

Varsity Hills, Inc., J. M. Tuason & Co., Inc., Jose M. Tuason, Nicasio A. Tuason, Teresa Tuason, Celso S. Tuason, Severo A. Tuason and Heirs of D. Tuason, Inc., Petitioners, vs....

G.R. No. L-30889. February 29, 1972

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Original petition for certiorari and prohibition to set aside an order of 22 January 1969 issued by the Court of First Instance of Rizal, Branch II (presided over by respondent Judge Pedro Navarro), in its Civil Case No. 9046, for lack of jurisdiction and abuse of discretion.

Said Civil Case No. 9046 began by a petition filed on 29 December, 1965 by respondents Raymunda, Consuelo, Crisanta, Oscar and Angelita, all surnamed Mejia, as heirs of Quintin Mejia, and by Elpidio Tiburcio as assignee of a portion of the estate left by Quintin Mejia, as plaintiff, against the individual petitioners herein surnamed Tuason, J. M. Tuason & Co., Inc., Varsity Hills, Inc. and Heirs of D. Tuason, Inc., as well as People's Homesite & Housing Corporation, Ateneo University, Maryknoll College, Loyola Memorial Park, Xavierville Estates & the Register of Deeds as defendants, seeking (a) reivindication of a property situated in Marikina, Rizal (now Loyola Heights, Quezon City), allegedly included in Original Certificates of Title Nos. 730 and 735 of the Office of the Register of Deeds of Rizal, issued in the name of defendants Tuason, and in the transfer certificates of title derived from said original certificates; (b) the revocation of the decision of the Court of Land Registration dated 22 October 1913 in its Case No. 7672 as null and void from the beginning, together with the decrees of registration issued pursuant to the decision aforesaid; (c) that the defendants Tuason be ordered to respect the decision and injunction of the Court of First Instance of Rizal (Judge Eulogio, Mencias presiding) decreeing the annulment of original Certificate No. 735 previously referred to; [1] (d) payment of P10,000 attorneys fees; (e) that a writ of preliminary injunction be issued against defendants disturbing the possession of the plaintiffs during the pendency of the suit; and (f) for costs and any other just and proper remedy.

The complaint (Annex "A", Petition) alleged that Quintin Mejia, plaintiffs' predecessor-in-interest, had obtained a Spanish title to the land in controversy of "105 quiñones" in area, by "Composicion con el Estado" issued in 20 September 1888; that Quintin Mejia and his successors in interest had occupied the land without interruption until they were forcibly ejected therefrom and their houses demolished in 1934 through a writ of execution obtained from the court by the "Banco de las Islas Filipinas" as receiver of the Tuason Estate; that in 1914 the defendants Tuason had obtained a decree of registration No. 15584 issued by the Court of Land Registration, covering 35,403 hectares; that said Tuasons had, fraudulently and insidiously included plaintiffs' land in the area covered by their Certificates of Title Nos. 730 and 735, by inserting fake and false technical descriptions expanding the original areas decreed; that the University of the Philippines, Varsity Hills, Inc., Ateneo de Manila, Maryknoll College, Loyola Memorial Park, the People's Homesite and Housing Corporation and Xavierville Estate, Inc., were subsequent acquirers with titles derived from the original fraudulent certificates, and that their titles should

likewise be annulled.

Defendants below (now petitioners for certiorari) Tuasons, J. M. Tuason, Inc., and Varsity Hills, Inc., filed in the court below a motion to dismiss, on the ground that (1) plaintiffs' causes of action were barred by final judgment rendered in Civil Case No. 4420 of the Court of First Instance of Rizal on 5 August 1931, which was affirmed by the Supreme Court on 21 December 1933, entitled "Bank of the Philippine Islands vs. Pascual Acuña, et al. (59 Philippine Reports, page 183, et seq.) wherein Quintin Mejia, plaintiffs' predecessor-in-interest, had been one of the defendants, was therein declared as without title to the land, and, as admitted by the complaint and Annex "C" thereof, after the decision had become final said Quintin Mejia had been, by writ of execution issued by the Court of First Instance, ejected from the land in question and his house demolished; (2) that the causes of action averred in the complaint were barred by Section 38 of the Land Registration Act and by the statute of Limitations (extinctive prescription), over 51 years having elapsed since the decree of registration was issued; (3) that said causes of action were likewise barred by laches, 32 years having elapsed since Quintin Mejia had been ejected and driven away from the land, and his house demolished as admitted in the complaint; (4) that the court below had no jurisdiction to review and revise the decree of registration of 1914 nor the final 1933 decision of the Supreme Court in Bank of the Philippine Islands vs. Acuña, et al.; and finally (5) that the complaint averred no sufficient cause of action.

Before the motion to dismiss could be heard, plaintiffs filed an amended complaint on 26 January 1966, virtually reiterating their allegations in the original complaint, except that this time they omitted all reference to the Bank of the Philippine Islands case and the execution issued thereunder, and further charged that the transferees University of the Philippines, et al., had obtained their certificates of title derived from the OCT 730 and 735, by anomalous transfers, tampering of official records, and inserting of false technical descriptions not published.

On 9 February 1966, defendants then filed an Answer to the amended complaint, denying its material allegations and pleading as affirmative defenses the same points raised in the motion to dismiss, adding (a) that defendants and their predecessors-in-interest had been in actual and adverse possession for over 30 years of the land in dispute, thereby acquiring title by acquisitive prescription; (b) that plaintiffs have no interest in the property in litigation, as found by the Supreme Court in its 1933 decision; (c) that plaintiffs' claims of ownership were extinguished by the decrees of registration and (d) that defendants were purchasers for value and in good faith of the lands standing in their names. Defendants asked for a preliminary hearing on their affirmative defenses, pursuant to Section 5, Revised Rule 16.

After an Answer with Third Party Complaint of defendant PHHC against the Tuasons as its vendors seeking eventual enforcement of their warrantly against eviction, should plaintiffs prevail, which the Tuasons answered reiterating their special affirmative defenses pleaded in their answer to the plaintiff's amended complaint, the Court set the case for pre-trial. None was held in view of defendants' insistence on a preliminary hearing on their affirmative defenses. The Court first issued an order denying the Motion to Dismiss although it had been practically abandoned by the filing of an answer to the amended complaint and announced it was unnecessary to hear the affirmative defenses since the motion to dismiss had been denied; and upon the motion to dismiss based on the affirmative defense having been submitted without any hearing being held, on 22 January 1969, said motion was denied (Petition, Annex "Q").

Considering that the order was not appealable, but that the same was contrary to law and issued without, or in excess of, jurisdiction by reason of grave abuse of discretion, defendants Tuasons, Tuasons, Inc. and Varsity Hills resorted to this Court in special proceeding for writs of certiorari and prohibition. The petitions were admitted, and the lower court was enjoined from proceeding with the trial until further orders.

Plaintiffs below, Tiburcio and the Mejias, answered denying the abuse of discretion and pleading that appeal in due time was the proper remedy.

After a careful review of the record, We are constrained to agree with petitioners that the court below gravely abused its discretion in denying petitioners' motion to dismiss based on, their affirmative defenses, as set up in their answer (Petition, Annex "O") to the amended complaint (Petition, Annex "C-1"), for the record and the exhibits annexed to said motion to dismiss as well as those incorporated by reference thereto amply demonstrate that the action of private respondents herein, Tiburcio and the various Mejias, was already barred by at least *res judicata* and extinctive prescription (statute of limitations).

We can not close our eyes to the fact that plaintiffs below (respondents here) expressly pleaded in their original complaint in the Court of First Instance (Petition, Annex "A") that they were the heirs of the late Quintin Mejia (Annex "A", paragraph 6) while plaintiff Elpidio Tiburcio was "an assignee to (sic) a portion of the estate left by Quintin Mejia" (Annex "A", paragraph 1); and that the "Banco de las Islas Filipinas as Tuason's administrator and judicial depository (i.e., receiver) of the Tuason estate, ejected the plaintiffs' predecessor-in-interest, Quintin Mejia, from the premises subject of this action * * * Quintin Mejia's house was demolished 1934, and he and his family were driven away from their own land." (Complaint, Annex "A" of petition, paragraph 6).

How and why this ejectment was carried out is revealed by the writ of execution (copied in Annex "C" to the original complaint) issued by the Court of First Instance of Rizal on 21 May 1934, in its Civil Case No. 4420, entitled "Banco de las Islas Filipinas vs. Pascual Acuna, et al." The writ of execution recited *inter alia* that the court decreed on 5 August 1931 that "(a) the defendants were not owners of any portion of land of the Hacienda in question and (b) that they should vacate the same as soon as the decision became final"; that the Supreme Court confirmed said decree by decision promulgated on 21 December 1933,[2] and the court issued an order on 5 February 1934, ordering the execution of the decision confirmed by the Supreme Court; and the Provincial Sheriff of Rizal or his lawful delegates were ordered to proceed with the execution of the decision against defendants Margarita Acuña and others, including Quintin Mejia, whose name appears in page 3, paragraph 3; of the writ of execution.

It is true that the plaintiffs' original complaint was superseded as a pleading by the amended complaint which omitted these recitals of fact; but these recitals are an extra judicial admission against interest by the plaintiffs themselves,[3] and were offered as exhibits in support of the petitioners' Motion to Dismiss Based on Affirmative Defenses submitted to the court below (Petition, Annex "O", pages 4-5). As such admissions against interest, they are entitled to weight against herein private respondents, specially since they are backed by uncontrovertible judicial reports.

That the "Hacienda" referred to in the writ of execution (Annex "C" to the original complaint, Annex "A" of Petition herein) is the Tuason Estate referred to in the complaint is made clear beyond doubt by this Court's 1933 decision in "Banco de las Islas Filipinas vs. Acuna, et al.," 59 Phil. 183, at page 184, where this Court stated:

"The character in which the plaintiff sues is not open to question, and the material facts are as follows: The heirs of the Tuason estate, herein referred to as the Tuason Entail, hold a Torrens title to a tract of land containing three parcels with an area of about 1,600 hectares located in the Province of Rizal. This property is now covered by Torrens certificate of title No. 3792 issued in lieu of an older certificate dating from 8 July 1914. The land, for the most part, is not productive, having a light covering of soil. It is not very useful for agricultural purposes, but it is valuable because of its great extent and its proximity to a populous city. In October, 1929, and prior thereto, the defendants entered upon portions of the property mentioned and fixed themselves thereon. To dislodge them this action was brought."

It is well to note here that T.C.T. No. 3792 mentioned above is derived from and superseded T.C.T. No. 2680,

which in turn cancelled and replaced O.C.T. 735, which the Mejias attack as void in their amended complaint (See page 6 of Annex "B" to Petition herein).

In overruling the claim of defendants (including Quintin Mejia, respondents' causante), this Court declared in its aforementioned 1933 decision (59 Phil., pages 185-186):

"* * *. It is obvious that the decree of the court in the land registration proceeding put a quietus upon any rights which the appellants may be supposed to have had, originating anterior to the decree, and since that decree was entered and title issued, the appellants could have no rights other than such as are derived from and under the Torrens title. But no scrap of paper was introduced in evidence showing any such right, and since the rights acquired by the decree are imprescriptible (section 46, Act. No. 496), it results that the occupation of this land by the appellants is a mere usurpation against which no valid legal defense can be alleged.

"Some of the defendants have attempted to prove that they have occupied the parcels held by them from a period long anterior to the decree in the land registration case, and some that the parcels held by them are not within the confines covered by the title relied upon by the plaintiff. All such contentions are evidently baseless. Some of the appellants, it is true, had been on portions of this land anterior to the present usurpation, but having been ousted, they returned upon the occasion of the invasion now referred to, planting themselves upon different parcels from what they had occupied before. All of them are without color of right or title, and their number and concerted action supply the main reasons why the course of this action should have been prolonged until now."

In the face of these declarations in a final decision of the highest Court of the land, it becomes indubitable that the action in the Court below was definitely barred: for while present private respondents were not parties to the 1933 cause, their predecessor in interest, Quintin Mejia was such a party, and the final judgment against him concludes and bars his successors and privies as well (Rule 39, Section 49, paragraph b).

(b) In other cases the judgment or order is, with respect to the matter directly adjudged or as to any other matter that could have been raised in relation thereto, conclusive between the parties and their successors in interest by title subsequent to the commencement of the action or special proceeding, litigating for the same thing and under the same title and in the same capacity."

Private respondents, to be sure, seek to avoid the conclusive effect of our 1933 judgment by contending that the predecessors of petitioners Tuason had —

"fraudulently and insidiously included the property of plaintiffs (Mejia) by allegedly expanding the areas covered by the registration decrees that led to the issuance of titles Nos. 730 and 735 by inserting fake, false technical descriptions and pasting these sheets in the anterior page of the technical description * * *"
[Amended Complaint, page 5, paragraph XII (2)]

Unfortunately for them, private respondents, in advancing these contentions (assuming, in gratia argumenti, that such maneuvers really took place), are faced by a dilemma: if these fraudulent insertions were made before the decree of registration was issued, then inquiry into the same was barred within one year from the issuance of the decree (Land Registration Act, Act 496, Section 38) since respondents and their predecessors failed to file a petition for review one year after the entry of the decree; upon the other hand, if the alleged insertions were made after the decree, the same should have been pleaded and asserted when Quintin Mejia was made defendant in Case No. 4420 of the Court of First Instance of Rizal. If it was so pleaded, obviously it was overruled in the decision adverse to them that was later affirmed by this Court in 1933 (59 Phil. 183). If it was not pleaded, it is likewise barred, since a judgment on the merits

"is final as to the claim and demand in controversy, including the parties and those in privity with them, not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any

other admissible matter which might have been offered for that purpose and of all matters that could have been adjudged in that case." [4] (Italics supplied)

Clearly, then, private respondents' cause of action is barred by *res judicata*. But even without the final judgment against their predecessor, Quintin Mejia, their action was extinguished by the lapse of thirty (30) years from the time Quintin Mejia was ejected from the land in question by the Provincial Sheriff of Rizal (1934) under the writ of execution hereinbefore adverted to without any suit being attempted to recover the land during the interval. Since under Section 40 of the old Code of Civil Procedure (Act 190) in force in 1934 an action to recover land or interest therein prescribed in 10 years it is evident that, independent of the previous judgment, this reivindicatory action is foreclosed by the Statute of Limitations (extinctive prescription), as contended by petitioners.

Private respondents can neither rely on their allegations of fraud committed by the predecessors of petitioners Tuason, since that supposed fraud, if any (for there is no proof thereof) must have been brought home to Quintin Mejia in 1934 when the Tuason Estate receiver filed action against him and his co-defendants to expel them from the Hacienda. Neither can the Mejias rely on the Tuasons holding the land under implied trust: our decisions make it abundantly clear that actions on implied and constructive trusts (as distinguished from express ones) are extinguished by laches or prescription of ten years. [5]

We are thus led to no other possible construction that on the pleadings and facts on record, respondents Mejia presented no cause of action whatever. Wherefore, the lower court's denial of petitioner's motion to dismiss, on the basis of their special defenses, constituted grave abuse of discretion, amounting to excess of jurisdiction, since it unwarrantedly operated to prolong a litigation that was unmeritorious on the face of the documents before it. Such abuse is certainly correctible by the writs of certiorari and prohibition herein asked for.

As a last resort, respondents Mejia and Tiburcio invoke the decision of the Court of First Instance of Rizal (Judge Mencias presiding) that held the decrees of registration that led to the issuance of O.C.T. Nos. 730 and 735 in favor of the Tuasons null and void for lack of proper publication. But that decision is plainly no authority here, since it is not final, being still pending appeal to this Supreme Court. Not only that, but as between the Tuasons and the Mejias, heirs of Quintin Mejia, the question has been finally set at rest by this Court's decision in *Banco de las Islas Filipinas vs. Acuna, et al.*, 59 Phil. 183, when it held (*Cas. cit.*, page 186) that:

"Among the arguments made by the appellants of the Bagobantay group, it is alleged that the Torrens title relied upon by the plaintiff is void, and in support of this contention it is stated that, during the course of the registration proceedings, an order was made by the court for the amendment of the original plan of the applicants and that this order was not followed by new publication, wherefore, it is supposed, the court was without jurisdiction to decree the title to the applicants.' In this connection reliance is placed upon the doctrine stated in *Philippine Manufacturing Co. vs. Imperial* (49 Phil.122). But the brief for the appellants fails to call attention to the fact that the rule stated in the case cited has reference to an amendment of the plan by which additional land, different from that included in the original survey, is intended to be brought within the process of registration. In the case before us, the order referred to was for the exclusion of certain portions of the land covered by the original survey, and the doctrine of the case cited cannot apply. Apart from this it does not appear that the portion intended to be excluded comprehended any part of the land which has been usurped."

Since Elpidio Tiburcio is only suing here as assignee of the Mejias, his fate must be the same as theirs. He may not, in these proceedings attempt to relitigate the validity of his own claims as against the Tuasons, particularly because the lack of merit of the Tiburcio claims of title to, and right to possession of, portions of the Tuason estates have been repeatedly adjudged by at least three final decisions of this Supreme Court that were likewise called to the attention of the court below.

(a) *Tiburcio, et al. vs. People's Homesite & Housing Corporation*, L-13479, decided 31 October 1959 (106

Phil. 477);

(b) Galvez & Tiburcio vs. Tuason, et al., L-15644, decided 29 February 1964 (10 SCRA 344);

(c) People's Homesite & Housing Corporation and University of the Philippines vs. Judge Mencias and E. Tiburcio, L-24114, decided 16 August 1967 (20 SCRA 1031).

It is against public policy that matters already decided on the merits be relitigated again and again, consuming the Court's time and energies at the expense of other litigants: *Interest rei publicae ut finis sit litium*.

WHEREFORE , the writs applied for are granted, the appealed order denying the motion to dismiss is set aside, and the respondent Court is ordered to dismiss the complaint in Civil Case No. 9046 of the Court of First Instance of Rizal, the dismissal to be with prejudice. Costs against private respondents.

Concepcion, C.J., Makalintal, Zaldivar, Castro, Teehankee, Barredo, Villamor, and Makasiar, JJ., concur.

Fernando, J., took no part.

[1] Now on appeal to this Supreme Court as G.R. No. L-26127-28-29.

[2] Reported officially in 59 Phil. 183 (q.v.).

[3] V. Francisco, Rules of Court, volume on Evidence, page 71.

[4] 2 Moran on Rules of Court, 1970 Edition, page 371; Aguila vs. Tuason & Co., L-24223, 22 February 1968, 22 SCRA, 690, 694 and cases therein cited.

[5] Gonzalez vs. Jimenez, L-19073, 30 Jan. 1965; 13 SCRA 80; Alzona vs. Capunitan, et al., L-10228, 28 Feb. 1962, 4 SCRA 450, and cases cited; Tuason & Co. vs. Magdangal, L-15539, 30 Jan. 1962, 4 SCRA 84, 88; Gerona vs. De Guzman, L-19060, 29 May 1964, 11 SCRA 154; 54 Am. Jur. Trusts, s. 580.

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