MODESTA LUNA, PETITIONER, VS. JULIANA P. LUNA, CORNELIO, MILAGROS, RENATO, FLORDELITA, AURORA, ANDRITO AND GEORGE ALL SURNAMED GARCILLA, RESPONDENTS.

G.R. No. 177624. July 13, 2009

Ponente: NACHURA, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-177624/

NACHURA, J.:

Petitioner assails in this Rule 45 petition the January 29, 2007 Decision[1] and the April 20, 2007 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 90749. The appellate court, in the assailed decision, dismissed petitioner's complaint on the ground of prescription, and, in the challenged resolution, denied her motion for reconsideration for lack of merit.

The antecedent facts and proceedings follow.

Petitioner Modesta A. Luna filed with the Municipal Trial Court (MTC) of Pulilan, Bulacan, on March 9, 1999, a Complaint[3] docketed as Civil Case No. 767 for the recovery of ownership and possession of a parcel of land situated in the municipality. On May 11, 1999, petitioner amended her complaint to include, among others, additional defendants and to incorporate added allegations.

In the Amended Complaint,[4] petitioner related that she and respondent Juliana P. Luna were the daughters of the late Pedro Luna, the alleged owner of a 1-ha. property, a portion of which is the subject of this case. On June 20, 1950, Pedro donated 2,268 sq m of the said land to petitioner. When Pedro died in 1957, petitioner declared the land for taxation purposes in her name and paid the real estate taxes thereon. She nevertheless allowed respondent to cultivate the land, harvest fruits, and use the proceeds of the harvest to pay for the debts left by their father. Subsequently, petitioner discovered that respondent applied for, and was issued in 1976, a free patent over 3,431 sq m of the land, which included 1,100 sq m of the portion donated to her. The land was later subdivided in 1994 and titles transferred in the names of their other siblings.[5] Transfer Certificate of Title (TCT) No. T-53813 included 211 sq m of the donated land, and TCT No. T-53814 covered 889 sq m thereof. Petitioner thus prayed that the first TCT be declared as null and void insofar as the 211 sq m portion was concerned, and the second TCT be voided in its entirety. She further pleaded that all persons occupying the said donated land be ordered to vacate the premises and pay damages.

On October 6, 2003, the MTC rendered its Decision[6] granting the complaint. It ruled, among others, that the subject property was a private land donated by the parties' father to the petitioner; therefore, respondent's free patent was null and void, for it covered property of private ownership. The MTC consequently disposed of the case as follows:

> WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendants, as follows:
>
> - Declaring TCT No. 53814 (sic) null and void in so far as 211 sq.m. thereof while TCT 53814 is hereby declared null and void in its entirety.

> - Ordering the defendant and all persons claiming under them to vacate the 1,100 sq.m. of land donated by Pedro Luna to plaintiff Modesta Luna and to pay P10,000.00 a year for the reasonable compensation from their continued stay thereat to plaintiff in proportion to the area they respectively withhold from the plaintiff.
>
> - Defendants jointly and severally is (sic) ordered to pay plaintiff the amount of P50,000.00 as attorney's fees.
>
> - To pay the cost of suit.
>
> SO ORDERED.[7]

On appeal, the Regional Trial Court (RTC) of Malolos City, in its June 7, 2005 Decision[8] in Civil Case No. 362-M-2004, affirmed the ruling of the MTC. The RTC ruled that while the complaint was captioned as an action for recovery of ownership and possession, the same was actually an action for annulment of title, and the MTC had no jurisdiction over the case. However, the RTC, instead of dismissing the case, assumed jurisdiction over it, pursuant to Rule 40, Sections 7 and 8 of the Rules of Court, and, as aforesaid, ruled in favor of the petitioner.

Relentless despite the adverse rulings of both trial courts, respondents elevated the case to the CA. In the assailed January 29, 2007 Decision,[9] the appellate court set aside the ruling of the RTC and dismissed the complaint upon a finding that the action had prescribed. The CA said that petitioner failed to question, on the ground of actual fraud, the decision or order granting the application for free patent within one year from the issuance thereof. Petitioner likewise failed to institute an action for reconveyance, based on implied or constructive trust, within 10 years from the issuance of the certificates of title. Thus, petitioner's complaint was time-barred.

Importantly, the CA found that the subject property was not private land. The records revealed that the parties claimed to be beneficiaries/donees of their deceased parents, and that petitioner had no title to the property independent of her deceased fathers' alleged right. It was also shown that petitioner even applied for a free patent on the adjoining lot. The CA thus ruled that the property was, at inception, public land, and no proof was introduced that it had already been withdrawn from the public domain prior to the award of the free patent to respondent.

On the issue of jurisdiction, the CA ruled that the MTC had jurisdiction, the suit being one for recovery of ownership and possession and the assessed value of the property being within the jurisdictional competence of the MTC. The prayer for the consequent annulment of the issued titles was merely incidental to the main action for recovery of ownership and possession.

The appellate court disposed of the case as follows:

> WHEREFORE, premises considered, the assailed Decision of the Regional Trial Court dated June 07, 2005 is hereby SET ASIDE and a new one is entered DISMISSING Modesta's "Complaint for Recovery of Ownership and Possession" on the ground of prescription.
>
> SO ORDERED.[10]

In the further challenged April 20, 2007 Resolution,[11] as earlier stated, the CA denied petitioner's motion for reconsideration.

Displeased, petitioner filed the instant petition for review on certiorari on the following grounds:

> I.
> The Court of Appeals erred in considering the issue of prescription, despite the fact that it was not assigned as an error in the Petition for Review of respondents.
>
> II.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

The Court of Appeals erroneously held that it has the discretion to dismiss an action on ground of prescription, even without the said defense being raised in the pleadings.

III.
The Court of Appeals erred in holding that petitioner's action prescribed after ten (10) years.

IV.
The Court of Appeals erred in holding that the free patent issued in favor of respondent Luna is a valid title.

V.
The Court of Appeals erred in holding that prescription cannot be waived.

Petitioner argues in the main that the appellate court should not have dismissed the complaint on the ground of prescription, considering that the issue was never raised in any of respondents' pleadings. She maintains that the CA, being an appellate court, has the jurisdiction merely to review the correctness of the trial court's ruling; it does not have the power to dismiss an action on the ground of prescription even when the parties' pleadings and the other facts on record show that the action is time-barred. Petitioner moreover asserts that the prescriptive period in this case is 30 years and not 10 as erroneously ruled by the CA.

We deny the petition. We find no reversible error in the assailed issuances of the CA.

Entrenched in our jurisprudence is the rule that the appellate court may motu proprio dismiss an action for having prescribed, even if the case has been elevated for review on different grounds, where prescription clearly appears from the complaint filed with the trial court.[12]

Here, the CA correctly dismissed the case on the ground of prescription. Let it be noted that the free patent and the original certificate of title were issued to respondent Juliana, who is in possession of the subject property found to be a public land, on May 3, 1976.[13] Petitioner instituted the personal action for reconveyance[14] only in May 1999 or after 23 years.

We have held in prior cases that the order or decision granting an application for a free patent can be reviewed only within one year from its issuance on the ground of actual fraud via a petition for review in the Regional Trial Court, provided that no innocent purchaser for value has acquired the property or any interest thereon. However, an aggrieved party may still file an action for reconveyance based on implied or constructive trust, but the right of action prescribes in 10 years counted from the date of the issuance of the certificate of title over the property, provided that it has not been acquired by an innocent purchaser for value.[15] This 10-year prescriptive period applies only when the person enforcing the trust is not in possession of the property. If the person claiming to be its owner is in actual possession thereof, the right to seek reconveyance, which in effect is an action to quiet title thereto, does not prescribe.[16]

In the instant case, petitioner's action to recover the property and to annul the patent and title issued to the respondents was filed beyond the prescriptive period. Thus, it ought to be dismissed.

WHEREFORE, premises considered, the petition is DENIED. The January 29, 2007 Decision and the April 20, 2007 Resolution of the Court of Appeals (CA) in CA-G.R. SP No. 90749 are AFFIRMED.

SO ORDERED.

Ynares-Santiago, (Chairperson), Chico-Nazario, Velasco, Jr., and Peralta, JJ., concur.

---

[1] Penned by Associate Justice Rosmari D. Carandang, with Associate Justices Martin S. Villarama, Jr. and

Magdangal M. de Leon concurring; rollo, pp. 148-161.

[2] Id. at 220-222.

[3] Id. at 25-29.

[4] Id. at 43-47.

[5] As alleged in the amended complaint, Original Certificate of Title (OCT) No. RP-2318 (P-6715) / Free Patent No. (III-6) 006542 was issued to respondent on May 3, 1976. The land covered by the patent was subdivided into four lots--Nos. 2929-A, 2929-B, 2929-C and 2929-D. OCT No. RP-2318 (P-6715) was then cancelled and TCT Nos. T-53811, T-53812, T-53813 and T-53814 were issued in the names of Pedro P. Luna, Jr., Pastora P. Luna, respondents Cornelio, Milagros, Renato, Flordelita, Aurora, Andrito and George, all surnamed Garcilla; and Juliana P. Luna.

[6] Rollo, pp. 75-87.

[7] Id. at 86-87.

[8] Id. at 108-113.

[9] Supra note 1.

[10] Rollo, p. 160.

[11] Supra note 2.

[12] Katon v. Palanca, Jr., G.R. No. 151149, September 7, 2004, 437 SCRA 565, 567; Gicano v. Gegato, No. L-63575, January 20, 1988, 157 SCRA 140, 145-146.

[13] Rollo, p. 50.

[14] 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. There is no special ground for an action for reconveyance. It is enough that the aggrieved party has a legal claim on the property superior to that of the registered owner and that the property has not yet passed to the hands of an innocent purchaser for value. (Heirs of Valeriano S. Concha, Sr. v. Lumocso, G.R. No. 158121, December 12, 2007, 540 SCRA 1, 13-14.)

[15] Khemani v. Heirs of Anastacio Trinidad, G.R. No. 147340, December 13, 2007, 540 SCRA 83, 96-97; Heirs of Maximo Sanjorjo v. Heirs of Manuel Y. Quijano, G.R. No. 140457, January 19, 2005, 449 SCRA 15, 26; Katon v. Palanca, supra note 12, at 579; Millena v. Court of Appeals, 381 Phil. 132, 138 (2000). Section 32 of Presidential Decree No. 1529, further, provides that "[t]he 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 [now, Regional Trial Court] a petition for reopening and review of the decree of registration not later than one year from and after the 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 any equivalent phrase occurs in this Decree, it shall be deemed to include an innocent lessee, mortgagee, or other encumbrancer for value." [Underscoring supplied.]

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

[16] Mendizabel v. Apao, G.R. No. 143185, February 20, 2006, 482 SCRA 587, 609.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.