

**JESUS M. IBONILLA, DOLORES R. GAPAS, WILFRED BATERINA,
AZUCENA TABLANTE, ERNESTO SANTIAGO, ENRIQUE AUZA,
INOCENCIO BUOT, JR., GENE PASAJE, RODOLFO SAN GABRIEL,
JUANITA ABELLANOS...**

G.R. No. 97463. June 26, 1992

Ponente: GRINO-AQUINO, J.

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GRINO-AQUINO, J.:

This is a petition for review on certiorari of the decision dated February 8, 1991 of the Court of Appeals in CA-G.R. CV No. 24536, affirming the decision dated November 8, 1989 of the Regional Trial Court of Cebu City which dismissed the petitioners' complaint for Quieting of Title against the private and public respondents.

In 1952, the use and usufruct of 40 parcels of land was granted to the Cebu (Sudlon) Agricultural School. On March 18, 1960, the province donated the lots to the school with a view to bringing about the conversion of the Cebu (Sudlon) Agricultural School into a regional one, subject to two (2) conditions, namely: (1) that if the School ceases to operate, the ownership of the lots will automatically revert to the Provincial Government of Cebu and (2) that the School cannot alienate, lease or encumber the properties.

Pursuant to BP Blg. 412, incorporating and consolidating as one school system certain vocational schools in the Province of Cebu, the Cebu (Sudlon) Agricultural School became an extension of the Cebu State College of Agriculture in 1983.

On November 18, 1988, the Province of Cebu demanded the return of the 40 donated lots, on the ground that the donation was void ab initio as the Cebu (Sudlon) Agricultural School did not have the personality to be a donee of real property.

The petitioners (officials, faculty and employees of the Cebu [Sudlon] Agricultural School, parents of the enrolled students, and various school organizations) opposed the rescission of the donation. They filed an action to quiet title to the lots.

Answering the complaint, the Province of Cebu alleged that the Deed of Donation in favor of the School was null and void, and, as the Cebu Sudlon Agricultural School ceased to exist and operate as such, the lots should be reconveyed to the Province of Cebu which admittedly plans to use them as a site for the residences of the Regional Trial Court Judges, an NBI Drug Rehabilitation Center, and other government offices.

On March 10, 1989, the Province of Cebu filed a motion to dismiss the action on the ground that it has become moot and academic because on February 1, 1989, the Province of Cebu, represented by Governor Emilio M.R. Osmeña, and the Cebu State College of Science and Technology (CSCST), represented by then Secretary Lourdes R. Quisumbing, entered into a Memorandum of Agreement (Annex A) over the subject parcels of land, allocating nineteen (19) lots to the Province of Cebu, twenty three (23) lots to the school, and reserving Lot No. 1033 (covered by TCT No. 21411) for a national government center and DECS regional office. The agreement was

ratified by the Sangguniang Panlalawigan and the Board of Trustees of the school.

Despite the agreement between the province and the school, the petitioners refused to withdraw their suit.

On November 8, 1989, the trial court dismissed the complaint on the ground that the plaintiffs, now petitioners, are not real parties in interest. The dispositive part of its decision reads:

“Otherwise stated, the plaintiffs are not the real parties in interest. Without any more resolving the issue whether or not the Memorandum of Agreement is either legal or was executed illegally by the Secretary of Education. Dismissal of this case is the only option.

“The foregoing considered, judgment is hereby rendered directing dismissal of this case, without pronouncement as to costs.” (p. 73, Rollo.)

The petitioners appealed to the Court of Appeals which, on February 8, 1991, affirmed the decision of the trial court.

We have deliberated on the petition for review of that decision, but failed to discover any cogent reason for setting it aside. The numerous petitioners are admittedly not the owners of the lots in question. They do not claim any interest in them that was violated, nor have they suffered any injury that might warrant a grant of relief. Clearly, the finding of the appellate court and the trial court that they are not real parties in interest who may sue to quiet the title to the properties in question, is correct.

Only a real party in interest is allowed to prosecute and defend an action in court (Sec. 2, Rule 3 of the Rules of Court).

“By ‘real party in interest’ is meant such party who would be benefited or injured by the judgment or entitled to the avails of the suit. x x x. A real party in interest-plaintiff is one who has a legal right, while a real party in interest-defendant is one who has a correlative legal obligation whose act or omission violates the legal right of the former.” (Lee vs. Romillo, Jr., 161 SCRA 589.)

“x x x And by real interest is meant a present substantial interest, as distinguished from a mere expectancy, or a future contingent, subordinate or consequential interest (Garcia vs. David, 67 Phil. 279; Cited in Rules of Court, Vol. I by Moran, p. 144 [1970 edition]).

The Court of Appeals correctly observed that the execution of the Memorandum of Agreement which the Board of Trustees of the School ratified, laid to rest the controversy on whether the Province of Cebu may recover all or only some of the lots it had donated in 1960 to the Cebu (Sudlon) Agricultural School, now the Cebu State College of Agriculture.

WHEREFORE, finding no reversible error in the decision of the Court of Appeals, the petition for review is DENIED for lack of merit.

SO ORDERED.

Cruz, (Chairman), Medialdea, and Bellosillo, JJ., concur.

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