

**PRIVATIZATION AND MANAGEMENT OFFICE, PETITIONER, VS.
EDGARDO V. QUESADA, MA. GRACIA QUESADA-MANALO,
ELIZABETH QUESADA-JOSE, EUGENIO V. QUESADA, REPRESENTED
BY THEIR ATTORNEY-IN-...**

G.R. No. 224507. September 20, 2017

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CAGUIOA, J:

This is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court assailing the Decision[2] of the Court of Appeals[3] (CA) dated June 29, 2015 in CA-G.R. SP No. 135401 and the Resolution[4] dated May 2, 2016 denying the motion for reconsideration filed by petitioner, Privatization and Management Office (PMO), through the Office of the Solicitor General (OSG).

Facts and Antecedent Proceedings

The assailed CA Decision states the factual antecedents as follows:

On December 8, 2011, herein [respondents Edgardo V. Quesada, Ma. Gracia Quesada-Manalo, Elizabeth Quesada-Jose, Eugenio V. Quesada, represented by their Attorney-in-Fact Eugenio v. Quesada (the Quesadas)] filed a Petition to Surrender [Transfer Certificate of Title (TCT)] No. 27090 pursuant to Section 107 of [Presidential Decree (P.D.)] No. 1529. The said petition was raffled to public respondent Hon. Judge Rosa M. Samson of the [Regional Trial Court] of Quezon City, Branch 105 [(RTC)].

It was alleged in the Petition x x x that [the Quesadas] are the owners of a parcel of land situated in Quezon City under TCT No. 27090. TCT No. 27090 was originally registered in the name of [the Quesadas'] predecessors-in-interest and it was donated to them sometime in 1997 (See: Deed of Donation, Rollo, pp. 32-33). The original copy of TCT No. 27090, on file with the Register of Deeds of Quezon City, was destroyed when the interior of the Quezon City Hall was gutted by fire in 1998. This prompted [the Quesadas'] predecessors-in-interest to file a Petition for Reconstitution of Title under Civil Case No. Q-24149 (07).

The said original TCT, which has not been reconstructed, may be reconstituted on the basis of the [owner's] copy thereof. However, the said owner's copy of the TCT is presently in the possession of x x x [PMO], the government agency that took over the functions of the Asset Privatization Trust (APT), x x x PMO got hold of the said [owner's] copy of the TCT because it was delivered in 1983 to Golden Country Farms, a defunct private corporation, to secure the performance by [the Quesadas'] predecessors-in-interest[5] of their obligation in a contract designated as Growership Agreement which [the Quesadas'] predecessors-in-interest had entered into with Golden Country Farms. Golden Country Farms, however, was later considered a crony corporation and was sequestered by the APT.

[The Quesadas] also alleged that whatever obligation their predecessors-in-interest may have under the Growership Agreement, the same had already been extinguished by prescription. Furthermore, under Civil Case No. 8438, the RTC of Pasay City, Branch 113 issued a Decision dated August 23, 1999 x x x declaring that [the Quesadas'] predecessors-in-interest had no more liability to the corporation or that whatever liability there may be cannot anymore be enforced.

[The Quesadas] alleged that as far as they know, the said TCT No. 27090 has not been delivered to any person or entity to secure the payment or performance of any obligation whatsoever, nor any transaction or document relating to the same presented for or pending registration in the Office of the Register of Deeds of Quezon City. Thus, in order that [the Quesadas] may transfer the ownership of the property from their predecessors-in-interest to their name[s], they would need the duplicate certificate of title which is in the possession of x x x PMO. Several demands were made to x x x PMO to surrender the said title but the same were not favorably acted upon by the said office. [The Quesadas] were constrained to file the instant petition to surrender the withheld duplicate certificates pursuant to Section 107 of P.D. No. 1529, otherwise known as the Property Registration Decree.

x x x PMO, through the Office of the Solicitor General [OSG], filed a Motion to Dismiss x x x on the following grounds: (i) the petition failed to state a cause of action; (ii) the RTC lacks jurisdiction over the petition because it involves an adverse claim to the land or controversial issue which should be properly threshed out in an ordinary case, and (iii) any action against the [APT] (now x x x PMO) is barred by res judicata. [The Quesadas], in their [C]omment/Opposition, moved for the denial of the Motion to Dismiss and reiterated that there is no annotation of the alleged right of x x x PMO on the subject title that would give it a right to hold the same. Neither did x x x PMO file an Opposition to the Petition for Reconstitution filed by [the Quesadas] which was already decided with finality in their favor.

On July 3, 2013, the RTC of Quezon City, Branch 105 issued an Order, [the] pertinent portion[s] of which are as follows:

"In this case, taking into account the allegations of the Oppositor in its Motion to Dismiss which raise serious objection to the claim of the petitioners [the Quesadas], the issue becomes contentious, hence, there is a need for a full-blown trial whereby both parties are afforded the opportunity to present their evidence proving their respective claims.

WHEREFORE, without necessarily giving due course to the petition and in order to avoid multiplicity of suit[s], the Motion to Dismiss filed by the Oppositor is DENIED it being possible to convert this case into an ordinary civil action.

xxx xxx xxx." x x x

x x x PMO filed a Motion for Reconsideration on the Order dated July 3, 2013 and Motion to Suspend Pre-Trial x x x. [PMO], among others, raised the question of whether or not the RTC sitting as land registration court should act on the instant petition taking into account its opposition that it has no jurisdiction over the subject matter of the case, as the issue mainly involves one that affects ownership of the property covered by TCT No. 27090.

On December 23, 2013, the RTC issued the x x x Order as follows:

"WHEREFORE, in view of the foregoing, finding merit to the Motion for Reconsideration filed by the oppositor, the same is GRANTED. The Order dated [July 3, 2013] is hereby reconsidered and set aside.

Accordingly, the instant petition is hereby ordered DISMISSED for lack of jurisdiction." x x x

[The Quesadas], for their part, filed a Motion for Reconsideration of the Order dated December 23, 2013 x x x. x x x PMO move[d] for the denial of the said Motion for Reconsideration x x x. However, in another x x x Order dated April 8, 2014, the RTC denied [the Quesadas'] Motion for Reconsideration ruling that the RTC indeed has no jurisdiction over the subject matter of the case as the issue involved therein must be threshed out in an ordinary proceeding.

Dissatisfied with the foregoing Orders, [the Quesadas] filed [a] Petition for Certiorari [with the CA], arguing[, among others, that the RTC committed grave abuse of discretion amounting to lack or excess of jurisdiction when it dismissed the case contrary to its Order dated July 3, 2013.][6]

The CA granted the petition of the Quesadas in its Decision dated June 29, 2015, the dispositive portion of which states:

WHEREFORE, the instant Petition for Certiorari is GRANTED. The assailed Orders dated December 23, 2013 and April 8, 2014 of the Regional Trial Court of Quezon City, Branch 105, in LRC Case No. 32715 (11) are hereby SET ASIDE. Accordingly, the Motion to Dismiss filed by x x x PMO is DENIED.

SO ORDERED.[7]

The CA justified the jurisdiction of the RTC, as a land registration court, over the present petition to surrender title pursuant to Section 107 of P.D. No. 1529 despite the contentious issues raised by the parties in this wise:

[Section 2] has eliminated the distinction between the general jurisdiction vested in the regional trial court and the limited jurisdiction conferred upon it by the former law when acting merely as a cadastral court (Concepcion v. Concepcion, 448 SCRA 31, 38 [2005]). Under the former law (Act No. 496 or the Land Registration Act), all summary reliefs such as the instant action to compel surrender of owner's duplicate of Title could only be filed with the RTC sitting as a land registration court only if there was unanimity among the parties or there was no adverse claim or serious objection on the part of any party in interest. Otherwise, if the case became contentious and controversial, it should be threshed out in an ordinary action or in the case where the incident properly belonged. Under the amended law, the court is now authorized to hear and decide not only such non-controversial cases but even the contentious and substantial issues (Averia, Jr. v. Caguioa, 146 SCRA 459, 462 [1986]).[8]

PMO filed a motion for reconsideration, raising as issues the propriety of a petition for certiorari as a remedy to question the denial of a motion for reconsideration of an order of dismissal and the failure of the Quesadas to state a cause of action.[9]

The CA denied PMO's motion for reconsideration in its Resolution[10] dated May 2, 2016. The CA pointed out that it was justified in giving due course to the petition and treating the same as an ordinary appeal because it was filed within the prescribed 15-day period.[11] It also invoked the liberal spirit pervading the Rules of Court and substantial justice to justify the granting of the petition for certiorari despite acknowledging that a decision dismissing the complaint for lack of jurisdiction is a final decision.[12] As to the issue on the alleged failure of the original petition to state a cause of action, the CA stated that this issue was impliedly ruled upon when the CA proceeded to resolve the petition.[13]

Hence, this Petition for Review on Certiorari under Rule 45 of the Rules of Court. The Quesadas filed a Comment to the Petition[14] dated December 19, 2016.

Issues

Whether the CA erred in giving due course to the petition for certiorari when it is not the proper remedy to seek a review from an order of dismissal.

Whether the CA erred in ruling that the RTC can take cognizance of the petition to surrender the duplicate copy of TCT No. 27090 pursuant to Section 107[15] of P.D. No. 1529.[16]

The Court's Ruling

The petition is not impressed with merit. It is accordingly denied.

On the first issue, PMO insists that the RTC's Order denying the motion for the reconsideration of the Order dismissing the original petition was a final order and the remedy available to the Quesadas would have been to appeal the questioned Order and not to resort to petition for certiorari.[17]

The Quesadas contend that the RTC committed grave abuse of discretion amounting to lack or excess of jurisdiction when it dismissed the case, giving them the right to file a petition for certiorari under Rule 65 of the Rules of Court.[18]

While the Court concedes, as did the CA, that the RTC's Order dismissing the original petition of the Quesadas on the ground of lack of jurisdiction is a final order that is normally subject of an appeal, nevertheless the Court finds that the CA did not commit reversible error when it gave due course to the petition for certiorari and treated the same as an ordinary appeal.[19]

The Court in *China Banking Corp. v. Cebu Printing and Packaging Corp.*[20] cited the several instances when the Court has treated a petition for certiorari as a petition for review on certiorari and allowed the resort to the extraordinary remedy of certiorari despite the availability of an appeal, viz.:

It is true that in accordance with the liberal spirit pervading the Rules of Court and in the interest of substantial justice, this Court has, before, treated a petition for certiorari as a petition for review on certiorari, particularly (1) if the petition for certiorari was filed within the reglementary period within which to file a petition for review on certiorari; (2) when errors of judgment are averred; and (3) when there is sufficient reason to justify the relaxation of the rules.

This Court was also liberal in its treatment of a wrong mode of appeal in *Land Bank of the Philippines v. CA*, wherein it was ruled that:

x x x However, there are cases where the [certiorari] writ may still issue even if the aggrieved party has a remedy of appeal in the ordinary course of law. Thus, where the exigencies of the case are such that the ordinary methods of appeal may not prove adequate either in point of promptness or completeness so that a partial or total failure of justice may result, a [certiorari] writ may issue.

The same was also applied in *Leyte IV Electric Cooperative, Inc. v. LEYECO IV Employees Union-ALU*, thus:

In addition, while the settled rule is that an independent action for certiorari may be availed of only when there is no appeal or any plain, speedy and adequate remedy in the ordinary course of law and certiorari is not a substitute for the lapsed remedy of appeal, there are a few significant exceptions when the extraordinary remedy of certiorari may be resorted to despite the availability of an appeal, namely: (a) when public welfare and the advancement of public policy dictate; (b) when the broader interests of justice so require; (c) when the writs issued are null; and (d) when the questioned order amounts to an oppressive exercise of judicial authority.[21] (Citations omitted)

Guided by these pronouncements, the Court agrees with the CA that there is sufficient justification that would merit a deviation from the strict rule of procedure that the special civil action of certiorari is not and cannot be a substitute for an appeal, where the latter remedy is available, as it was in this case.[22] The petition for certiorari was filed within the reglementary period within which to file an appeal and the broader interests of justice justifies the relaxation of the rules.[23]

On the second issue, PMO insists that the original petition failed to state a cause of action because the allegations therein do not fall under the two circumstances contemplated in Section 107 of P.D. No. 1529,[24] and that the summary proceedings under the said Section do not empower the RTC to resolve the conflicting claims of the parties.[25]

The Quesadas take the position that the CA was correct in declaring that the instant case could be converted into an ordinary action to avoid multiplicity of suits.[26]

Section 107 of P.D. No. 1529 provides:

SEC. 107. Surrender of withhold duplicate certificates. — Where it is necessary to issue a new certificate of title pursuant to any involuntary instrument which divests the title of the registered owner against his consent or where a voluntary instrument cannot be registered by reason of the refusal or failure of the holder to surrender the owner's duplicate certificate of title, the party in interest may file a petition in court to compel surrender of the same to the Register of Deeds. The court, after hearing, may order the registered owner or any person withholding the duplicate certificate to surrender the same, and direct the entry of a new certificate or memorandum upon such surrender. If the person withholding the duplicate certificate is not amenable to the process of the court, or if not^[27] any reason the outstanding owner's duplicate certificate cannot be delivered, the court may order the annulment of the same as well as the issuance of a new certificate of title in lieu thereof. Such new certificate and all duplicates thereof shall contain a memorandum of the annulment of the outstanding duplicate.

On the other hand, the jurisdiction of the RTC as a land registration court is provided in Section 2 of P.D. No. 1529, viz.:

SEC. 2. Nature of registration proceedings; jurisdiction of courts. — Judicial proceedings for the registration of lands throughout the Philippines shall be in rem and shall be based on the generally accepted principles underlying the Torrens system.

Courts of First Instance [now, Regional Trial Courts] shall have exclusive jurisdiction over all applications for original registration of title to lands, including improvements and interests therein, and over all petitions filed after original registration of title, with power to hear and determine all questions arising upon such applications or petitions. The court through its clerk of court shall furnish the Land Registration Commission [now, Land Registration Authority] with two certified copies of all pleadings, exhibits, orders, and decisions filed or issued in applications or petitions for land registration, with the exception of stenographic notes, within five days from the filing or issuance thereof. (Emphasis and underscoring supplied)

As correctly observed by PMO, Section 107 contemplates ONLY two situations when a petition for surrender of withheld duplicate certificate of title may be availed of. These are: (1) where it is necessary to issue a new certificate of title pursuant to any involuntary instrument which divests the title of the registered owner against his consent, and (2) where a voluntary instrument cannot be registered by reason of the refusal or failure of the holder to surrender the owner's duplicate certificate of title.

Clearly, the original petition before the RTC does not allege an involuntary instrument which intends to divest the title of the registered owner against his consent. TCT No. 27090 is registered in the name of the Quesadas' predecessors-in-interest and the Quesadas are not divesting the title of their predecessors-in-interest against the latter's will.

Rather, the Quesadas require the surrender of the owner's duplicate of TCT No. 27090 in the possession of PMO based on an alleged deed of donation in their favor, viz.:

It was alleged in the Petition x x x that [the Quesadas] are the owners of a parcel of land situated in Quezon City under TCT No. 27090. TCT No. 27090 was originally registered in the name of [the Quesadas'] predecessors-in-interest and it was donated to them sometime in 1997 (See: Deed of Donation, Rollo, pp. 32-33). x x x.

x x x x

x x x Thus, in order that [the Quesadas] may transfer the ownership of the property from their predecessors-in-interest to their name[s], they would need the duplicate certificate of title which is in the possession of x x x PMO.^[28] (Emphasis supplied)

Inasmuch as the original petition before the RTC seeks the surrender of the owner's duplicate copy of TCT No.

27090 in the possession of PMO so that a voluntary instrument — a Deed of Donation — can be registered but the registration cannot be made by reason of the refusal of PMO, the holder, to surrender the same, a cause of action under Section 107 of P.D. No. 1529 has been sufficiently alleged in the original petition. Thus, a dismissal of the said petition on the ground that it fails to state a cause of action is not warranted. Consequently, the RTC, as a land registration court, has jurisdiction over the original petition.

With respect to the power of the RTC to hear and decide contentious and substantial issues, such as, whether the obligation of the Quesadas' predecessors-in-interest under the Growership Agreement had already been extinguished by prescription and whether the Decision dated August 23, 1999 of the RTC of Pasay City, Branch 113 in Civil Case No. 8438, declaring that the Quesadas' predecessors-in-interest had no more liability to Golden Country Farms (now PMO) or that whatever liability there might be against them could no longer be enforced,[29] or those that affect the ownership of the property covered by TCT No. 27090,[30] Section 2 of P.D. No. 1529 confers a broad jurisdiction upon the RTC "with power to hear and determine all questions arising upon such [petition]."

As pointed by the Court in *Lozada v. Bracewell*[31] it is settled that:

x x x with the passage of PD 1529, the distinction between the general jurisdiction vested in the RTC and the limited jurisdiction conferred upon it as a cadastral court was eliminated. RTCs now have the power to hear and determine all questions, even contentious and substantial ones, arising from applications for original registration of titles to lands and petitions filed after such registration. x x x [T]he matter of whether the RTC resolves an issue in the exercise of its general jurisdiction or of its limited jurisdiction as a special court is only a matter of procedure and has nothing to do with the question of jurisdiction x x x.[32] (Emphasis in the original omitted; emphasis supplied; citations omitted)

As explained by the Court in *Ignacio v. CA*,[33]

x x x This amendment was aimed at avoiding multiplicity of suits and at expediting the disposition of cases. Regional Trial Courts now have the authority to act not only on applications for original registration but also over all petitions filed after the original registration of title, with power to hear and determine all questions arising from such applications or petitions. Indeed, the land registration court can now hear and decide controversial and contentious cases and those involving substantial issues x x x.

In the instant case, the trial court, although sitting as a land registration court, took cognizance of the petition as an ordinary civil action under its general jurisdiction. The court did not decide the case summarily, but afforded both petitioner and private respondents the opportunity to present their respective documentary and testimonial evidence. Ordinary pleadings and memoranda were likewise filed. The decision of the trial court squarely addressed all the issues raised by the parties and applied substantive law and jurisprudence.[34] (Emphasis supplied; citations omitted)

The CA, thus, correctly ruled, to wit:

x x x Since P.D. No. 1529 eliminated the distinction between the general jurisdiction vested in the [R]egional [T]rial [C]ourt and the limited jurisdiction conferred upon it by the former law [Act No. 496 or the Land Registration Act] when acting merely as a cadastral court, then public respondent RTC has overstepped its boundaries when it dismissed the instant petition for lack of jurisdiction. To echo the Supreme Court:

"x x x doctrinal jurisprudence holds that the Court of First Instance (now the Regional Trial Court), as a Land Registration Court, can hear cases otherwise litigable only in ordinary civil actions, since the Court[s] of First Instance are at the same time, courts of general jurisdiction and could entertain and dispose of the validity or invalidity of respondent's adverse claim, with a view to determining whether petitioner is entitled or not to the relief that he seeks" (*Concepcion v. Concepcion*, 448 SCRA 31, 38 [2005]; cited case omitted).

Considering the serious objection raised by x x x PMO on [the Quesadas'] claim, the issue becomes contentious and the RTC albeit sitting as a land registration court, has the authority not only to take cognizance of the said petition, but also to thresh out the issue in a full-blown hearing, to receive evidence of both parties and to determine whether or not [the Quesadas] are indeed entitled to the relief prayed for.[35]

Verily, after the parties have been duly heard in a full-blown hearing, the RTC, being a court of general jurisdiction, can squarely address all the issues to be raised by the parties and resolve their conflicting claims, applying substantive law and jurisprudence. Indeed, this matter is procedural and not jurisdictional.

WHEREFORE, the Petition is hereby DENIED for lack of merit. The Court of Appeals Decision dated June 29, 2015 and Resolution dated May 2, 2016 in CA-G.R. SP No. 135401 are hereby AFFIRMED. The petition in LRC Case No. 32715 (11) filed before the Regional Trial Court of Quezon City, Branch 105 is REINSTATED and the said Regional Trial Court is DIRECTED to conduct with dispatch a full-blown hearing and resolve accordingly all the issues pertinent to the said LRC Case.

SO ORDERED.

Carpio, Acting C. J., (Chairperson), Peralta, and Reyes, Jr., JJ., concur.
Perlas-Bernabe, J., on official leave.

[1] Rollo, pp. 3-28, excluding Annexes.

[2] Id. at 29-35. Penned by Associate Justice Jose C. Reyes, Jr., with Associate Justices Francisco P. Acosta and Eduardo B. Peralta, Jr., concurring.

[3] Fifth Division.

[4] Rollo, pp. 36-37.

[5] The Petition mentions Conrado Quesada as respondents' predecessor-in-interest, who used TCT No. 27090 to secure the performance of his obligation pursuant to a Growership Agreement dated April 4, 1983 with Golden Country Farms Inc. Rollo, p. 7.

[6] Id. at 29-32.

[7] Id. at 35.

[8] Id at 33.

[9] Id. at 36.

[10] Id. at 36-37.

[11] Id. at 37.

[12] Id.

[13] Id.

[14] Id. at 53-65.

[15] The Petition erroneously mentions Section 10 (General functions of Registers of Deeds) of P.D. No. 1529. Id. at 9 and 14.

- [16] Rollo, p. 9.
- [17] Id. at 11-12.
- [18] Id. at 59.
- [19] Id. at 37.
- [20] 642 Phil. 308 (2010).
- [21] Id. at 322-323.
- [22] See id. at 323.
- [23] Id. at 322 and 323.
- [24] Rollo, pp. 15-16.
- [25] Id. at 19.
- [26] Id. at 60.
- [27] Should be "for".
- [28] Rollo, pp. 29-30.
- [29] Id. at 30.
- [30] See id. at 30-31.
- [31] 731 Phil. 128 (2014).
- [32] Id. at 137-138.
- [33] 316 Phil. 302 (1995).
- [34] Id. at 309.
- [35] Rollo, pp. 34-35.

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