SM PRIME HOLDINGS, INC., PETITIONER, VS. ANGELA V. MADAYAG,RESPONDENT.

G.R. No. 164687. February 12, 2009

Ponente: NACHURA, J.

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NACHURA, J.:

This is a petition for review on certiorari of the Decision[1] of the Court of Appeals (CA) dated March 19, 2004 and Resolution dated July 15, 2004, which set aside the lower court's order to suspend the proceedings on respondent's application for land registration.

On July 12, 2001, respondent Angela V. Madayag filed with the Regional Trial Court (RTC) of Urdaneta, Pangasinan an application for registration of a parcel of land with an area of 1,492 square meters located in Barangay Anonas, Urdaneta City, Pangasinan.[2] Attached to the application was a tracing cloth of Survey Plan Psu-01-008438, approved by the Land Management Services (LMS) of the Department of Environment and Natural Resources (DENR), Region 1, San Fernando City.

On August 20, 2001, petitioner SM Prime Holdings, Inc., through counsel, wrote the Chief, Regional Survey Division, DENR, Region I, demanding the cancellation of the respondent's survey plan because the lot encroached on the properties it recently purchased from several lot owners and that, despite being the new owner of the adjoining lots, it was not notified of the survey conducted on June 8, 2001.[3]

Petitioner then manifested its opposition to the respondent's application for registration. The Republic of the Philippines, through the Office of the Solicitor General, and the heirs of Romulo Visperas also filed their respective oppositions.

On February 6, 2002, petitioner filed its formal opposition. Petitioner alleged that it had recently bought seven parcels of land in Barangay Anonas, Urdaneta, delineated as Lots B, C, D, E, G, H and I in Consolidation-Subdivision Plan No. (LRC) Pcs-21329, approved by the Land Registration Commission on August 26, 1976, and previously covered by Survey Plan No. Psu-236090 approved by the Bureau of Lands on December 29, 1970. These parcels of land are covered by separate certificates of title, some of which are already in the name of the petitioner while the others are still in the name of the previous owners.

On February 20, 2002, the RTC declared a general default, except as to the petitioner, the Republic, and the heirs of Romulo Visperas. Thereafter, respondent commenced the presentation of evidence.

Meanwhile, acting on petitioner's request for the cancellation of the respondent's survey plan, DENR Assistant Regional Executive Director for Legal Services and Public Affairs, Allan V. Barcena, advised the petitioner to file a petition for cancellation in due form so that the DENR could properly act on the same.[4] Accordingly, petitioner formally filed with the DENR a petition[5] for cancellation of the survey plan sometime in March 2002, alleging the following grounds:

I.

> THERE IS NO SUCH THING AS ALIENABLE OR DISPOSABLE PROPERTY WHICH IS THE SUBJECT LOT IN THIS CASE
>
> II.
> NO NOTICE WAS MADE UPON PETITIONER (AS ADJOINING LANDOWNER AND WHO BEARS INTEREST OVER THE SUBJECT LOT) MUCH LESS THE OWNERS OF ADJOINING LANDS.
>
> III.
> THE CIRCUMSTANCES EVIDENTLY SHOW THAT BAD FAITH AND/OR MALICE ATTENDED THE APPROVAL OF (PLAN WITH PSU NO. 01-008438).[6]

On July 17, 2002, petitioner filed an Urgent Motion to Suspend Proceedings [7] in the land registration case, alleging that the court should await the DENR resolution of the petition for the cancellation of the survey plan "as the administrative case is prejudicial to the determination" of the land registration case.

On October 8, 2002, the RTC issued an Order granting the motion, thus:

> WHEREFORE, PREMISES CONSIDERED, the Court hereby GRANTS the instant motion and suspends the proceedings herein. In the meantime, and until receipt by this Court of a copy of the resolution of the petition for cancellation by the DENR, the instant case is hereby ARCHIVED.
>
> SO ORDERED.[8]

Emphasizing that a survey plan is one of the mandatory requirements in land registration proceedings, the RTC agreed with the petitioner that the cancellation of the survey plan would be prejudicial to the petition for land registration.[9]

On February 13, 2003, the RTC denied the respondent's motion for reconsideration of its order.[10] Respondent thereafter filed a petition for certiorari with the CA assailing the order suspending the proceedings.

On March 19, 2004, finding that the RTC committed grave abuse of discretion in suspending the proceedings, the CA granted the petition for certiorari, thus:

> WHEREFORE, premises considered, the instant petition is hereby GRANTED. The challenged Orders dated October 8, 2002 and February 13, 2003 of the respondent Court are declared NULL and VOID.
>
> The Court a quo is directed to continue the proceedings until its final determination. No pronouncement as to costs.
>
> SO ORDERED.[11]

The CA ratiocinated that the survey plan which was duly approved by the DENR should be accorded the presumption of regularity, and that the RTC has the power to hear and determine all questions arising from an application for registration.[12]

On July 15, 2004, the CA issued a Resolution[13] denying the petitioner's motion for reconsideration. Petitioner was, thus, compelled to file this petition for review, ascribing the following errors to the CA:

- THE COURT OF APPEALS COMMITTED MANIFEST ERROR IN NOT FINDING THAT THE SUSPENSION OF THE PROCEEDINGS IN THE LAND REGISTRATION CASE IS LEGAL AND PROPER PENDING THE DETERMINATION AND RESOLUTION OF THE ADMINISTRATIVE CASE BEFORE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES-REGION 1.

- THE COURT OF APPEALS COMMITTED MANIFEST ERROR IN FAILING TO FIND THAT THE ASSAILED ORDERS OF THE LOWER COURT HAVE PROPER AND SUFFICIENT BASES IN FACT AND

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IN LAW.

- THE COURT OF APPEALS COMMITTED MANIFEST ERROR IN HOLDING THAT THE LOWER COURT HAS ACTED WITH GRAVE ABUSE OF DISCRETION IN SUSPENDING THE PROCEEDINGS AND ARCHIVING THE CASE.

- THE COURT OF APPEALS COMMITTED MANIFEST ERROR IN FAILING TO FIND THAT THE FILING OF THE PETITION FOR CERTIORARI, UNDER RULE 65 OF THE REVISED RULES OF CIVIL PROCEDURE, IS NOT THE ONLY PLAIN, SPEEDY AND ADEQUATE REMEDY IN THE ORDINARY COURSE OF LAW ON THE PART OF HEREIN RESPONDENT.[14]

The petition has no merit.

Petitioner contends that, since the respondent's cause of action in the land registration case depends heavily on the survey plan, it was only prudent for the RTC to suspend the proceedings therein pending the resolution of the petition for cancellation of the survey plan by the DENR.[15] It, therefore, insists that recourse to a petition for certiorari was not proper considering that respondent was not arbitrarily deprived of her right to prosecute her application for registration.[16]

Undeniably, the power to stay proceedings is an incident to the power inherent in every court to control the disposition of the cases in its dockets, with economy of time and effort for the court, counsel and litigants. But courts should be mindful of the right of every party to a speedy disposition of his case and, thus, should not be too eager to suspend proceedings of the cases before them. Hence, every order suspending proceedings must be guided by the following precepts: it shall be done in order to avoid multiplicity of suits and prevent vexatious litigations, conflicting judgments, confusion between litigants and courts,[17] or when the rights of parties to the second action cannot be properly determined until the questions raised in the first action are settled. [18] Otherwise, the suspension will be regarded as an arbitrary exercise of the court's discretion and can be corrected only by a petition for certiorari.

None of the circumstances that would justify the stay of proceedings is present. In fact, to await the resolution of the petition for cancellation would only delay the resolution of the land registration case and undermine the purpose of land registration.

The fundamental purpose of the Land Registration Law (Presidential Decree No. 1529) is to finally settle title to real property in order to preempt any question on the legality of the title - except claims that were noted on the certificate itself at the time of registration or those that arose subsequent thereto. Consequently, once the title is registered under the said law, owners can rest secure on their ownership and possession.[19]

Glaringly, the petition for cancellation raises practically the very same issues that the herein petitioner raised in its opposition to the respondent's application for registration. Principally, it alleges that the survey plan should be cancelled because it includes portions of the seven properties that it purchased from several landowners, which properties are already covered by existing certificates of title.

Petitioner posits that it is the DENR that has the sole authority to decide the validity of the survey plan that was approved by the LMS.[20] It cites Section 4(15), Chapter 1, Title XIV, Administrative Code of 1987 which provides that the DENR shall

> (15) Exercise (of) exclusive jurisdiction on the management and disposition of all lands of the public domain and serve as the sole agency responsible for classification, sub-classification, surveying and titling of lands in consultation with appropriate agencies.

However, respondent argues that the land registration court is clothed with adequate authority to resolve the conflicting claims of the parties, and that even if the DENR cancels her survey plan, the land registration court is not by duty bound to dismiss the application for registration based solely on the cancellation of the survey plan.[21]

Without delving into the jurisdiction of the DENR to resolve the petition for cancellation, we hold that, as an incident to its authority to settle all questions over the title of the subject property, the land registration court may resolve the underlying issue of whether the subject property overlaps the petitioner's properties without necessarily having to declare the survey plan as void.

It is well to note at this point that, in its bid to avoid multiplicity of suits and to promote the expeditious resolution of cases, Presidential Decree (P.D.) No. 1529 eliminated the distinction between the general jurisdiction vested in the RTC and the latter's limited jurisdiction when acting merely as a land registration court. Land registration courts, as such, can now hear and decide even controversial and contentious cases, as well as those involving substantial issues.[22] When the law confers jurisdiction upon a court, the latter is deemed to have all the necessary powers to exercise such jurisdiction to make it effective. [23] It may, therefore, hear and determine all questions that arise from a petition for registration.

In view of the nature of a Torrens title, a land registration court has the duty to determine whether the issuance of a new certificate of title will alter a valid and existing certificate of title.[24] An application for registration of an already titled land constitutes a collateral attack on the existing title, [25] which is not allowed by law.[26] But the RTC need not wait for the decision of the DENR in the petition to cancel the survey plan in order to determine whether the subject property is already titled or forms part of already titled property. The court may now verify this allegation based on the respondent's survey plan vis-à-vis the certificates of title of the petitioner and its predecessors-in-interest. After all, a survey plan precisely serves to establish the true identity of the land to ensure that it does not overlap a parcel of land or a portion thereof already covered by a previous land registration, and to forestall the possibility that it will be overlapped by a subsequent registration of any adjoining land.[27]

Should the court find it difficult to do so, the court may require the filing of additional papers to aid in its determination of the propriety of the application, based on Section 21 of P.D. No. 1529:

> SEC. 21. Requirement of additional facts and papers; ocular inspection. - The court may require facts to be stated in the application in addition to those prescribed by this Decree not inconsistent therewith and may require the filing of any additional papers.

The court may also directly require the DENR and the Land Registration Authority to submit a report on whether the subject property has already been registered and covered by certificates of title, like what the court did in Carvajal v. Court of Appeals.[28] In that case, we commended such move by the land registration court for being "in accordance with the purposes of the Land Registration Law."[29]

WHEREFORE, premises considered, the petition is DENIED . The Court of Appeals Decision dated March 19, 2004 and Resolution dated July 15, 2004 are AFFIRMED. The Regional Trial Court of Urdaneta, Pangasinan is DIRECTED to continue with the proceedings in L.R.C. Case No. U-1134 and to resolve the same with dispatch.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Chico-Nazario, and Peralta, JJ., concur.

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[1] Penned by Associate Justice Eliezer R. de los Santos, with Associate Justices Delilah Vidallon-Magtolis and

Jose C. Mendoza, concurring; rollo, pp. 39-42.

[2] CA rollo, pp. 33-34.

[3] Rollo, pp. 44-46.

[4] Id. at 49.

[5] Id. at 252-258.

[6] Id. at 253.

[7] Id. at 87-91.

[8] Id. at 95.

[9] Id.

[10] Id. at 107-110.

[11] Id. at 42.

[12] Id. at 41.

[13] Id. at 43.

[14] Id. at 25.

[15] Id. at 234-237.

[16] Id. at 238.

[17] Security Bank Corporation v. Victorio, G.R. No. 155099,August 31, 2005, 468 SCRA 609, 628.

[18] Quiambao v. Osorio, No. L-48157, March 16, 1988, 158 SCRA 674, 679.

[19] Tichangco v. Enriquez, G.R. No. 150629, June 30, 2004, 433 SCRA 324, 333-334.

[20] Rollo, pp. 230-232.

[21] Id. at 376-377.

[22] Talusan v. Tayag, 408 Phil. 373, 386 (2001).

[23] Carvajal v. Court of Appeals, 345 Phil. 582, 591 (1997).

[24] Id at 592.

[25] Fil-Estate Management, Inc. v. Trono, G.R. No. 130871, February 17, 2006, 482 SCRA 578, 584.

[26] Section 48 of Presidential Decree No. 1529 provides:

Sec. 48. Certificate not subject to collateral attack. - A certificate of title shall not be subject to collateral attack. It cannot be altered, modified, or cancelled except in a direct proceeding in accordance with law.

[27] Del Rosario v. Republic, 432 Phil. 824, 834 (2002).

[28] Supra note 24.

[29] Id. at 591.

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