

HEIRS OF ANTONIO PAEL AND ANDREA ALCANTARA AND CRISANTO PAEL, PETITIONERS, VS. COURT OF APPEALS, JORGE H. CHIN AND RENATO B. MALLARI, RESPONDENTS.

G.R. No. 133547. November 11, 2003

Ponente: PUNO, J.

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PUNO, J.:

This treats of the Report submitted to this Court by the Former Special Fourth Division of the Court of Appeals, dated July 30, 2003, pursuant to our Resolution, dated December 7, 2001, directing said court to receive evidence on the conflicting claims over the subject properties covered by TCT Nos. 52928 and 52929 between private respondents Jorge H. Chin and Renato B. Mallari, on the one hand, and intervenor University of the Philippines (UP), on the other.

The case at bar is another crass attempt to grab part of the Diliman Campus of the University of the Philippines. Over and over again, this Court has ruled that the title of UP over its Diliman Campus is indefeasible and beyond dispute. We cannot deviate from this ruling.

The facts reveal that on December 9, 1993, Maria Destura filed a complaint before the Regional Trial Court of Quezon City against her husband, Pedro Destura, together with Jorge Chin and Renato Mallari. The complaint sought the annulment of the memorandum of agreement (MOA) dated March 26, 1992 executed by Chin and Mallari as first parties, Pedro Destura as second party, and Jaime Lumansag, Jr. as third party, over Lot Nos. 588-A and 588-B located in Barrio Culiati, Quezon City, covered by TCT No. 52928 and TCT No. 52929. It alleged that Chin and Mallari were former agents of Pedro Destura, authorized to sell Lot Nos. 588-A and 588-B, then covered by TCT No. 36048; that when Destura came from Canada, he discovered that the title to the land has been transferred to Chin and Mallari in whose names TCT No. 52928 and TCT No. 52929 were registered; that Chin and Mallari executed the MOA subject of the complaint to appease Destura; that the MOA stated that Chin and Mallari had a buyer of the lots and they promised to pay Destura one hundred million pesos (P100,000,000.00) upon finality of the sale; that the sale did not materialize and the payment of the promised amount has become uncertain, to the prejudice of the Destura spouses. The complaint also sought the annulment of TCT No. 52928 and TCT No. 52929 as they were allegedly obtained through fraudulent means. It prayed that the Register of Deeds issue a new title in the name of the Destura spouses.[1]

The case was dismissed against Pedro Destura after he and his wife entered into an amicable settlement.

Chin and Mallari, meanwhile, were declared in default for failure to file their Answer.[2]

On January 24, 1995, the trial court rendered a judgment by default. The trial court nullified the MOA in question. It ruled:

On the issue of the memorandum of agreement, it is to be noted that under its express terms the payment of the P100,000,000.00 to Pedro Destura depended on the sale of the properties covered by Transfer Certificates of

Title Nos. 52928 and 52929 to the alleged ready buyer of the third party, Jaime B. Lumansag, Jr. Since no sale materialized in accordance therewith because the buyer backed out of the transactions, the agreement lost its efficacy. Pursuant to Art. 1181, Civil Code, upon the non-fulfillment of the condition, the obligation of the defendants under the memorandum of agreement did not take effect and Destura ceased to be bound thereby.

That the fulfillment of the condition, i.e., the payment of the P100,000,000.00 to Destura, already became uncertain and indefinite is also established competently and conclusively. As a consequence, the memorandum of agreement should be nullified because it was made to depend upon a condition that was void for being dependent upon the sole will of the debtors.[3]

The trial court likewise nullified TCT No. 52928 and TCT No. 52929. It found:

Concerning the validity of the transfers of the certificates of title into the names of defendants Mallari and Chin, the records competently and credibly show that highly suspicious circumstances attended such transfers of registered ownership resulting in the issuance of Transfer Certificates of Title Nos. 52928 and 52929. The transfers were by virtue of two deeds of sale covering the land described in Transfer Certificate of Title No. 36048 which appear to have been executed on the same date of December 10, 1978. The vendors in the first deed of sale were the spouses Luis and Leony Menor and those in the other were Roberto Pael, Crisanto Pael, and Teofila Pael. The deeds were supposedly notarized by a certain Catalino C. Manalaysay. Yet, as certified to by the Chief of the Archives Division, Records Management and Archives Office, no copy of the first deed of sale, Exhibit U, was available at said office because the latest notarial record on file under the name of Catalino C. Manalaysay was for the year 1964.

Another document submitted to support the transfer of the property to the defendants was a deed of extra-judicial settlement of estate with waiver made and entered in among Crisanto, Roberto, Teofila, and Cresencia, all surnamed Pael, under date of December 27, 1965, by which the alleged heirs of Antonio Pael and Andrea Alcantara divided and adjudicated among themselves the property covered by Transfer Certificate of Title No. 36048. Again the Chief of the Archives Division, Records Management and Archives Office, certified that no copy of the document was available at said office because the notary public before whom the document appeared to have been acknowledged, one Catalino E. Dumlao, had no records thereat for the period from January, 1964 to December 18, 1967.

There was, moreover, a certification issued on September 2, 1992 by the Chief, Official Gazette Publication, National Printing Office, attested (sic) that there were no records in said office showing that a publication of LRC Case No. N-10792, LRC Record No. 7672, entitled Spouses Antonio Pael and Andrea Alcantara, et al., Applicants, Petition of Extra-judicial Settlement had been made in the Official Gazette. This contradicted the alleged certificate of publication of notice of initial hearing.

The sale appears to have been made in 1978. But if that was so, then it was fictitious, since the defendants willingly accepted appointments as the agents of Pedro Destura with authority to sell the property in his behalf only in 1990. Their act of accepting the appointment was a declaration against interest, in that they thereby admitted quite expressly the ownership of the property on the part of the Desturas as late as 1990, in effect debunking the alleged sale in 1978 in their favor. It is additionally relevant to note that this fact of Destura's ownership was further confirmed by the fact that the defendants caused the transfer of the certificates in their names only in 1992.[4]

The trial court then ordered the Register of Deeds of Quezon City to "cancel Transfer Certificates of Title Nos. 52928 and 52929 in the names of Jorge Chin and Renato B. Mallari and the transfer certificates of title from which said certificates were derived until but not including Transfer Certificate of Title No. 36048, and thereafter reinstate Transfer Certificate of Title No. 36048 in the names of Spouses Antonio Pael and Andrea Alcantara and Crisanto Pael." [5]

On February 13, 1995, Atty. Oliver Lozano, counsel for Chin and Mallari, filed a notice of appeal.[6] The following day, the trial court approved the notice of appeal and forwarded the records to the Court of Appeals.[7]

A week later, Atty. Lozano filed a motion for new trial and a supplemental motion.[8]

On August 28, 1995, the trial court denied the motion for new trial for lack of merit. It also dismissed the appeal previously allowed on the ground of abandonment. The trial court's decision was thus declared final and executory.[9]

In September 1997, Chin and Mallari, assisted by new counsel, Atty. Samuel Alentaje, filed before the Court of Appeals a Petition for Annulment of Judgment. They claimed that the gross negligence of their former counsel, Atty. Lozano, constituted extrinsic fraud which prevented them from presenting their case before the trial court. They also assailed the trial court's order cancelling their title and upholding the title of the Pael's who were not parties to the case.[10]

On April 29, 1998, the Court of Appeals rendered a decision[11] in favor of Chin and Mallari. It annulled the decision of the trial court upon finding that the gross and reckless negligence of their former counsel which caused them to be declared in default and which later led to the dismissal of their appeal and finality of the judgment amounted to extrinsic fraud. Further, the appellate court reversed the order of the trial court canceling TCT No. 52928 and TCT No. 52929 and reinstating TCT No. 36048 registered in the name of the Pael's. It also rejected Maria Destura's claim over the property. It instead upheld the validity of the sale of 70% of the property by a certain Luis and Leony Menor and 30% thereof by the Pael's to Chin and Mallari. The dispositive portion of the decision reads:

WHEREFORE, premises considered, the decision dated January 24, 1995 and the Order dated August 28, 1995, both issued in Civil Case No. Q-93-18569, are hereby ANNULLED and SET ASIDE, and accordingly judgment is issued:

- a) DECLARING as valid the memorandum of agreement dated March 26, 1992;
- b) DECLARING as null and void both the cancellation of the titles, Transfer Certificates of Title Nos. 52928 and 52929 of petitioners Jorge H. Chin and Renato B. Mallari over the subject property and the reinstatement of the title Transfer Certificate No. 36048, in the names of Antonio Pael, Andrea Alcantara and Crisanto Pael;
- c) DECLARING the petitioners as the true and absolute owners of the subject property and ORDERING the Register of Deeds of Quezon City to REINSTATE the aforementioned titles, TCT Nos. 52928 and 52929 in favor of petitioners Jorge H. Chin and Renato B. Mallari;

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The case was elevated to this Court by the Heirs of Pael and by Maria Destura via separate petitions for review.

The Heirs of Pael argued in G.R. No. 133547:

- The Honorable Court of Appeals gravely misappreciated, ignored, misapplied and/or overlooked the fact that under the facts and circumstances of this case, the annulment of judgment is improper as there was no extrinsic fraud or reckless and gross negligence committed by private respondents' former counsel, Atty. Oliver Lozano, hence, the assailed decision of the appellate court should be stricken down for being without credible basis.
- The Honorable Court of Appeals seriously erred in not holding that assuming *arguendo* that extrinsic fraud and gross and reckless negligence were committed by Atty. Lozano, private respondents were bound by said extrinsic fraud and gross and reckless negligence as they themselves contributed to the commission of such fraud and negligence of their counsel.

- The Honorable Court of Appeals gravely erred in not holding that the revival of the title in favor of Antonio Pael and Andrea Alcantara and Crisanto Pael, even if they are not parties to the case below, was a logical consequence of the default judgment.
- The Honorable Court of Appeals gravely erred in not holding that since the default judgment had already long become final and executory, consequently the reinstatement of the titles of private respondent and the declaration as null and void of the title in the names of Antonio Pael and Andrea Alcantara and Crisanto Pael were erroneous and improper.
- The Honorable Court of Appeals gravely erred when in its decision it adjudicated the case on the merits, which is procedurally flawed. [13]

Destura raised the following errors in G.R. No. 133843:

- The ruling of the respondent Court of Appeals that private respondents are not bound by the negligence and incompetence of their counsel is erroneous and contrary to law and jurisprudence.
- The ruling of the respondent Court of Appeals that the gross negligence of counsel for private respondents constitutes "extrinsic fraud" is likewise erroneous and contrary to law and jurisprudence.
- Granting for the sake of argument, that there is basis to annul the questioned decision, the action of respondent Court of Appeals in adjudicating the merits of the case is contrary to Section 7, Rule 47 of the Rules of Court.
- The findings of the respondent Court of Appeals that the interest of the private respondent in the subject property over that of petitioner is not borne out by any evidence in the records of the case in the trial court.[14]

On February 10, 2000, this Court rendered a Decision denying both petitions and affirming the title of Chin and Mallari over the property.

The Heirs of Pael and Destura filed separate motions for reconsideration. During their pendency, the University of the Philippines (UP) filed a motion for intervention,[15] alleging that the properties covered by TCT Nos. 52928 and 52929 in the names of Chin and Mallari form part of its Diliman Campus, registered in the name of UP under TCT No. 9462.

On December 7, 2001, this Court denied the motions for reconsideration of Destura and the Heirs of Pael, but granted the motion for intervention filed by UP. The Court remanded the case to the Court of Appeals for reception of evidence on the conflicting claims over the property in question by Chin and Mallari as against UP.[16]

On July 30, 2003, the Former Special Fourth Division of the Court of Appeals submitted its Report recommending that this Court recognize the better rights of Chin and Mallari over the property as against the claim of UP. It made the following observations:

It is the view of this court that petitioners have successfully refuted U.P.'s assertion of ownership over the subject properties, more particularly, the two (2) parcels of land denominated as Lot No. 588-A consisting of 518,455 square meters, and Lot 588-B, comprising 261,022 square meters, or a total of 779,477 square meters, or 77.9477 hectares. The preponderance of evidence supports the claim of petitioners Chin and Mallari over the subject properties covered by TCT Nos. 52928 and 52929, as shown by the following:

- The April 29, 1998 decision of this court and the February 10, 2000 decision of the Supreme Court in G.R. Nos. 133547 and 133843 which plainly and categorically stated that petitioners Chin and Mallari are the true and absolute owners of the subject properties.

- The December 7, 2001 resolution of the Supreme Court itself which remanded the instant cases to this court for reception of evidence merely to determine the conflicting boundary claims of the parties, petitioners and intervenor U.P.

- The verification survey report dated January 16, 2003 submitted to the RTC, Branch 99, Quezon City, which found that "the property of Jorge Chin and Renato Mallari described on TCT Nos. 52928 and 52929 falls inside and is entirely within the property covered by TCT Nos. RT-107359 (192689), RT-107350 (192686), RT-58201 (192687), RT-57441 (192688) PR-32309, registered in the name of the University of the Philippines."

- The findings of Atty. Virgilio B. Tiongson, Assistant Regional Executive Director for Legal Services and Public Affairs, DENR-NCR, in his memorandum dated January 14, 2003, that since the verification and survey report found that the properties of Chin and Mallari, covered by TCT Nos. 52928 and 52929, "fall(s) inside the property covered by the titles of the University of the Philippines," then there is an apparent overlapping of the titles. His findings refuted the Tiburcio and other cases cited by U.P. which were found to be inapplicable and irrelevant to the claim of Chin and Mallari. Atty. Tiongson recommended that the report on the verification/relocation survey over the properties covered by TCT Nos. 52928 and 52929 in the names of Jorge H. Chin and Renato B. Mallari be adopted as it appears from the record that the properties of U.P. under TCT No. 9462 overlap the properties of Chin and Mallari, hence, the same should be returned to Chin and Mallari, the true and absolute owners thereof.

- The aforementioned decision of this court dated April 29, 1998 and the decision of the Supreme Court dated February 10, 2000 in G.R. Nos. 133547 and 133843 which categorically ruled that petitioners Chin and Mallari are the true and absolute owners of the subject properties and its resolution dated December 7, 2001 remanding the cases to this court for reception of evidence to determine the conflicting boundary claims of petitioners Chin and Mallari and intervenor U.P.

- The findings of Geodetic Engineer Mauro Gabriel in the narrative report dated February 20, 1995 on the verification survey of the subject properties which he submitted to the Regional Technical Director, DENR-NCR, who then found that the properties of U.P. overlap the properties of the Paels identified as Lot 588-A and Lot 588-B, Psd-1006, and recommended that said properties be excluded from the properties claimed by U.P. under its TCT No. 9462, thus:

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In order to correct whatever mislead (sic) that had been (sic) transpired by the previous preparation of the Deed of Conveyance is to exclude properties and rights that had been long existing before the transfer of ownership from the Commonwealth Government of the Philippines to University of the Philippines. That is to exclude the private property of the Paels, the survey plan, Psd-1006 from lot 42-C, Pcs-13 (8th parcel of land) covered by T.C.T. No. 9462 (U.P.).

In view of the foregoing, I am recommending that the long existing private property of Antonio Pael, et al. (now Jorge H. Chin & Renato B. Mallari) identified as lots 588-A - 588-B, Psd-1006 be respected and that lot 42-C, Pcs-13 be amended in order to exclude the private rights from University of the Philippines properties, upon approval and confirmation of the proper legal authorities concerned." (emphases supplied)[17]

The Court of Appeals further found that the certificate of title held by Chin and Mallari originated from OCT No. 730 registered on May 5, 1914, while that of UP originated from OCT No. 735 which was allegedly registered on a later date, July 6, 1914. It declared:

This court, after a studied and judicious examination and appreciation of the totality of the evidence submitted by petitioners Chin and Mallari and intervenor U.P., finds that petitioners' TCT Nos. 52928 and 52929 originated from OCT No. 730 which was registered on May 5, 1914. On the other hand, the court finds that intervenor U.P. has failed to sufficiently establish that its TCT No. RT-107350 (192689) similarly originated

from the same OCT No. 730. For one, intervenor failed to submit authenticated or certified copies of the TCT of the Commonwealth of the Philippines which covers the parcels of land sold to U.P. and which thereafter secured its TCT No. 9462. To note once more, in her report to the LRA Verification Committee (Exh. "3"), Atty. Edelwina C. Pastoral lamented that because of "the loss of said documents, it is difficult to establish the link and determine the manner of transfer of the lot in question owned by the Tuasons from OCT No. 730 to TCT No. 2681, TCT No. 6075 & TCT No. 26550, and to the Commonwealth of the Philippines leading to the issuance of TCT No. 36048 in the name of the latter." Moreover, the TCTs presented by intervenor U.P. to prove its ownership of the lands allegedly conveyed to it by the Commonwealth of the Philippines (marked as Exhs. "1," "2," "3," "4," "5" and "6"), uniformly show that the OCT No. 730 which, U.P. claims, was the root of said TCTs was registered on May 3, 1914. This date appears, however, to fall on a Sunday, which casts doubts on U.P.'s claim. This court, therefore, finds that in line with its observations on the cases cited by U.P., the latter's TCT, which overlaps that of petitioners, originated from another title - OCT No. 735 - which was registered on July 6, 1914 (see *Galvez vs. Tuason*, supra).[18]

We rule in favor of intervenor UP.

The facts show that Chin and Mallari and the Desturas trace their claim of ownership over the property to the Paels. The Desturas allegedly purchased the property from the Paels through their agent, a certain Lutgarda Marilao. Chin and Mallari claim that they bought 70% of the property from spouses Luis and Leony Menor, and 30% thereof directly from the Paels. The Menor spouses, in turn, allegedly acquired the 70% also from the Paels.

The disputed property, however, is part of the UP Diliman Campus, covered by TCT No. 9462. It was established, after the survey conducted by the Department of Environment and Natural Resources, National Capital Region (DENR-NCR) that the property claimed by Chin and Mallari overlaps the property covered by UP's title. The superiority of UP's title over that of the Paels has been recognized by the courts in an earlier case filed by Roberto Pael, et al. against UP.

Roberto Pael, et al., previously filed before the Court of First Instance of Quezon City, Branch 52 a complaint against UP for declaration of nullity and damages docketed as Civil Case No. Q-31629. The complainants alleged that they were the heirs of Antonio Pael and Andrea Alcantara, the registered owners of a parcel of land consisting of Lot Nos. 588-A and 588-B of subdivision Plan Psd-1006, located in Barrio Culiati, Quezon City and covered by TCT No. 36048. They sought to nullify the title of UP, TCT No. 9462, which also covered said parcel of land. After the complainants rested their case, UP filed a demurrer to evidence which was denied by the trial court. UP then went to the Court of Appeals via a petition for prohibition to restrain the trial court from proceeding with Civil Case No. Q-31619. UP contended that the question of the validity of the certificate of title of the land in dispute has been put to rest in three cases decided by the Supreme Court as early as 1959. The Court of Appeals granted the petition for prohibition and permanently enjoined the trial court from hearing and proceeding with Civil Case No. Q-31619. It cited the findings of this Court in prior cases that the land in question covered by OCT No. 730 was originally owned by the Tuasons who sold the same to UP. OCT No. 730 was cancelled and TCT No. 9462 was later issued and registered in the name of UP. It held that as early as 1959, this Court has declared that the decree of registration with respect to the land covered by OCT No. 730 had become conclusive and binding against the whole world. Upholding the validity of UP's title over the property, the Court of Appeals ruled that Pael's complaint lacked legal basis. Pael filed before this Court a petition docketed as G.R. No. 97277 entitled "*Roberto Pael, et al. vs. University of the Philippines*" to review the decision of the Court of Appeals. The petition was denied by this Court on April 15, 1991 for late filing. Entry of judgment was made on August 15, 1991. The ruling in this case is final and binds the Paels and all their successors-in-interest which include Chin and Mallari.

Nonetheless, despite the above decision, Chin and Mallari filed another Petition against UP for Quieting of Title before the Regional Trial Court of Quezon City. The petition filed on February 5, 1995 alleged that Chin and

Mallari were the individual owners of Lot Nos. 588-A and 588-B located in Barrio Culiati, Quezon City and covered by TCT No. 52928 and TCT No. 52929. They claimed to have derived their titles from TCT No. 36048 registered under the name of Spouses Antonio Pael and Andrea Alcantara and their son Crisanto Pael. They alleged that based on official records and entries in the land registration offices of the government, there appears to be two TCT No. 36048 in existence -- one registered in the name of the Commonwealth Government and another registered in the name of the Pael. The Commonwealth Government's title was later cancelled and TCT No. 9462 was issued and registered in the name of UP. They averred that this created a cloud on the title of the Pael from whom they derived their titles, hence the Petition for Quieting of Title. During the course of the proceedings, Chin and Mallari filed a "Motion to Order for Relocation and Verification Survey." They alleged that there was a need to define in an appropriate sketch plan the relative locations of the individual properties of the parties for the purpose of determining whether their lots were within the perimeter area of UP's property. The trial court granted the motion. UP filed a petition for certiorari before the Court of Appeals to set aside the order of the trial court granting the motion. The appellate court dismissed the petition after finding no grave abuse of discretion on the part of the trial court. UP filed a petition for review before the Supreme Court docketed as G.R. No. 127537 entitled "University of the Philippines vs. Hon. Felix M. De Guzman, etc., Jorge H. Chin and Renato B. Mallari." The petition was denied on March 19, 1997 as it was filed late. Entry of judgment was made on August 4, 1997. Hence, in an Order dated August 2, 2002, the Quezon City RTC ordered the DENR- NCR to conduct a relocation and verification survey of the properties covered by TCT Nos. 52928 and 52929.[19] The Verification Survey Report dated January 16, 2003 of the DENR-NCR survey team revealed that "the property of Jorge Chin and Renato Mallari described in TCT Nos. 52928 and 52929 falls inside and is entirely within the property covered by TCT Nos. RT-107350 (192689), RT-107360 (192689), RT-58201 (192687) and RT 57441 (192688) PR32309 registered in the name of the University of the Philippines,"[20] confirming its initial findings that there was an overlapping of titles.[21]

It is judicial notice that the legitimacy of UP's title has been settled in several other cases decided by this Court. The case of Tiburcio, et al. vs. People's Homesite & Housing Corp. (PHHC), et al.[22] was an action for reconveyance of a 430-hectare lot in Quezon City, filed by the heirs of Eladio Tiburcio against PHHC and UP. A portion of the disputed land was covered by TCT No. 1356 registered in the name of PHHC and another portion was covered by TCT No. 9462 registered in the name of UP. Affirming the validity of TCT No. 1356 and TCT No. 9462, this Court ruled:

x x x the land in question has been placed under the operation of the Torrens system since 1914 when it has been originally registered in the name of defendant's predecessor-in-interest. It further appears that sometime in 1955 defendant People's Homesite & Housing Corporation acquired from the original owner a parcel of land embracing practically all of plaintiff's property for which Transfer Certificate of Title No. 1356 was issued in its favor, while defendant University of the Philippines likewise acquired from the same owner another portion of land which embraces the remainder of the property for which Transfer Certificate of Title No. 9462 was issued in its favor. It is, therefore, clear that the land in question has been registered in the name of defendant's predecessor-in-interest since 1914 under the Torrens system and that notwithstanding what they now claim that the original title lacked the essential requirements prescribed by law for their validity, they have never taken any step to nullify said title until 1957 when they instituted the present action. In other words, they allowed a period of 43 years before they woke up to invoke what they claim to be erroneous when the court decreed in 1914 the registration of the land in the name of defendants' predecessor-in-interest. Evidently, this cannot be done for under our law and jurisprudence, a decree of registration can only be set aside within one year after entry on the ground of fraud provided no innocent purchaser for value has acquired the property.[23]

Thus, this Court held that the decree of registration in the name of the predecessor-in-interest of PHHC and UP, as well as the titles issued pursuant thereto have become incontrovertible.

This Court again affirmed the validity and indefeasibility of UP's title in the case of *Galvez vs. Tuason*,^[24] where Maximo Galvez and the heirs of Eladio Tiburcio sought the recovery of a parcel of land in Quezon City registered under the names of Mariano Severo, Maria Teresa Eriberta, Juan Jose, Demetrio Asuncion, Augusto Huberto, all surnamed Tuason y de la Paz, UP, and PHHC. This is the same land subject of the controversy in *Tiburcio vs. PHHC*. This Court held in *Galvez* that the question of ownership of the disputed land has been thrice settled definitely and conclusively by the courts: first, in the proceedings for the registration of the property in the name of the Tuasons; second, in the application filed by Marcelino Tiburcio with the Court of First Instance of Rizal for registration of the disputed property in his name which was dismissed by said court; and third, in the action for reconveyance filed by the heirs of Eladio Tiburcio against PHHC and UP which was also dismissed by the court, which dismissal was affirmed by this Court in *Tiburcio vs. PHHC*. We held that the issue of ownership of the property was already beyond review.

The rulings in *Tiburcio vs. PHHC* and *Galvez vs. Tuason* were reiterated by this Court in *PHHC vs. Mencias*^[25] and *Varsity Hills vs. Mariano*.^[26]

In upholding the alleged right of Chin and Mallari over the property in dispute, the Court of Appeals relied heavily on the Decision of this Court dated February 10, 2000 that Chin and Mallari are its true and absolute owners. It should be emphasized, however, that our February 10, 2000 Decision involved only the conflicting claims of Chin and Mallari as against Maria Destura and the Heirs of Pael. Our Decision upholding the superior rights of Chin and Mallari over those of the petitioners was based on its findings on the sale of the property by the Pael and a certain Menor to Chin and Mallari. Thus, this Court held:

On the other hand, the records show that private respondents are the owners of the subject property by virtue of the sale to them by the Menors and the Pael as early as December 10, 1978. As above stated, the Pael sold 70% of the total land area of the property to the spouses Luis and Leony Menor. The Menors, in turn, sold to private respondents the same 70%, while the remaining 30% was sold by the surviving heirs of the Pael to private respondents. x x x.^[27]

UP was then not a party in the case and its right over the property was not considered when this Court rendered its decision. It was only after the petitioners filed a motion for reconsideration that UP intervened and claimed that the property subject of this case is within its premises and is titled to its name. Our Decision, therefore, should not bind UP and our initial ruling as regards the rights of the original parties to the case should not prejudice the rights of UP. The remand of the case to the Court of Appeals was precisely intended to determine the veracity of the allegation of UP that the contested property is indeed within its premises. And this fact was affirmed in the Verification Survey Report of the DENR-NCR Survey Team which found that Lot Nos. 588-A and 588-B overlap the property of UP. Needless to stress, Chin and Mallari are precluded from claiming ownership of the land in dispute as the issue of ownership by UP has long been settled in numerous decisions by this Court, and have therefore become incontestable.

Contrary to the opinion of the Court of Appeals, the rulings of this Court in the various cases questioning the validity of UP's title, especially in G.R. No. 97277 entitled "*Roberto Pael, et al. vs. University of the Philippines*," apply to the case at bar and constitute *res judicata* in the concept of conclusiveness of judgment. There is conclusiveness of judgment when, between the first case where the judgment was rendered and the second case where such judgment is invoked, there is identity of parties, not of causes of action. The judgment is conclusive in the second case, only as to those matters actually and directly controverted and determined, and not as to matters merely involved therein.^[28]

G.R. No. 97277 involved an action by the Pael to nullify the title of UP over Lot Nos. 588-A and 588-B which they claim to be likewise registered in their name. The appellate court affirmed the validity of UP's title and held

that Pael's complaint lacked legal basis. It is admitted in this case that Chin and Mallari derived their title to Lot Nos. 588-A and 588-B from the Paels. The ruling in the former case, therefore, insofar as the superiority of UP's title is concerned, is conclusive in the case at bar. It has been said that the foundation principle upon which the doctrine of *res judicata* rests is that parties should not be permitted to litigate the same issue more than once; that when a right or fact has been judicially tried and determined by a court of competent jurisdiction, or an opportunity for such trial has been given, the judgment of the court, so long as it remains unreversed, should be conclusive upon the parties and those in privity with them in law or estate.[29]

Finally, it should be emphasized that this Court's Decision in *Tiburcio, et al. vs. PHHC*, as well as in the subsequent cases upholding the validity and indefeasibility of the certificate of title covering the UP Diliman Campus, precludes the courts from looking anew into the validity of UP's title. Thus, the appellate court's discourse in the case at bar as regards the origin of UP's certificate of title, whether it came from OCT 730 or OCT 735 is intolerable, to say the least. The rule is that material facts or questions which were in issue in a former action and were there admitted or judicially determined are conclusively settled by a judgment rendered therein and that such facts or questions become *res judicata* and may not again be litigated in a subsequent action between the same parties or their privies, regardless of the form the issue may take in the subsequent action, whether the subsequent action involves the same or a different form of proceedings, or whether the second action is upon the same or a different cause of action, subject matter, claim or demand, as the earlier action. In such cases, it is also immaterial that the two actions are based on different grounds, or tried on different theories, or instituted for different purposes, and seek different reliefs. By the same token, whatever is once irrevocably established as the controlling legal principle or decision continues to be the law of the case between the same parties in the same case, whether correct on general principles or not, so long as the facts on which such decision was predicated continue to be the facts of the case before the court.[30]

IN VIEW OF THE FOREGOING, the Decision dated February 10, 2000 is SET ASIDE insofar as it declares private respondents Jorge H. Chin and Renato B. Mallari as the true and absolute owners of Lot Nos. 588-A and 588-B. The title of intervenor UP over the disputed property is upheld. Thus, the Registry of Deeds in Quezon City is ordered to cancel TCT Nos. 52928 and 52929 in the names of private respondents Jorge H. Chin and Renato B. Mallari, and Civil Case No. Q-95-22961 filed by private respondents against intervenor UP before the Regional Trial Court of Quezon City, Branch 99, for quieting of title is hereby dismissed.

SO ORDERED.

Davide, Jr., C.J., (Chairman), and Austria-Martinez, JJ., concur.

Ynares-Santiago, J., see dissenting opinion.

Azcuna, J., agrees with the dissent.

[1] Original Records, pp. 1-5.

[2] *Id.* at 33 & 74.

[3] *Id.* at 138.

[4] *Id.* at 138-139.

[5] *Id.* at 139-140.

[6] *Id.* at 141.

[7] *Id.* at 142.

[8] Id. at 144-149.

[9] Id. at 191-197.

[10] CA Rollo, vol. 1, pp. 3-67.

[11] Id. at 579-638.

[12] Id. at 636.

[13] Rollo, G.R. No. 133547, pp. 113-114.

[14] Rollo, G.R. No. 133843, pp. 18-19.

[15] Rollo, vol. 3, pp. 873-876.

[16] Id. at 1242-1248.

[17] Report submitted by Associate Justices Oswaldo D. Agcaoili, Chairman, Eliezer R. De Los Santos and Danilo B. Pine, pp. 14-16.

[18] Id. at 25.

[19] Exhibit "F" for Respondents, CA Rollo, vol. 3, pp. 1181-1882.

[20] Exhibit "G" for Respondents, CA Rollo, vol. 3, pp. 1185-1886.

[21] Exhibit "H" for Respondents, CA Rollo, vol. 3, p. 1888.

[22] 106 Phil 477 (1959).

[23] Id. at 481.

[24] 10 SCRA 344 (1964).

[25] 20 SCRA 1031 (1967).

[26] 163 SCRA 132 (1988).

[27] Decision, G.R. Nos. 133547 and 133843, p. 27.

[28] Camara vs. Court of Appeals, 310 SCRA 608 (1999).

[29] Calalang vs. Register of Deeds of Quezon City, 231 SCRA 88 (1994).

[30] J.C. Lopez & Associates, Inc. vs. Commission on Audit, 364 SCRA 472 (2001), citing Veloso, Jr. vs. Court of Appeals, 261 SCRA 196 (1996).

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