil. 167, 182 (2016) [Per J. Leonen, Second Division].

⁵⁹ CIVIL CODE, art. 1397.

⁶⁰ CIVIL CODE, art. 1311.

⁶¹ RULES OF COURT, Rule 3, sec. 2.

⁶² RULES OF COURT, Rule 3, sec. 2.

⁶³ *Stronghold Insurance Co., Inc. v. Cuenca*, 705 Phil. 441, 454 (2013) [Per J. Bersamin, First Division].

⁶⁴ 705 Phil. 441 (2013) [Per J. Bersamin, First Division].

prosecute the action; (c) to avoid a multiplicity of suits; and (d) to discourage litigation and keep it within certain bounds, pursuant to sound public policy. Indeed, considering that all civil actions must be based on a cause of action, defined as the act or omission by which a party violates the right of another, the former as the defendant must be allowed to insist upon being opposed by the real party in interest so that he is protected from further suits regarding the same claim. Under this rationale, the requirement benefits the defendant because “the defendant can insist upon a plaintiff who will afford him a setup providing good *res judicata* protection if the struggle is carried through on the merits to the end.”

The rule on real party in interest ensures, therefore, that the party with the legal right to sue brings the action, and this interest ends when a judgment involving the nominal plaintiff will protect the defendant from a subsequent identical action. Such a rule is intended to bring before the court the party rightfully interested in the litigation so that only real controversies will be presented and the judgment, when entered, will be binding and conclusive and the defendant will be saved from further harassment and vexation at the hands of other claimants to the same demand.⁶⁵ (Citations omitted)

Petitioners here are not vested with direct and substantial interest in the subject parcels of land. They are not the present real owners of the right sought to be enforced. They claim their interests only as heirs of Mahid, who was not proven to have any right or interest in the parcels of land titled in respondent’s name. The Regional Trial Court even found:

[T]he Deed of Absolute Sale was contracted as early as 1997 and possession was exercised by [respondent] without anybody assailing her ownership and exercise of possession including her husband Dr. Mahid who was still alive at [that] time. What was not assailed by [Mahid] during his lifetime cannot be assailed by his heirs upon his death.⁶⁶

Not being real parties in interest, petitioners cannot invoke the jurisdiction of the court. Persons having no material interest to protect cannot invoke its jurisdiction as the plaintiff in an action.⁶⁷ “Nor does a court acquire jurisdiction over a case where the real party in interest is not present or impleaded.”⁶⁸

III

Indispensable parties or parties in interest without whom no final determination can be had of an action, shall be joined either as plaintiffs or defendants.⁶⁹ Two consequences can arise for the failure to implead indispensable parties:

⁶⁵ Id. at 455–456.

⁶⁶ *Rollo*, p. 39.

⁶⁷ *Stronghold Insurance Co., Inc. v. Cuenca*, 705 Phil. 441, 455 (2013) [Per J. Bersamin, First Division].

⁶⁸ Id.

⁶⁹ RULES OF COURT, Rule 3, sec. 7.


There are two consequences of a finding on appeal that indispensable parties have not been joined. First, all subsequent actions of the lower courts are null and void for lack of jurisdiction. Second, the case should be remanded to the trial court for the inclusion of indispensable parties. It is only upon the plaintiff's refusal to comply with an order to join indispensable parties that the case may be dismissed.

All subsequent actions of lower courts are void as to both the absent and present parties. To reiterate, the inclusion of an indispensable party is a jurisdictional requirement[.]⁷⁰ (Citations omitted)


Here, both the Regional Trial Court and the Court of Appeals found that Diator, the seller in the Deeds of Absolute Sale, and Mahid's estate are indispensable parties, without whom no final determination can be had of the action for annulment filed by petitioners.⁷¹ Since this case is dismissed for lack of jurisdiction by the trial court, the second case is not an option.


WHEREFORE, the Petition is **DENIED**. The March 17, 2014 Decision and December 2, 2014 Resolution of the Court Appeals in CA-G.R. CV No. 02333-MIN are **AFFIRMED**.

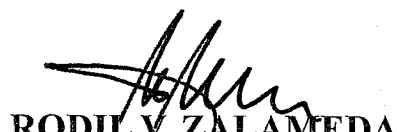
SO ORDERED.


MARVIC M.V.F. LEONEN
Associate Justice

WE CONCUR:

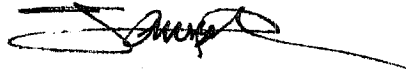

ALEXANDER G. GESMUNDO
Associate Justice


ROSMARI D. CARANDANG
Associate Justice


RODIL V. ZALAMEDA
Associate Justice

⁷⁰ *Florete, Jr. v. Florete*, 778 Phil. 614, 652 (2016) [Per J. Leonen, Second Division].

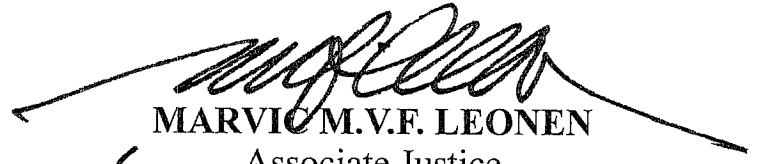
⁷¹ *Rollo*, pp. 39 and 133.



SAMUEL H. GAERLAN
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.



DIOSDADO M. PERALTA
Chief Justice

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RUMAR D. PASION
Deputy Division Clerk of Court
Third Division

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