

## **THIRD DIVISION**

**[ CA-G.R. CV No. 100897, February 11, 2015 ]**

**MILAGROS VALENCIA-NAVARRO, PLAINTIFF-APPELLEE, VS.  
SPOUSES FELICIA AND ERNESTO SIMPLICIANO, DEFENDANTS-  
APPELLANTS.**

### **D E C I S I O N**

**REYES-CARPIO, A., J.:**

Before Us is an appeal under Rule 41 of the Revised Rules of Court, assailing the March 22, 2013 Decision<sup>[1]</sup> of the Regional Trial Court, Branch 95, Puerto Princesa City, Palawan, in Civil Case No. 3227 for Recovery of Possession with Damages.

### **THE ANTECEDENTS**

The facts of the case as culled from the records are as follows:

The present controversy involves a parcel of land located at Barangay Bancao-Bancao, Puerto Princesa City, Palawan, which was previously owned and registered in the name of Eduardo V. Valencia on July 14, 1925 under OCT No. G-18. The land was later on inherited by his son, Rafael R. Valencia, and as a consequence, OCT No. G-18 was cancelled and TCT No. 9437 was transferred and registered in his name. Upon Rafael R. Valencia's death, his heirs, herein plaintiff Milagros Valencia-Navarro, Perla M. Valencia, Edmar M. Valencia and Rafaelina M. Valencia<sup>[2]</sup>, adjudicated upon themselves the said land. Resultantly, TCT No. 9437 was cancelled and TCT No. 124087 was issued in their names.

Sometime in September 1994, through stealth and without the knowledge or consent of the Valencias, the spouses Felicia and Ernesto Simpliciano<sup>[3]</sup> unlawfully occupied a portion of the subject land. When Perla came to know of this, she confronted the Simplicianos and asked them to vacate the premises. The Simplicianos then retorted that they had a pending Application for Permit and Acceptance of Conditions and Request for Survey Authority before the Community Environment and Natural Resources Office (CENRO) of Puerto Princesa involving the very same land owned by the Valencias. This prompted Perla to check with the CENRO about the pending request and application, and upon verifying that there was indeed such an application, she filed a Protest (PENRO Case No. 110) before the Provincial Environment and Natural Resources Office (PENRO).

Meantime, on May 14, 1996, the CENRO issued a Final Report<sup>[4]</sup> upon the request and application of the Simplicianos, stating that the land subject of the request and application was totally within the titled property of Rafael R. Valencia covered by TCT No. 9347. As such, the land was no longer disposable under the Public Land Act, thus, the CENRO had no jurisdiction over the Simplicianos' request and application. The CENRO then made the following recommendations:

1. Order the outright rejection of Revocable Permit Application filed by Felicia G. Simpliciano.
2. Order the drapping (sic) of the PENRO Case No. 110 for lack of jurisdiction.
3. Advice the Respondent, Felicia Simpliciano to vacate the area.
4. Advice the Protestant to lodge her complaint before any court of jurisdiction.<sup>[5]</sup>

Thereafter, in an Order<sup>[6]</sup> dated May 23, 1996, the May 14, 1996 Final Report of the CENRO was approved by the PENRO, the dispositive portion of which reads:

"WHEREFORE, the Revocable Permit Application filed by Felicia G. Simpliciano is hereby Ordered Rejected, forfeiting all payments made thereof in favor of the government. Conformably herewith PENRO Case No. 110 is hereby Ordered dropped from records for lack of jurisdiction. Further, Applicant-Respondent Felicia G. Simpliciano is hereby advised to vacate the area and respect the absolute right of the land owner and finally the Protestant is likewise hereby advised to file her continuing complaint before any court of jurisdiction (sic) failure of the respondent to vacate the area.

SO ORDERED."

Notwithstanding the foregoing order, the Simplicianos continued to unlawfully occupy a portion of the property covered by TCT No. 124078, thus, the Valencias, through their counsel, demanded that the former show proof of their authority to occupy the said property. The Simplicianos simply supplied Valencias' counsel a copy of the Application for Permit and Acceptance of Conditions which was earlier rejected by the PENRO. Thus, on September 15, 1998, Milagros filed a Complaint for Recovery of Possession with Damages<sup>[7]</sup> before the RTC of Palawan and Puerto Princesa City against the Simplicianos.

In their Answer,<sup>[8]</sup> the Simplicianos contended that they timely filed a Motion for Reconsideration from the PENRO's Order which was still pending resolution. Accordingly, Milagros had no cause of action against the Simplicianos as she failed to exhaust all administrative remedies available to her before filing the instant case.

With the filing of Simplicianos' Answer, the case was set for pre-trial conference. Thereafter, the court *a quo* issued a Pre-Trial Order<sup>[9]</sup> on June 14, 1999, and trial on the merits ensued. In the course of the proceedings, however, Ernesto Simpliciano passed away on January 13, 2002, thus, a Notice of Death of Defendant [Ernesto Simpliciano] and Substitution of Party<sup>[10]</sup> was filed in court which were noted and approved respectively in an Order<sup>[11]</sup> dated July 8, 2002.

During the trial, Milagros, Perla and Norman Navarro (Milagros' husband) took the witness stand. Milagros restated the allegations in her complaint (*i.e.*, how they became owners of the subject property, when and how they came to know of the occupation of the Simplicianos of their land, and the circumstances leading to the

filing of PENRO Case No. 110). Milagros also narrated that as early as 1924, their grandfather Eduardo fenced the subject property and planted coconut trees therein; that before 1994, they were enjoying all the fruits from the improvements on the property, but now, they could not get any benefit therefrom despite their payment of all the realty taxes imposed therein as it had already been fenced by the Simplicianos.

Perla corroborated Milagros' testimony and added that initially, the Simplicianos occupied only a portion of the property but later on, they fenced the whole area covering about 14,000 square meters of the land. She also recalled that before 1994, they had workers making copra who had since then been barred from entering the subject premises by the Simplicianos. She admitted that they did not personally occupy the subject land and only visited the same from time to time.

As for Norman, he testified that when he first went to the subject property in February 1995, he saw the Simplicianos clearing a portion and observed that a hut and a pigpen were already constructed; and that during the lifetime of his father-in-law, Rafael Valencia, they went to the subject property which was already fenced and planted with coconut and other fruit bearing trees. He also mentioned of a particular incident when he visited the subject property with a friend and they were chased by the Simplicianos armed with bolos. Also, he noticed during one of their inspections that the Simplicianos were making an excavation as they were allegedly looking for hidden treasures.

In addition thereto, the Valencias submitted and formally offered several documentary evidence consisting of Exhs. "A", "A-01" to "P", most important of which are Exhs. "A" and "B" which pertain to a copy of TCT No. 9437 registered in the name of Rafael R. Valencia and TCT No. 124087, registered in the name of the heirs of Rafael R. Valencia, respectively.

On the other hand, Felicia Simpliciano, Edgar Hular, Felizardo Cayatoc and Edgardo Libiran testified for the Simplicianos.

Edgar Hular, the caretaker of the adjoining lot about 100 meters from the land cultivated by the Simplicianos, testified that as early as 1969, he witnessed the latter occupying and planting on the subject land with mahogany, gamelina, bananas and other root crops. He also attested that the Simplicianos built two nipa huts and a big house in 1970. He, however, did not know that the Valencias were the titled owners of the subject property and merely assumed that the Simplicianos owned the land simply because he had witnessed them cultivate it.

Felizardo Cayatoc, the CENRO Officer, narrated that his only participation in the case was certifying and verifying that a land is alienable and disposable. As for Edgardo Libiran, the Land Management Inspector for the CENRO Office of Puerto Princesa, he testified that he inspected the subject property in connection with the Simplicianos' Application for Permit and Acceptance of Conditions and Request for Survey Authority. Upon inspection, he found that the subject property was not the subject of any litigation, claims or conflicts at that time. He also admitted that when they inspected the subject property applied for, they had no knowledge if it was previously titled as such function belonged to the Records Officer of the CENRO. After the inspection in 1994, he had no further knowledge what happened with the Simplicianos' application.

Felicia Simpliciano's testimony was, however, stricken off the record per Court's Order<sup>[12]</sup> dated October 22, 2007.

The Simplicianos then submitted the following documentary evidence:

1. Exh. "1" - Certification dated November 25, 1994 issued by the CENRO (certifying that the subject land is alienable and disposable); and
2. Exh. "2" - Letter dated November 23, 1994 (reply to the Simplicianos' Request for Survey Authority) stating that the subject land is occupied by the Simplicianos where coconuts and other fruit-bearing trees were planted; that it is not covered by any prior claim or conflict; that the Simplicianos' cultivation and occupation is open, continuous, notorious and exclusive; and that the area applied for is alienable and disposable.<sup>[13]</sup>

On March 22, 2013, the court a quo rendered the assailed Decision,<sup>[14]</sup> the *fallo* of which reads:

**"WHEREFORE**, premises considered, judgment is hereby rendered in favour of the plaintiff and ordering defendant Felicidad Simpliciano and substitute defendants Loreta S. Baluyot, Alvin Simpliciano, Ariel Simpliciano, Aries Simpliciano, Sheryl Simpliciano their assigns or any person acting for and in their behalf to vacate the subject property and to pay the plaintiff the sum of:

- I. Fifty Thousand (P50,000.00) Pesos as temperate damages;
- II. One Thousand (P1,000.00) Pesos per month as compensation for the use of subject premises counted from September 1994 until they shall have actually vacated and delivered the same to the plaintiff;
- III. Ten Thousand (P10,000.00) Pesos as moral damages;
- IV. Ten Thousand (P10,000.00) Pesos as exemplary damages;
- V. Twenty Thousand (P20,000.00) Pesos as attorney's fees/

**IT IS SO ORDERED."**

On May 14, 2013, the Simplicianos filed a Notice of Appeal<sup>[15]</sup>, citing the following assignment of errors:

- 1. Whether or not the trial court has jurisdiction over the case considering that the plaintiff failed to exhaust administrative remedies.**
- 2. Whether or not the trial court erred in ruling in favor of the plaintiff, that the plaintiff is entitled to the possession of the disputed parcel of land.**
- 3. Whether or not the trial court erred in awarding moral, temperate and exemplary damages, assuming sans**

**admitting that the plaintiff is entitled to the recovery of possession of the property.**<sup>[16]</sup>

**The appeal lacks merit.**

**Exhaustion of Administrative Remedies**

The Simplicianos maintain that PENRO Case No. 110 has not yet been finally resolved as their Motion for Reconsideration from the Order dated May 23, 1996 was yet to be ruled upon. Accordingly, the instant case should be dismissed for failure of the Valencias to exhaust all administrative remedies available.

On the other hand, the Valencias emphasize that the Motion for Reconsideration filed by the Simplicianos simply asked the PENRO to exclude from the Order the advice-portion where the matter of vacating the subject area and respecting the ownership of the Valencias were stated. In response thereto, the PENRO issued an Order of Clarification dated September 15, 1997, excluding from the Order the advice portion but maintaining the rejection of the Simplicianos' Revocable Permit Application and dropping from their records PENRO Case No. 110 for lack of jurisdiction.

In view of the foregoing, the Valencias contend that the principle of administrative redress has already been addressed when they filed the complaint for recovery of possession with damages on September 20, 1998 because the Simplicianos, despite the Orders issued by the PENRO, continuously occupied and refused to vacate the subject premises.

We sustain the position of the Valencias.

The records show that the Motion for Reconsideration from the May 23, 1996 Order of the PENRO filed by the Simplicianos and the Opposition thereto by the Valencias, which gave rise to the issuance of PENRO Order of Clarification<sup>[17]</sup> on September 15, 1997, were not attached and formally offered<sup>[18]</sup> by the parties.

Notwithstanding the same, the Order of Clarification explicitly states:

**"ORDER OF CLARIFICATION**

On 23 May 1996, a PENRO ORDER had been issued over the above-captioned case ordering the rejection of the Revocable Permit application filed by Respondent Felicia. G. Simpliciano and ordering further the dropping of the case from the rolls of active cases for lack of jurisdiction [for] considering that the land covered thereby was confirmed to be a private property covered by T.C.T. No. 9437 of Rafael R. Valencia.

In the same order, the Occupant-Respondent was advised to vacate the area and the Protestant was likewise advise (sic) to file her continuing complaint before any Court of jurisdiction failure of the Respondent to take the office advice.

**Upon receipt of the Order by the Respondent a Motion for Reconsideration dated June 13, 1996 was filed before the office**