# FIL-ESTATE GOLF AND DEVELOPMENT, INC., PETITIONER, VS. FELICIDAD NAVARRO, RESPONDENT.

*G.R. NO. 152575. June 29, 2007*

Ponente: CARPIO, J.

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**CARPIO, J.:**

The Case

This is a petition for review[1] of the Decision[2] dated 28 September 2001 and the Resolution dated 11 March 2002 of the Court of Appeals in CA-G.R. SP No. 34537.

The Facts

On 7 October 1993, Felicidad Navarro (respondent) filed a complaint for Cancellation of Title and Recovery of Ownership and Possession with Damages against Carmona Realty Development Corporation (CRDC), Cerilo Layos (Layos), Rogelio Paular (Paular), Policarpio Diaz (Diaz), Ernesto Logarta (Logarta), Fil-Estate Golf and Development, Inc.[3] (petitioner), and the Registrar of the Registry of Deeds, Cavite.

Respondent alleged that she is the registered owner of two parcels of land covered by Transfer Certificate of Title Nos. 76157 and 273624 (TCT Nos. 76157 & 273624), with an area of about 6,636 square meters and 465 square meters, respectively. In her Complaint, respondent stated that through the fraudulent and deceitful misrepresentations of Layos, Paular, Diaz, and Logarta, TCT Nos. 76157 & 273624 were cancelled and new titles were issued in the name of CRDC. The two parcels of land are now claimed and developed by petitioner.

Instead of filing an answer, petitioner filed a motion to dismiss the complaint, alleging that the action had prescribed and that the trial court did not acquire jurisdiction over the case because respondent did not pay the correct amount of docket fees.

On 14 April 1994, the trial court issued an Order denying the motion to dismiss, stating that the docket fees had been fully paid as certified by the clerk of court. The trial court likewise denied the motion for reconsideration.

Petitioner filed a petition for certiorari with the Court of Appeals. On 28 September 2001, the Court of Appeals denied the petition. The Court of Appeals likewise denied petitioner's motion for reconsideration.

Hence, this petition for review on certiorari.

The Ruling of the Court of Appeals

The Court of Appeals found no grave abuse of discretion on the part of the trial court in denying petitioner's motion to dismiss. The Court of Appeals held that an order denying a motion to dismiss is merely interlocutory and therefore not appealable. On the issue of prescription, the Court of Appeals held that such issue is best ventilated in a full blown proceeding before the trial court. The Court of Appeals cited the case of Baranda v. Baranda[4] where this Court held that under Article 1410 of the Civil Code, an action to declare the inexistence of

void contracts does not prescribe. On the issue of non-payment of the correct amount of docket fees, the Court of Appeals held that the certification of the clerk of court that the docket fees have been fully paid by respondent must be given due respect based on the presumption that official duty has been regularly performed in accordance with law.

The Issues

Petitioner contends that:

> - THE COURT OF APPEALS ERRED IN NOT HOLDING THAT THE ACTION BELOW HAD ALREADY PRESCRIBED.
>
> - THE COURT OF APPEALS ERRED IN SUSTAINING THE JURISDICTION OF THE TRIAL COURT OVER CIVIL CASE NO. BCV 93-127.[5]

The Ruling of the Court

The petition is partly meritorious.

Under Section 1(c), Rule 41 of the Rules of Court, an interlocutory order is not appealable. An order denying a motion to dismiss is interlocutory and not appealable.[6] We agree with the Court of Appeals in finding that the trial court did not commit grave abuse of discretion in denying the petitioner's motion to dismiss. However, we agree with petitioner that the docket fees paid were insufficient and that the clerk of court should reassess and determine the correct docket fees based on the assessed or estimated value of the subject properties for respondent to pay.

Prescription

Petitioner alleges that on 25 October 1982, the Register of Deeds cancelled TCT No. 76157 and issued a new title, TCT No. 125941, in the name of CRDC. Since respondent filed the complaint only on 7 October 1993, petitioner argues that 11 years had lapsed since the discovery of the alleged fraud which is deemed to have taken place when the Register of Deeds issued the new title. Therefore, petitioner asserts that the action has already prescribed since under Article 1391 of the Civil Code, an action to nullify a contract based on fraud should be filed within four years from the discovery of fraud.

On the other hand, respondent impugns the validity of the deed of sale for lack of consent. Respondent alleges that she is an illiterate widow. Sometime in 1980, when respondent was about 96 years old, Layos, Paular, Diaz, and Logarta convinced respondent to hand over the titles to her properties allegedly to obtain sugar quota from the Canlubang Sugar Estate. Taking advantage of respondent's advanced age and illiteracy, Layos, Paular, Diaz, and Logarta subsequently convinced respondent to affix her thumbmark on a document which turned out to be a deed of absolute sale in favor of CRDC. In effect, respondent is impugning the validity of the deed of sale because even though she affixed her thumbmark on the document, she was unaware that the document was a deed of sale. Thus, respondent's complaint for cancellation of title alleged as basis the nullity of the deed of sale because of the absence of respondent's consent. If this is the case, then the complaint filed has not yet prescribed since under Article 1410 of the Civil Code, an action or defense for the declaration of the inexistence of a contract does not prescribe. As held in Heirs of Rosa Dumaliang v. Damiano Serban:[7]

> Without prejudging the issue as it is the trial court which would ultimately determine the same, if it is established that petitioners' consent was not given to the 1962 Deed of Extra-Judicial Settlement and Sale which became the basis for the issuance of the new title over the entire lot in respondent Damiano's name in


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> 1965, the absence of such consent makes the Deed null and void ab initio and subject to attack anytime. x x x Article 1410 of the Civil Code clearly provides that an action to declare the inexistence of a void contract does not prescribe.
>
> x x x x
>
> If indeed petitioners' consent was not given, respondents could not have acquired ownership over the 56,804 sq. m. lot by virtue of the 1962 Deed of Extra-Judicial Settlement and Sale. While a certificate of title was issued in respondents' favor, such title could not vest upon them ownership of the entire property; neither could it validate a deed which is null and void. Registration does not vest title; it is merely the evidence of such title. Our land registration laws do not give the holder any better title than what he actually has.

Furthermore, in Baranda v. Baranda,[8] where the complainant alleged that she signed the deeds of sale without knowing their contents, the Court held:

The Civil Code provides in Article 1391 that an action to annul a contract on the ground of vitiated consent must be filed within four years from the discovery of the vice of consent. In the instant case, however, we are dealing not with a voidable contract tainted with fraud, mistake, undue influence, violence or intimidation that can justify its nullification, but with a contract that is null and void ab initio.

Paulina Baranda declared under oath in her complaint that she signed the deeds of sale without knowing what they were, which means that her consent was not merely marred by the above-stated vices, so as to make the contracts voidable, but that she had not given her consent at all. We are also satisfied that there was no valid consideration either for the alleged transfers, for reasons already discussed. Lack of consent and consideration made the deeds of sale void altogether and rendered them subject to attack at any time, conformably to the rule in Article 1410 that an action to declare the inexistence of void contracts does not prescribe.

The issue of prescription in this case is not as simple as petitioner would have us believe. Prescription as a ground for a motion to dismiss is adequate when the complaint on its face shows that the action has already prescribed.[9] This is not the case here. Contrary to petitioner's contention, it is not apparent from the complaint that the action has already prescribed. In this case, the issue of prescription hinges on the determination of whether the sale of the parcels of land is voidable or void. We agree with the Court of Appeals that the issue of prescription in this case is best ventilated in a full blown proceeding before the trial court where both parties can substantiate their claims. The trial court is in the best position to ascertain the credibility of both parties.

Thus, if the trial court finds that the deed of sale is void, then the action for the declaration of the contract's nullity is imprescriptible.[10] Indeed, the Court has held in a number of cases that an action for reconveyance of property based on a void contract does not prescribe.[11] However, if the trial court finds that the deed of sale is merely voidable, then the action would have already prescribed.

Payment of Docket Fees

Petitioner asserts that the trial court did not acquire jurisdiction over the case because respondent failed to pay the correct amount of docket fees. Petitioner states that respondent paid only P1,540 as filing and docket fees, which is less than the amount required under Section 7(a), Rule 141 of the Rules of Court.[12] Petitioner alleges that the complaint is a real action involving title or possession of real property and that under Section 7(a) of Rule 141, actions of this nature should be assessed filing fees based on the assessed value of the property, or if there is none, the estimated value as alleged by the claimant. Petitioner maintains that respondent failed to allege the assessed or estimated value of the subject properties such that the clerk of court failed to assess properly the correct filing fees based on the value of the subject properties. Based on the properties' estimated value of P7,101,000,[13] petitioner claims that respondent should have paid P36,996.30 as filing fees. Since respondent only paid P1,540, then the

trial court did not acquire jurisdiction over the case. Petitioner cited Manchester Development Corporation v. Court of Appeals,[14] where the Court held that a court acquires jurisdiction over any case only upon payment of the prescribed docket fees.

Petitioner's contention is without merit. The ruling in Manchester does not apply to cases where insufficient filing fees were paid based on the assessment made by the clerk of court, and there was no intention to defraud the government.[15]

In Rivera v. Del Rosario,[16] one of the issues presented was whether the trial court acquired jurisdiction over the case despite an alleged deficiency in the payment of the filing fees. It was alleged that the filing fee paid was only P1,544.45, which was insufficient considering that the relief sought was reconveyance of land worth P2,141,622.50, for which the correct filing fee should have been P12,183.70. The Court held:

> Jurisdiction was validly acquired over the complaint. In Sun Insurance Office, Ltd., (SIOL) v. Asuncion, this Court ruled that the filing of the complaint or appropriate initiatory pleading and the payment of the prescribed docket fee vest a trial court with jurisdiction over the subject matter or nature of the action. If the amount of docket fees paid is insufficient considering the amount of the claim, the clerk of court of the lower court involved or his duly authorized deputy has the responsibility of making a deficiency assessment. The party filing the case will be required to pay the deficiency, but jurisdiction is not automatically lost.
>
> Here it is beyond dispute that respondents paid the full amount of docket fees as assessed by the Clerk of Court of the Regional Trial Court of Malolos, Bulacan, branch 17, where they filed the complaint. If petitioners believed that the assessment was incorrect, they should have questioned it before the trial court. Instead, petitioners belatedly question the alleged underpayment of docket fees through this petition, attempting to support their position with the opinion and certification of the Clerk of Court of another judicial region. Needless to state, such certification has no bearing on the instant case.[17]

Similarly, in this case, respondent paid the full amount of docket fees assessed by the clerk of court. Since respondent paid the docket fees, then the trial court acquired jurisdiction over the case. In fact, even though the payment of the prescribed docket fees is a jurisdictional requirement, its non-payment at the time of filing does not automatically result in the dismissal of the case provided the docket fees are paid within the applicable prescriptive or reglementary period.[18]

However, we agree with petitioner that since the case is a real action involving cancellation of titles and reconveyance of properties, then under Section 7(a), Rule 141 of the Rules of Court, the computation of the docket fees should be based on the assessed or estimated value of the property. Thus, the clerk of court should reassess the docket fees based on the assessed or estimated value of the property to determine the correct docket fees to be paid by respondent.

WHEREFORE, we AFFIRM with MODIFICATION the 28 September 2001 Decision and the 11 March 2002 Resolution of the Court of Appeals in CA-G.R. SP No. 34537. We ORDER the Clerk of Court of the Regional Trial Court of Imus, Cavite, Branch 22 to reassess and determine the correct amount of docket fees that respondent should pay, and the trial court to direct respondent to pay the same.

**SO ORDERED.**

Carpio-Morales, Tinga, and Velasco, Jr., JJ., concur.
Quisumbing, (Chairperson), J. on official leave.

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[1] Under Rule 45 of the 1997 Rules of Civil Procedure.

[2] Penned by Associate Justice Eubulo G. Verzola with Associate Justices Marina L. Buzon and Bienvenido L. Reyes, concurring.

[3] The complaint stated Fil Estate, referring to Fil-Estate Golf and Development, Inc.

[4] No. L-73275, 20 May 1987, 150 SCRA 59.

[5] Rollo, p. 20.

[6] Lu Ym v. Nabua, G.R. No. 161309, 23 February 2005, 452 SCRA 298.

[7] G.R. No. 155133, 21 February 2007.

[8] Supra note 4 at 73.

[9] Marquez v. Baldoz, 448 Phil. 829 (2003).

[10] Rongavilla v. Court of Appeals, G.R. No. 83974, 17 August 1998, 294 SCRA 289.

[11] Sumipat v. Banga, G.R. No. 155810, 13 August 2004, 436 SCRA 521; Aznar Brothers Realty Company v. Heirs of Aniceto Augusto, G.R. No. 140417, 28 May 2004, 430 SCRA 156; Heirs of Ingjug-Tiro v. Spouses Casals, 415 Phil. 665 (2001); Lacsamana v. Court of Appeals, G.R. No. 121658, 27 March 1998, 288 SCRA 287.

[12] Section 7(a), Rule 141 of the Rules of Court states:

> For filing an action or a permissive counter-claim or money claim against an estate not based on judgment, or for filing with leave of court a third-party, fourth-party, etc. complaint, or a complaint in intervention, and for all clerical services in the same, if the total-sum claimed, exclusive of interest, or the stated value of the property in litigation, is:
>
> 1. Not more than P20,000.00 P120.00
>
> 2. More than P20,000.00 but
> less that P40,000.00 150.00
>
> 3. P40,000.00 or more but
> less than P60,000.00 200.00
>
> 4. P60,000.00 or more but
> less than P80,000.00 250.00
>
> 5. P80,000.00 or more but
> less than P100,000.00 400.00
>
> 6. P100,000.00 or more but
> less than P150,000.00 600.00
>
> 7. For each P1,000.00
> in excess of P150,000.00 5.00
>
> x x x x
>
> In a real action, the assessed value of the property, or if there is none, the estimated value thereof shall be alleged by the claimant and shall be the basis in computing the fees.

[13] P1,000 x 7,101 sq.m., the area of the subject properties. Petitioner alleges that the market value of realty then prevailing in Carmona, Cavite was about P1,000 per square meter.


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[14] No. L-75919, 7 May 1987, 149 SCRA 562.

[15] Soriano v. Court of Appeals, 416 Phil. 226 (2001).

[16] 464 Phil. 783 (2004).

[17] Id. at 797.

[18] Sps. Go v. Tong, 462 Phil. 256 (2003); Alday v. FGU Insurance Corporation, 402 Phil. 962 (2001).

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