

HEIRS OF TOMAS DOLLETON, HERACLIO ORCULLO, REMEDIOS SAN PEDRO, HEIRS OF BERNARDO MILLAMA, HEIRS OF AGAPITO VILLANUEVA, HEIRS OF HILARION GARCIA, SERAFINA SP ARGANA, AND HEIRS OF...

G.R. No. 170750. April 07, 2009

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

This is a Petition for Review on Certiorari under Rule 45 of the Rules of Court, assailing (1) the Decision[1] dated 16 September 2005, rendered by the Court of Appeals in CA-G.R. CV No. 80927, which affirmed the Resolutions[2] dated 8 September 2000 and 30 June 2003, of the Regional Trial Court (RTC), Branch 253, of Las Piñas City, dismissing the Complaints in Civil Cases No. LP-97-0228, No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239; and (2) the Resolution dated 9 December 2005 of the same court denying petitioners' Motion for Reconsideration.

In October 1997, petitioners Heirs of Tomas Dolleton,[3] Heraclio Orcullo, Remedios San Pedro, et al.,[4] Heirs of Bernardo Millama, et al.,[5] Heirs of Agapito Villanueva, et al.,[6] Heirs of Hilarion Garcia, et al.,[7] Serafina SP Argana, et al.,[8] and Heirs of Mariano Villanueva, et al.[9] filed before the RTC separate Complaints for Quieting of Title and/or Recovery of Ownership and Possession with Preliminary Injunction/Restraining Order and Damages against respondents Fil-Estate Management Inc., Spouses Arturo E. Dy and Susan Dy, Megatop Realty Development, Inc.,[10] and the Register of Deeds of Las Piñas. The Complaints, which were later consolidated, were docketed as follows:

- Civil Case No. L-97-0228, which was filed by the Heirs of Tomas Dolleton covering a parcel of land with an area of 17,681 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-235279 approved by the Director of the Bureau of Lands on 20 February 1959;
- Civil Case No. L-97-0229, which was filed by Heraclio Orcullo covering two (2) parcels of land with the total areas of 14,429 square meters and 2,105 square meters, respectively, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Lots 1 and 2, Psu-169404 approved by the Director of the Bureau of Lands on 4 December 1959;
- Civil Case No. L-97-0230, which was filed by Remedios San Pedro, et al., covering a parcel of land with an area of 17,159 square meters, located in Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96901 approved by the Director of the Bureau of Lands on 21 July 1933;
- Civil Case No. L-97-0231, which was filed by the Heirs of Bernardo Millama, et al., covering a parcel of land with an area of 23,359 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96905 approved by the Director of the Bureau of Lands on 16 January 1933;
- Civil Case No. L-97-0236, which was filed by the Heirs of Agapito Villanueva covering a parcel of land with an area of 10,572 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal;

- Civil Case No. L-97-0237, which was filed by the Heirs of Hilarion Garcia, et al., covering a parcel of land with an area of 15,372 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96920 approved by the Director of the Bureau of Lands on 16 January 1933;
- Civil Case No. L-97-0238, which was filed by Serafina SP Argana, et al., covering a parcel of land with an area of 29,391 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96909 approved by the Director of the Bureau of Lands on 18 January 1933; and
- Civil Case No. L-97-0239, which was filed by the Heirs of Mariano Villanueva, et al., covering a parcel of land with an area of 7,454 square meters, located in Magasawang Mangga, Barrio Pugad Lawin, Las Piñas, Rizal under Psu-96910 approved by the Director of the Bureau of Lands on 16 January 1933.

The eight Complaints[11] were similarly worded and contained substantially identical allegations. Petitioners claimed in their Complaints that they had been in continuous, open, and exclusive possession of the afore-described parcels of land (subject properties) for more than 90 years until they were forcibly ousted by armed men hired by respondents in 1991. They had cultivated the subject properties and religiously paid the real estate taxes for the same. Respondents cannot rely on Transfer Certificates of Title (TCTs) No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, No. 9181 and No. 9182,[12] issued by the Registry of Deeds of Las Piñas in their names, to support their claim over the subject properties since, petitioners averred, the subject properties were not covered by said certificates. Petitioners also alleged that said TCTs, purportedly derived from Original Certificate of Title (OCT) No. 6122, issued in favor of Jose Velasquez, were spurious.

To support their narration of facts, petitioners cited *Vda. de Cailles v. Mayuga*[13] and *Orosa v. Migrino*,[14] which both involved the parcel of land referred to as Lot 9, Psu-11411, Amd-2. In these cases, the Court adjudicated said piece of land to Dominador Mayuga, who later transferred it to Marciano Villanueva, who sold it to Nicolas Orosa. Pending a controversy between the Heirs of Nicolas Orosa and Jose Velasquez, Delta Motors Corporation somehow acquired the rights over their conflicting claims to the land and managed to obtain certificates of title over the same. Delta Motors Corporation sold the land to Goldenrod, Inc., which finally transferred it to a consortium composed of respondents, Peaksun Enterprises and Export Corporation, and Elena Jao.

Petitioners stressed, however, that in *Vda. de Cailles* and *Orosa*, the land that was transferred was Lot 9, Psu-11411, Amd-2, measuring 53 hectares, which was only a portion of the entire Lot 9, Psu-11411, with a total area of 119.8 hectares. And respondents' TCTs, derived from OCT No. 6122 in the name of Jose Velasquez, covered only 26.44 hectares or roughly half of Lot 9, Psu-11411, Amd-2. Petitioners averred that the subject properties were not included in the 53 hectares of Lot 9, Psu-11411, adjudicated to Dominador Mayuga.

Petitioners thus sought from the RTC that an order be issued enjoining respondents from making any developments on the subject properties, and that after hearing, judgment be rendered as follows:

- [Herein respondents] be ordered to recognize the rights of [herein petitioners]; to vacate the subject lot and peacefully surrender possession thereof to [petitioners]; and that Transfer Certificate of Title Numbers 9176, 9177, 9178, 9179, 9180 and 9182 be cancelled by the Register of Deeds for Las Pinas, Metro Manila, insofar as they are or may be utilized to deprive [petitioners] of the possession and ownership of said lot.
- Making the preliminary injunctions permanent.
- An order be issued directing [respondents] to pay [petitioners] the sums of:
 - P500,000.00 as moral damages;
 - P150,000.00 as exemplary damages;

- P100,000.00 as attorney's fees; and,
- Cost of suit.

[Petitioners] further pray for such other affirmative reliefs as are deemed just and equitable in the premises.[15]

Respondents filed before the RTC a Motion to Dismiss and Opposition to Application for a Temporary Restraining Order/Writ of Preliminary Injunction.[16] They moved for the dismissal of the eight Complaints on the grounds of (1) prescription; (2) laches; (3) lack of cause of action; and (4) res judicata.[17]

Respondents argued that the Complaints sought the annulment of the certificates of title that were issued in their names. Section 32 of Presidential Decree No. 1529, otherwise known as the Property Registration Decree,[18] provides that the decree of registration and the certificate of title issued pursuant thereto can only be nullified on the ground of fraud within one year after the entry of such decree of registration. Respondents' TCTs could be traced back to the decree/s of registration entered in 1966/1967, which resulted in the issuance of OCT No. 6122 in the name of Jose Velasquez, respondents' predecessor-in-interest. Hence, the filing of the Complaints only in October 1997 was made beyond the prescription period for assailing a decree of registration and/or the certificate of title issued pursuant thereto. Additionally, petitioners' Complaints were actions for reconveyance of the subject properties based on implied trust, the filing of which prescribes after 10 years from the time said properties were first registered under the Torrens system, in accordance with Articles 1144 and 1456 of the Civil Code.[19] Since the subject properties were first registered in 1966/1967, then the actions for their reconveyance, instituted only in 1997 or 30 years later, should be dismissed on the ground of prescription.[20]

Respondents also contended that petitioners were guilty of laches. Despite their alleged possession of the subject properties for 90 years, petitioners failed to take any steps to oppose the land registration cases involving the same properties or to seek the nullification of the decrees of registration and certificates of title which were entered and issued as early as 1966 and 1967.[21]

Moreover, respondents maintained that the Complaints should be dismissed for failure to state a cause of action. Even assuming that petitioners were able to prove their allegations of longtime possession and payment of realty taxes on the subject properties, and to submit a sketch plan of the same, these cannot defeat a claim of ownership over the parcels of land, which were already registered under the Torrens system in the name of respondents and the other consortium members.[22]

Lastly, respondents insisted that the Complaints should be dismissed on the ground of res judicata.[23] By virtue of the decided cases *Vda. de Cailles and Orosa*, which petitioners themselves cited in their Complaints, any claims to all portions of Lot 9, Psu 11411, Amd-2 are barred by res judicata. In said cases, respondents' predecessors-in-interest were declared owners of Lot 9, Psu 11411, Amd-2. Respondents also referred to a Decision[24] dated 17 December 1991 rendered by the Metropolitan Trial Court (MTC) of Las Piñas, Branch 79, in Civil Case No. 3271, entitled *Heirs of Benito Navarro v. Fil-Estate Management Inc.*[25] In its Decision, the MTC declared that therein plaintiffs were not in possession of the land, which it found to belong to respondent Fil-Estate Management Inc.

On 11 June 1998, the Heirs of Jose Velasquez (intervenor) filed a Motion for Intervention with Leave of Court and a Complaint-in-Intervention, alleging that the subject properties, covered by TCTs No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, and No. 9181, were once owned by the Spouses Jose Velasquez and Loreto Tiongkiao. Without settling the conjugal partnership after the death of his wife Loreto Tiongkiao, and without obtaining the intervenors' consent, Jose Velasquez, together with J.V. Development Corporation, Delta Motors Corporation, and Nicolas Orosa, transferred all their rights to the subject properties to Goldenrod, Inc., from which respondents

acquired the same. The intervenors sought the cancellation and nullification of respondents' certificates of title insofar as their mother's share in the subject properties was concerned.[26]

On 8 September 2000, the RTC issued a Resolution[27] in Civil Case No. LP-97-0228 granting respondents' Motion to Dismiss. The trial court determined that the subject properties were already registered in the names of respondents, and that petitioners were unable to prove by clear and convincing evidence their title to the said properties. The dispositive part of the RTC Resolution reads:

On the basis of the foregoing reasons alone, the instant complaint should immediately be DISMISSED. Accordingly, the prayer for a temporary restraining order and preliminary injunction is DENIED. This, however, is without prejudice to the complaint-in-intervention filed by intervenors over the disputed properties, their undivided interests being intertwined and attached to the disputed properties wherever it goes and whoever is in possession of the same, their right to bring action to pursue the same being imprescriptible.[28]

On 12 August 2002, respondents filed a Motion for Clarification[29] asking the RTC whether the order of dismissal of Civil Case No. LP-97-0228, included Civil Cases No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239. In a Resolution[30] dated 30 June 2003, the RTC reiterated its Resolution dated 8 September 2000 dismissing the Complaint of petitioners Heirs of Tomas Dolleton in Civil Case No. LP-97-0228; and declared that the other cases - Civil Cases No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239 - were similarly dismissed since they involved the same causes of action as Civil Case No. LP-97-0228.

On 9 July 2003, petitioners filed a consolidated Notice of Appeal questioning the 30 June 2003 Resolution of the RTC.[31] They accordingly filed an appeal of the said Resolution of the trial court with the Court of Appeals, docketed as CA-G.R. CV No. 80927.

In its Decision dated 16 September 2005 in CA-G.R. CV No. 80927, the Court of Appeals denied petitioners' appeal and affirmed the RTC Resolutions dated 8 September 2000 and 30 June 2003. The appellate court found that respondents' titles to the subject properties were indefeasible because they were registered under the Torrens system. Thus, petitioners could not say that any claim on the subject properties casts a cloud on their title when they failed to demonstrate a legal or an equitable title to the same. The Court of Appeals also ruled that petitioners' actions had already prescribed. Section 32 of Presidential Decree No. 1529 requires that an action assailing a certificate of title should be filed within one year after its issuance. Moreover, actions assailing fraudulent titles should be filed within 10 years after the said titles were issued. The appellate court further decreed that the cases for quieting of title should be dismissed based on the allegation of petitioners themselves that the parcels of land covered by respondents' certificates of title were not the subject properties which petitioners claimed as their own.[32]

Petitioners filed a Motion for Reconsideration of the afore-mentioned Decision,[33] which the Court of Appeals denied in a Resolution dated 9 December 2005.[34]

Hence, the present Petition, where petitioners made the following assignment of errors:

I

THE HONORABLE COURT OF APPEALS GRAVELY ERRED WHEN IT AFFIRMED THE RESOLUTION OF THE COURT A QUO, DATED SEPTEMBER 8, 2000 AND THE RESOLUTION DATED JUNE 30, 2003, BASED PURELY ON THE TECHNICALITY OF THE LAW RATHER THAN THE LAW THAT PROTECT[S] THE PROPERTY RIGHTS OF THE PETITIONERS WHO WERE

FORCIBLY EVICTED FROM THEIR RESPECTIVE LANDHOLDINGS BY THE USED (sic) OF BRUTE FORCE OF ARMED MEN ON THE BASIS OF THE TITLES OF THE PRIVATE RESPONDENTS, IN VIOLATION OF THEIR PROPERTY RIGHTS AND OF DUE PROCESS.

II

THAT THE COURT OF APPEALS GRAVELY ERRED WHEN IT AFFIRMED THE RESOLUTION OF THE COURT A QUO, DESPITE THE FACT THAT A FULL BLOWN HEARING ON THE MERIT[S] IS NECESSARY TO DETERMINE THE ACTUAL LOCATION ON THE ACTUAL GROUND [OF] THE LOTS COVERED BY THE PRIVATE RESPONDENT (sic) TITLES, LOTS COVERED BY ITS TITLES ARE MORE THAN THREE HUNDRED (300 m) METERS AWAY TO THE WEST-NORTHWEST FROM THE CONSOLIDATED LOTS OF THE HEREIN PETITIONERS AND THEREFORE PRIVATE RESPONDENTS BRUTAL ACTION IN FORCIBLY EVICTING THE PETITIONERS FROM THEIR RESPECTIVE LANDHOLDINGS BY THE USED (sic) OF BRUTE FORCE OF ARMED MEN, ARE PURELY CASES OF LANDGRABBING.[35]

This Petition is meritorious.

The main issue in this case is whether the RTC properly granted respondents' motion to dismiss. This Court finds that the trial court erred in dismissing petitioners' Complaints.

Complaints sufficiently stated a cause of action.

Respondents seek the dismissal of petitioners' Complaints for failure to state a cause of action. Even assuming as true that the subject properties have been in the possession of petitioners and their predecessors-in-interest for 90 years; that petitioners have been paying the realty taxes thereon; and that petitioners are able to submit a sketch plan of the subject properties, respondents maintain that their ownership of the subject properties, evidenced by certificates of title registered in their names, cannot be defeated. This contention is untenable.

Respondents mistakenly construe the allegations in petitioners' Complaints. What petitioners alleged in their Complaints was that while the subject properties were not covered by respondents' certificates of title, nevertheless, respondents forcibly evicted petitioners therefrom. Hence, it is not simply a question of whether petitioners' possession can defeat respondents' title to registered land. Instead, an initial determination has to be made on whether the subject properties were in fact covered by respondents' certificates of title.

Section 2, Rule 2 of the Rules of Civil Procedure defines a cause of action as the act or omission by which a party violates the right of another. Its essential elements are as follows: (1) a right in favor of the plaintiff by whatever means and under whatever law it arises or is created; (2) an obligation on the part of the named defendant to respect or not to violate such right; and (3) an act or omission on the part of such defendant in violation of the right of the plaintiff or constituting a breach of the obligation of the defendant to the plaintiff, for which the latter may maintain an action for recovery of damages or other appropriate relief. [36]

The elementary test for failure to state a cause of action is whether the complaint alleges facts which if true would justify the relief demanded. The inquiry is into the sufficiency, not the veracity, of the material allegations. If the allegations in the complaint furnish sufficient basis on which it can be maintained, it should not be dismissed regardless of the defense that may be presented by the defendant.[37]

This Court is convinced that each of the Complaints filed by petitioners sufficiently stated a cause of action. The Complaints alleged that petitioners are the owners of the subject properties by acquisitive prescription. As owners thereof, they have the right to remain in peaceful possession of the said properties and, if deprived thereof, they may recover the same. Section 428 of the Civil Code provides that:

Article 428. The owner has the right to enjoy and dispose of a thing without other limitations than those established by law.

The owner has also a right of action against the holder and possessor of the thing in order to recover it.

Petitioners averred that respondents had violated their rights as owner of the subject properties by evicting the former therefrom by means of force and intimidation. Respondents allegedly retained possession of the subject properties by invoking certificates of title covering other parcels of land. Resultantly, petitioners filed the cases before the RTC in order to recover possession of the subject properties, to prevent respondents from using their TCTs to defeat petitioners' rights of ownership and possession over said subject properties, and to claim damages and other reliefs that the court may deem just and equitable.

The Court notes that petitioners' prayer for the cancellation of respondents' certificates of title are inconsistent with their allegations. Petitioners prayed for in their Complaints that, among other reliefs, judgment be rendered so that "Transfer Certificate of Title Numbers 9176, 9177, 9178, 9179, 9180, 9181, and 9182 be cancelled by the Register of Deeds for Las Piñas, Metro Manila, insofar as they are or may be utilized to deprive plaintiffs of possession and ownership of said lot." Yet, petitioners also made it plain that the subject properties, of which respondents unlawfully deprived them, were not covered by respondents' certificates of title. It is apparent that the main concern of petitioners is to prevent respondents from using or invoking their certificates of title to deprive petitioners of their ownership and possession over the subject properties; and not to assert a superior right to the land covered by respondents' certificates of title. Admittedly, while petitioners can seek the recovery of the subject properties, they cannot ask for the cancellation of respondents' TCTs since petitioners failed to allege any interest in the land covered thereby. Still, the other reliefs sought by petitioners, i.e., recovery of the possession of the subject properties and compensation for the damages resulting from respondents' forcible taking of their property, are still proper.

Petitioners' Complaints should not have been dismissed despite the seeming error made by petitioners in their prayer. To sustain a motion to dismiss for lack of cause of action, the complaint must show that the claim for relief does not exist, rather than that a claim has been defectively stated, or is ambiguous, indefinite or uncertain.[38]

Complaints are not barred by prescription and laches.

In their Motion to Dismiss, respondents argued that petitioners' cases were barred by prescription, in accordance with Section 32 of the Property Registration Decree and Articles 1144(2) and 1456 of the Civil Code. Respondents relied on the premise that the actions instituted by petitioners before the RTC were for the reopening and review of the decree of registration and reconveyance of the subject properties.

Section 32 of the Property Registration Decree provides that a decree of registration may be reopened when a person is deprived of land or an interest therein by such adjudication or confirmation obtained by actual fraud. On the other hand, an action for reconveyance respects the decree of registration as incontrovertible but seeks the transfer of property, which has been wrongfully or erroneously registered in other persons' names, to its rightful and legal owners, or to those who claim to have a better right.[39] In both instances, the land of which a person was deprived should be the same land which was fraudulently or erroneously registered in another person's name, which is not the case herein, if the Court considers the allegations in petitioners' Complaints.

As previously established, petitioners' main contention is that the subject properties from which they were forcibly evicted were not covered by respondents' certificates of title. Stated differently, the subject properties and the land registered in respondents' names are not identical. Consequently, petitioners do not have any interest in challenging the registration of the land in respondents' names, even if the same was procured by fraud.

While petitioners improperly prayed for the cancellation of respondents' TCTs in their Complaints, there is nothing else in the said Complaints that would support the conclusion that they are either petitions for reopening and review of the decree of registration under Section 32 of the Property Registration Decree or actions for reconveyance based on implied trust under Article 1456 of the Civil Code. Instead, petitioners' Complaints may be said to be in the nature of an *accion reivindicatoria*, an action for recovery of ownership and possession of the subject properties, from which they were evicted sometime between 1991 and 1994 by respondents. An *accion reivindicatoria* may be availed of within 10 years from dispossession.[40] There is no showing that prescription had already set in when petitioners filed their Complaints in 1997.

Furthermore, the affirmative defense of prescription does not automatically warrant the dismissal of a complaint under Rule 16 of the Rules of Civil Procedure. An allegation of prescription can effectively be used in a motion to dismiss only when the Complaint on its face shows that indeed the action has already prescribed. [41] If the issue of prescription is one involving evidentiary matters requiring a full-blown trial on the merits, it cannot be determined in a motion to dismiss.[42] In the case at bar, respondents must first be able to establish by evidence that the subject properties are indeed covered by their certificates of title before they can argue that any remedy assailing the registration of said properties or the issuance of the certificates of title over the same in the names of respondents or their predecessors-in-interest has prescribed.

Neither can the Court sustain respondents' assertion that petitioners' Complaints were barred by laches.

Laches has been defined as the failure of or neglect, for an unreasonable and unexplained length of time, to do that which by exercising due diligence, could or should have been done earlier; or to assert a right within reasonable time, warranting a presumption that the party entitled thereto has either abandoned it or declined to assert it. Thus, the doctrine of laches presumes that the party guilty of negligence had the opportunity to do what should have been done, but failed to do so. Conversely, if the said party did not have the occasion to assert the right, then, he cannot be adjudged guilty of laches. Laches is not concerned with the mere lapse of time; rather, the party must have been afforded an opportunity to pursue his claim in order that the delay may sufficiently constitute laches.[43]

Again, going back to petitioners' chief claim that the subject properties are distinct from the land covered by respondents' certificates of title, then, petitioners would have no standing to oppose the registration of the latter property in the names of respondents or their predecessors-in-interest, or to seek the nullification of the certificates of title issued over the same.

It also appears from the records that the RTC did not conduct a hearing to receive evidence proving that petitioners were guilty of laches. Well-settled is the rule that the elements of laches must be proven positively. Laches is evidentiary in nature, a fact that cannot be established by mere allegations in the pleadings and cannot be resolved in a motion to dismiss. At this stage, therefore, the dismissal of petitioners' Complaints on the ground of laches is premature. Those issues must be resolved at the trial of the case on the merits, wherein both parties will be given ample opportunity to prove their respective claims and defenses.[44]

Complaints are not barred by *res judicata*.

Lastly, respondents argued in their Motion to Dismiss that petitioners' Complaints are barred by *res judicata*, citing *Vda. de Cailles and Orosa*. Likewise, petitioners are barred from instituting any case for recovery of possession by the MTC Decision in Civil Case No. 3271.

Res judicata refers to the rule that a final judgment or decree on the merits by a court of competent jurisdiction is conclusive of the rights of the parties or their privies in all later suits on all points and matters determined in the

former suit. Res judicata has two concepts: (1) "bar by prior judgment" as enunciated in Rule 39, Section 47 (b) of the Rules of Civil Procedure; and (2) "conclusiveness of judgment" in Rule 39, Section 47 (c).

There is "bar by prior judgment" when, as between the first case where the judgment was rendered, and the second case that is sought to be barred, there is identity of parties, subject matter, and causes of action. But where there is identity of parties and subject matter in the first and second cases, but no identity of causes of action, the first judgment is conclusive only as to those matters actually and directly controverted and determined and not as to matters merely involved therein. There is "conclusiveness of judgment." Under the doctrine of conclusiveness of judgment, facts and issues actually and directly resolved in a former suit cannot again be raised in any future case between the same parties, even if the latter suit may involve a different claim or cause of action. The identity of causes of action is not required but merely identity of issues.[45]

Vda. de Cailles and Orosa cannot bar the filing of petitioners' Complaints before the RTC under the doctrine of conclusiveness of judgment, since they involve entirely different subject matters. In both cases, the subject matter was a parcel of land referred to as Lot 9 Psu-11411 Amd-2, while subject matter of the petitioners' Complaints are lots which are not included in the said land.

It follows that the more stringent requirements of res judicata as "bar by prior judgment" will not apply to petitioners' Complaints. In Vda. de Cailles, the Court confirmed the ownership of Dominador Mayuga over a 53-hectare parcel of land located in Las Piñas, Rizal, more particularly referred to as Lot 9, Psu-11411, Amd-2. The Court also recognized that Nicolas Orosa was Dominador Mayuga's successor-in-interest. However, the judgment in said case was not executed because the records of the Land Registration Authority revealed that the property had previously been decreed in favor of Jose T. Velasquez, to whom OCT No. 6122 was issued. During the execution proceedings, Goldenrod Inc. filed a motion to intervene, the granting of which by the trial court was challenged in Orosa. The Court held in Orosa that Goldenrod, Inc., despite having acquired the opposing rights of Nicolas Orosa and Jose T. Velasquez to the property sometime in 1987, no longer had any interest in the same as would enable it to intervene in the execution proceedings, since it had already sold its interest in February 1989 to the consortium composed of respondents, Peaksun Enterprises and Export Corporation, and Elena Jao.

The adjudication of the land to respondents' predecessors-in-interest in Vda. de Cailles and Orosa is not even relevant to petitioners' Complaints. According to petitioners' allegations in their Complaints, although the subject properties were derived from the 119.8-hectare parcel of land referred to as Lot 9, Psu-11411, they are not included in the 53-hectare portion thereof, specifically identified as Lot 9, Psu-11411, Amd-2, subject of Vda. de Cailles and Orosa. This was the reason why petitioners had to cite Vda. de Cailles and Orosa: to distinguish the subject properties from the land acquired by respondents and the other members of the consortium. There clearly being no identity of subject matter and of parties, then, the rulings of this Court in Vda. de Cailles and Orosa do not bar by prior judgment Civil Cases No. LP-97-0228, No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239 instituted by petitioners in the RTC.

The Court is aware that petitioners erroneously averred in their Complaints that the subject properties "originated from Psu-11411, Lot 9, Amd-2," instead of stating that the said properties originated from Psu-11411, Lot 9. However, this mistake was clarified in later allegations in the same Complaints, where petitioners stated that "Psu-114, Lot 9 consists of 1, 198,017 square meters," or 119.8 hectares when converted, while Psu-11411, Lot 9, Amd-2 referred to a 53-hectare parcel. Petitioners pointed out that in Vda. de Cailles and Orosa, the Court acknowledged "the ownership [of respondents' predecessor-in-interest] only over a fifty-three (53) hectare parcel, more particularly referred to as Lot 9 Psu-11411, Amd-2." Thus, petitioners argued that the rights which respondents acquired from Mayuga and Orosa "cover[ed] only 531, 449 square meters or 53 hectares of Psu-11411, Lot 9. They do not extend to the latter's other portion of 1,198, 017 square meters part of which

[petitioners] had been occupying until they were forcibly evicted by [respondents]." Accordingly, the single statement in the Complaints that the subject properties originated from Lot 9, Psu-11411, Amd-2, is an evident mistake which cannot prevail over the rest of the allegations in the same Complaints.

Similarly, the Decision dated 17 December 1991 of the MTC in Civil Case No. 3271 cannot bar the filing of petitioners' Complaints before the RTC because they have different subject matters. The subject matter in Civil Case No. 3271 decided by the MTC was the parcel of land covered by TCTs No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, and No. 9181, in the name of respondents and the other consortium members; while, according to petitioners' allegations in their Complaints, the subject matters in Civil Cases No. LP-97-0228, No. LP-97-0229, No. LP-97-0230, No. LP-97-0231, No. LP-97-0236, No. LP-97-0237, No. LP-97-0238, and No. LP-97-0239, before the RTC, are the subject properties which are not covered by respondents' certificates of title.

The MTC, in its 17 December 1991 Decision in Civil Case No. 3271 found that:

The subject parcels of land are covered by (TCT) Nos. 9176, 9177, 9178, 9179, [9180], [9181] and 9182 (Exhs. "1" to "7", Defendants) all issued in the name of defendant Fil-Estate Management, Inc. It appears from the evidence presented that defendant Fil-Estate purchased the said property from Goldenrod, Inc. It also appears from the evidence that the subject property at the time of the purchase was then occupied by squatters/intruders. By reason thereof, the Municipality of Las Piñas conducted in 1989 a census of all structures/shanties on subject property. Those listed in the census were relocated by defendant, which relocation program started in 1990 up to the present. Interestingly, however, all of the plaintiffs herein except the Almas, were not listed as among those in possession of defendant's land as of November 1989.

x x x x

In fine, plaintiffs have not clearly established their right of possession over the property in question. They claim ownership, but no evidence was ever presented to prove such fact. They claim possession from time immemorial. But the Census prepared by Las Piñas negated this posture.[46] (Emphasis provided.)

The determination by the MTC that petitioners were not occupants of the parcels of land covered by TCTs No. 9176, No. 9177, No. 9178, No. 9179, No. 9180, and No. 9181 cannot bar their claims over another parcel of land not covered by the said TCTs. It should also be noted that petitioners Heirs of Agapito Villanueva do not appear to be plaintiffs in Civil Case No. 3271 and, therefore, cannot be bound by the MTC Decision therein.

In all, this Court pronounces that respondents failed to raise a proper ground for the dismissal of petitioners' Complaints. Petitioners' claims and respondents' opposition and defenses thereto are best ventilated in a trial on the merits of the cases.

IN VIEW OF THE FOREGOING, the instant Petition is GRANTED. The Decision dated 16 September 2005 and Resolution dated 9 December 2005 of the Court of Appeals in CA-G.R. CV No. 80927 are REVERSED and SET ASIDE. Let the records of the case be remanded for further proceedings to the Regional Trial Court, Branch 253, of Las Piñas City, which is hereby ordered to try and decide the case with deliberate speed.

SO ORDERED.

Quisumbing,[*] Ynares-Santiago, (Chairperson), Carpio Morales,**] and Peralta, JJ., concur.

[*] Per Special Order No. 607, dated 30 March 2009, signed by Chief Justice Reynato S. Puno, designating Associate Justice Leonardo A. Quisumbing to replace Associate Justice Ma. Alicia Austria-Martinez, who is on official leave.

[**] Associate Justice Conchita Carpio Morales was designated to sit as additional member replacing Associate Justice Antonio Eduardo B. Nachura per Raffle dated 14 January 2008.

[1] Penned by Associate Justice Juan Q. Enriquez, Jr. with Associate Justices Portia Aliño-Hormachuelos and Vicente Roxas, concurring. Rollo, pp. 49-57.

[2] Penned by Presiding Judge Jose F. Caoibes, Jr. Id. at 111-114 and 117-118.

[3] The Heirs of Tomas Dolleton are composed of the children of his deceased children Marcelo, Alipio, Severa, Pablo, Nicomedes and Apolonio, herein named as Ignacia Dolleton, Benjamin Dolleton, Jorge Dolleton, Rosita Dolleton, Rolando Dolleton, Dominga Amatorio, Francisca Alcantara, Emeteria Solomon, Minerva Parel, Zoraida D. Vargas, Pascual Dolleton, Nancy Dolleton, Alejandro Dolleton, Zenaida Dolleton, Celia D. Vasquez, Apolonio Dolleton, Jr., Rosalia Panganiban. Records, Vol. 1, p. 1.

[4] The co-plaintiffs of Remedios San Pedro are Rodolfo San Pedro, Nora San Pedro, Avelina San Pedro, Caridad San Pedro, Solidad San Pedro, Tomas San Pedro, Nicasio San Pedro II, Alfredo San Pedro, Jesus San Pedro, Adorado San Pedro, Dolores San Pedro, Francisca San Pedro, Rodrigo San Pedro, Renato San Pedro and Rea San Pedro. Records, Vol. 4, p. 1.

[5] The Heirs of Bernardo Millama are composed of his children namely Mariano Millama, Teodoro Millama, Candida Javier, Raymundo Millama, Eleuterio Estomata, and Rodrigo Millama, as well as the children and grandchildren of his deceased son Valeriano Millama who were named as Julita M. Navarro, Amparo Gutierrez, Elena Dimacale, Zenaida Simpron, Sonia Fiel, Ricardo Solis, Christina Solis, Federico Solis Jr., Ronaldo Solis and Reynaldo Solis. Records, Vol. 5, p. 1.

[6] The Heirs of Agapito Villanueva are composed of his children namely Pablo Villanueva, Bernardo Villanueva, Francisco Villanueva, Dolores Miranda, Benjamin Villanueva, Rolando Villanueva, Ernesto Villanueva, Artemio Villanueva and Ester Villanueva, as well as the children of his deceased children Antonio Villanueva, Jose Villanueva and Mario Villanueva, who were named as Arnel Villanueva, Rodel Villanueva, Rodel Villanueva, Redentor Villanueva, Arthur Villanueva, Arlene Villanueva, Noralyn Villanueva, Dante Villanueva, Joselito Villanueva, Ferdinand Villanueva, Morris Villanueva, Marian Arena, and Marilou Pabiz. Records, Vol. 6, p. 1.

[7] The Heirs of Hilarion Garcia are Basilisa Garcia, Salvador Villablanca, Jr and Celso Villablanca. Records, Vol. 7, p. 1.

[8] Plaintiff Serafina SP Argana is represented in this suit by her daughter Victoria Marcelo. Her co-plaintiffs are Remedios P. San Pedro, Rodolfo San Pedro, Nora San Pedro, Avelina San Pedro, Caridad San Pedro, Solidad San Pedro, Tomas San Pedro, Nicasio San Pedro II, Alfredo San Pedro, Jesus San Pedro, Adorado San Pedro, Dolores San Pedro, Francisca San Pedro, Rodrigo San Pedro, Renato San Pedro, Rea San Pedro, Jemenes Placido, Vivian Placido, Constancia Placido, Flordeliza Placido, Lorna Placido, Myrna Placido, Teresa Placido and Edgar Placido. Records, Vol. 8, p. 1.

[9] The heirs of Mariano Villanueva are composed of the children of their deceased children Gonzalo Villanueva and Julia Uneta, and the children of Rodolfo Uneta, Julia Uneta's deceased son, namely: Ofelia Rodriguez, Yolanda Rivera, Loida Lacson, Sonny Villanueva, Emerita V. Savado, Restituto Villanueva, Adelaida Villanueva, Ernesto Villanueva, Alberto Villanueva, Marites Villanueva, Jaime Uneta, Amor Reyes, Irene Santos, Emelita Santos, Rolly Uneta, Teresita De Vera, Carina Uneta, Leonila Domingo, Marita Uneta, Jesusa Uneta, Ronaldo Uneta, Peter Uneta, and Rodolfo Uneta Jr. Records, Vol. 9, p. 1.

[10] Although they were individually named in the eight complaints filed before the RTC, respondents Fil-Estate Management Inc., Spouses Arturo E. Dy and Susan Dy, and Megatop Realty Development, Inc. were referred to as "Fil-Estate Management Inc, et al" in the pleadings before the Court of Appeals and Supreme Court. It should be noted, however, that the certificates of title, covering the parcels of land subject of the present Petition, are registered under the names of Fil-Estate Management Inc., Spouses Arturo E. Dy and Susan Dy, Megatop Realty Development, Inc., together with Peaksun Enterprises and Export Corporation and Elena Jao, who all formed a consortium.

[11] Records, Vol. 1, pp. 1-9; Vol. 3, pp. 1-10; Vol. 4, pp. 1-9; Vol. 5, pp. 1-9; Vol. 6, pp. 1-9; Vol. 7, pp. 1-8; Vol. 8, pp. 1-9; and Vol. 9, pp. 1-9.

[12] Rollo, pp. 293-316. Of the seven titles named in the petitioners' complaints, only three titles, TCTs No. T-9177, No. T-9178, and No. T-9179, actually refer to the parcel of land referred to as Lot 9 Psu-11411, Amd 2, and located at Barrio Pugad Lawin, Las Piñas, Rizal. The remaining four titles TCTs No. T-9176, No. T-9180, No. T-9181 and No. T-9182 refer to parcels of land located in Barrio Almanza, Las Piñas, Rizal.

[13] G.R. No. 30859, 20 February 1989, 170 SCRA 347.

[14] G.R. Nos. 99338-40, 1 February 1993, 218 SCRA 311.

[15] Records, Vol. 1, p. 8; Vol. 3, p. 9; Vol. 4, pp. 8-9; Vol. 5, p. 8; Vol. 6, p. 8; Vol. 7, pp. 7-8; Vol. 8, p. 8; and Vol. 9, p. 8.

[16] Records, Vol. 1, pp. 83-123.

[17] *Id.* at 91.

[18] SEC 32. Review of decree of registration; Innocent purchaser for value. The decree of registration shall not be reopened or revised by reason of absence, minority, or other disability of any person adversely affected thereby, nor by any proceeding in any court for reversing judgments, subject, however, to the right of any person, including the government and the branches thereof, deprived of land or of any estate or interest therein by such adjudication or confirmation of title obtained by actual fraud, to file in the proper Court of First Instance a petition for reopening and review of the decree of registration not later than one year from and after date of the entry of such decree of registration, but in no case shall such petition be entertained by the court where an innocent purchaser for value has acquired the land or an interest therein, whose rights may be prejudiced. Whenever the phrase "innocent purchaser for value" or an equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, or other encumbrancer for value.

Upon the expiration of said period of one year, the decree of registration and the certificate of title issued shall become incontrovertible. Any person aggrieved by such decree of registration in any case may pursue his remedy by action for damages against the applicant or any other persons responsible for the fraud.

[19] Article 1144. The following actions must be brought within ten year from the time the right of action accrues:

- (1) Upon a written contract;
- (2) Upon an obligation created by law; and
- (3) Upon a judgment.

Article 1456. If property is acquired through mistakes or fraud, the person obtaining it is, by force of law, considered a trustee of an implied trust for the benefit of the person from whom the property comes.

[20] Records, Vol. 1, pp. 91-94.

[21] Id. at 95-98.

[22] Id. at 98-102

[23] Id. at 102-114.

[24] Id. at 156-159.

[25] Civil Case No. 3271 for Forcible Entry was filed by the Heirs of Benito Navarro, the Heirs of Florencio Malaca, the Heirs of Tomas Dolleton, the Heirs of Hilarion Garcia, the Heirs of Marcos Soligam, the Heirs of Mariano Villanueva, the Heirs of Basilio Miranda, the heirs of Regino Dullas, the Heirs of Teodoro Malaca, and Bernardo Millama. Civil Case No. 3271 was consolidated with Civil Case No. 323, filed by the Heirs of Francisco Alma, et al., Civil Case No. 3174, filed by the Heirs of Nicasio San Pedro, et al., and Civil Case No. 3295, filed by the Heirs of Teodora Bunyi, et al. Id. at 151-159.

[26] Id. at 233-234; 246-252.

[27] Rollo, pp. 111-114.

[28] Id. at 113.

[29] Records, Vol. 9, pp. 692-695.

[30] Rollo, pp. 117-118.

[31] Records, Vol. 2, pp. 707-708.

[32] Rollo, pp. 55-57.

[33] Id. at 61-82.

[34] Id. at 59-60.

[35] Id. at 14-15

[36] Universal Aquarius, Inc. v. Q.C. Human Resources Management Corporation, G.R. No.155990, 12 September 2007, 533 SCRA 38, 45-46; Vergara v. Court of Appeals, 377 Phil. 336, 341 (1999).

[37] Hongkong and Shanghai Banking Corporation, Limited v. Catalan, G.R. No. 159590, 18 October 2004, 440 SCRA 498, 510-511.

[38] Pioneer Concrete Philippines, Inc. v. Todaro, G.R. No. 154830, 8 June 2007, 524 SCRA 153, 162; Vergara v. Court of Appeals, *supra* note 36 at 341.

[39] Heirs of Valeriano S. Concha v. Lumocso, G.R. No. 158121, 12 December 2007, 540 SCRA 1, 13-14; Santos v. Lumbao, G.R. No. 169129, 28 March 2007, 519 SCRA 408, 429.

[40] Cutanda v. Heirs of Cutanda, 390 Phil. 740, 748 (2000).

[41] National Irrigation Administration v. Court of Appeals, 376 Phil. 362, 376 (1999).

[42] Pineda v. Heirs of Eliseo Guevarra, G.R. No. 143188, 14 February 2007, 515 SCRA 627, 637.

[43] Placewell International Services Corporation v. Camote, G.R. No. 169973, 26 June 2006, 492 SCRA 761,769; Philippine National Construction Corporation v. National Labor Relations Commission, 366 Phil. 678, 686 (1999).

[44] Pineda v. Heirs of Eliseo Guevarra, *supra* note 42 at 634-635; Gochan and Sons Realty Corporation v. Heirs of Raymundo Baba, 456 Phil. 569, 579-580 (2003); National Irrigation Administration v. Court of Appeals, *supra* note 41 at 362.

[45] Republic v. Yu, G.R. No. 157557, 10 March 2006, 484 SCRA 416, 422; Francisco v. Co, G.R. No. 151339, 31 January 2006, 481 SCRA 241, 249-250.

[46] Records, Vol. 1, pp. 156-158.

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